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**U.S. POLICY TOWARDS CHINA: FROM
COOPERATION TO COMPETITION**

by

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December 2021

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U.S. POLICY TOWARDS CHINA: FROM COOPERATION TO COMPETITION

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ABSTRACT

The purpose of this research project is to examine the relationship between the United States and China from 2001 to 2017 to identify key drivers behind the shift from cooperation to more competition. This project utilized primary source documents such as memoirs, approved policies, and key speeches in the Bush and Obama administrations, as well as secondary sources such as journal articles and policy research reports. This thesis finds that the U.S. and China through both administrations were able to cooperate in areas of converging interests but struggled to cooperate in areas where interests diverged. Additionally, China's economic growth, military growth, and military modernization coupled with its more assertive posture in the South China Sea led the United States to increase its attention towards East and Southeast Asia. America's increased focus in Asia drove more competition between the United States and China, a trend that continued beyond the Obama administration and still poses a challenge to the U.S.-China relationship today.

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LIST OF ACRONYMS AND ABBREVIATIONS

APT	advanced persistent threat
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
CCP	Chinese Communist Party
EEZ	exclusive economic zone
FON	freedom of navigation
FONOPS	freedom of navigation operations
GFC	global financial crisis
IP	intellectual property
JCPOA	Joint Comprehensive Plan of Action
PLA	People's Liberation Army
PLAN	People's Liberation Army Navy
SCS	South China Sea
TPP	Trans-Pacific Partnership
UNCLOS	United Nations Convention on the Law of the Sea
WMD	weapons of mass destruction
WTO	World Trade Organization

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I. INTRODUCTION

A. MAJOR RESEARCH QUESTION

The relationship between the United States and China has undergone an important change from 2001 to today. During the Bush presidency, 2001–2009, there was enhanced cooperation between the United States and China. However, towards the end of Bush’s second term and the beginning of President Obama’s first term there was a shift to more competitive behavior between the two countries. While cooperation between the United States and China continued, U.S. policy towards China took a more competitive approach. This thesis examines the perceptions and decisions of U.S. leaders and policy makers to identify the driving forces behind the change in U.S. policy towards China. By analyzing primary source documents such as memoirs, approved policies, and key speeches, this thesis helps identify the motivations behind U.S. leaders’ decisions to alter its stance on China. Economic, military, and political factors are explored to discover which factors played the most significant role in altering the perceptions of U.S. decision makers and thus influencing their foreign policies towards China.

B. IMPORTANCE

It is argued by many scholars that the United States and China are locked in a great power competition and China’s continued rise will lead to conflict with the United States in Asia. This scenario paints a concerning picture for the region as well as the globe and inherently brings great significance to the study of American and Chinese relations. This makes it not only important to understand the political, economic, and military reasons that encourage great power competition between the two countries, but also which of these factors most significantly influences U.S. perceptions of China as either a partner or competitor. This study clarifies how successive U.S. administrations managed the relationship with China over the last two decades and identifies which factors drove cooperation and which drove competition. Understanding these factors is useful because it can suggest which areas the United States and China are likely to cooperate or compete in the future.

The economic factors are important to investigate because of the robust economic relationship between the United States and China. If economic factors play a large role in the shift in the U.S.-China relationship, then, based on the robust relationship, this may be the area where the United States has the most flexibility to manage its relationship with China. Through increased economic interdependence with China, the United States can increase cooperation and constrain competition from evolving into outright conflict. Secondly, if military and security factors greatly affect the relationship between the United States and China and drive competition, then the United States can manage cooperation and competition with China through national defense strategy and employment. If political factors play a significant role in the shift from cooperation to competition, then the weight of U.S. leaders' personal policy preferences will be evident. Future cooperation and competition would be contingent on the policy choices of future administrations. Whether the United States desires more cooperation or more competition, understanding where each is probable and possible in the economic, military, and political realm helps inform leaders on policy choices.

C. LITERATURE REVIEW

Many scholars have identified changes in the U.S.-China relationship over the past twenty years. Some assess the change to be international structural forces and the changing relative national power of the United States and China. Others attribute the change in the relationship to the shifting economic relationship between the two countries, or the increasing competitive military interactions as China takes a more assertive stance on territorial claims. Some argue that the incompatibility of political systems and agendas force the two countries to be at odds with each other. Lastly, other scholars contend that the personalities and preferences of national leaders play a significant role in the shifting foreign policy of their respective countries. These scholars focused on the decisions of specific leaders and how they perceived the changing economic, military, and political factors between the two countries. This section will survey these different approaches.

1. Structural Explanations

Many scholars argue that increased competition between the United States and China is largely driven by the anarchic international structure and the positions in that structure that both countries occupy. The United States at the top as the world's strongest power and China as the rising challenger. The argument these academics make is the changing power dynamics in the international system places pressure on the United States and China to compete.

Power transition theory focuses on the pattern of a hegemon declining and being overtaken by a rising power. Many scholars identify the relationship between the United States and China to be in this type of relationship. Graham Allison in his popular book, *Destined for War*, states that “China and the United States are currently on a collision course for war—unless both parties take difficult and painful actions to avert it.”¹ Allison's argument identifies the international structural pressure of the transition of power between the United States and China. China's rising power is challenging the hegemonic power of the United States. He does not commit to arguing that both of these countries will inevitably enter outright conflict, but he supplies historical evidence that is concerning. Allison describes sixteen power transitions that have occurred throughout history and highlights that twelve of them resulted in conflict.² Historically, the transition of power scenario that the United States and China find themselves in leads to competition and most of the time outright conflict. The four power transition occurrences described by Allison that avoided conflict were the result of both states managing the transition and often the willingness of the declining power to accommodate or comprise with the rising power.

Two other analysts, Timothy Heath and William Thompson, in their article, “Avoiding U.S.-China Competition Is Futile: Why the Best Option Is to Manage Strategic Rivalry,” argue that even though the international structure pushes the United States and China to compete; policymakers on both sides can avoid direct conflict through careful

¹ Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* (Boston: Houghton Mifflin Harcourt, 2017), vii.

² Allison, *Destined for War*.

management of the relationship.³ Again, they claim that the structure and international environment is compelling the United States and China to compete, but they agree with Allison that both countries can make difficult decisions and manage the rivalry to avoid conflict. Allison's examples highlight compromise or the established hegemon acquiescing, whereas Heath and Thompson argue more for a managed strategic competition and rivalry.

John Mearsheimer agrees on the systemic pressures of power transition in his article, "The Gathering Storm: China's Challenge to U.S. Power in Asia," and states "international politics is a nasty and dangerous business, and no amount of good will can ameliorate the intense security competition that sets in when an aspiring hegemon appears in Eurasia. And there is little doubt that there is one on the horizon."⁴ Mearsheimer is referring to China as the aspiring hegemon and predicts intense competition because of the change in the international system that China's rise inherently induces. Mearsheimer agrees that the power transition sets up a dangerous situation, but unlike Allison, Heath and Thompson, Mearsheimer does not see an escape from conflict between the United States and China. In Mearsheimer's work leaders cannot manage their way out of coming power competition.

2. Economic Explanations

Some scholars focus on economic factors that have shaped the relationship between the United States and China and either encouraged cooperation or drove competition. Christopher Layne and Charles Freeman, in their own respective works, both identify the Great Recession of 2008 as an event that drove the U.S.-China relationship from cooperation to competition. Layne in his article, "This Time It's Real: The End of Unipolarity and the Pax Americana," argues that the Great Recession of 2008 severely diminished the United States' economic and financial primacy internationally and that this event caused the United States' international standing to decline, while China's position

³ Timothy R. Heath and William R. Thompson, "Avoiding U.S.-China Competition Is Futile: Why the Best Option Is to Manage Strategic Rivalry," *Asia Policy* 13, no. 2 (April 2018): 91–119.

⁴ John J. Mearsheimer, "The Gathering Storm: China's Challenge to U.S. Power in Asia," *The Chinese Journal of International Politics* 3, no. 4 (December 1, 2010): 381–96.

rose.⁵ This shift in economic power caused China to challenge the United States' economic primacy with "calls to create a new reserve currency to replace the dollar."⁶ Layne highlights this point to display how China's economic growth is challenging the United States' international financial system. Charles Freeman in his article, "The Commercial and Economic Relationship," also argues that the relationship between the United States and China drastically shifted after the Great Recession in 2008.⁷ Freeman explains that "economic relations used to be the glue that held the two sides together. It is in danger of becoming a force that drives the two apart."⁸ He categorizes the relationship before the recession as more cooperative and China more accepting of the U.S. economic international model. However, after the recession, Freeman assesses that China lost confidence in the American led model and that this led to greater economic competition between the United States and China: "both sides are attempting to jockey for greater competitive positions in an economic world."⁹

David Lake presents other economic factors that play a role in the shift of the U.S.-China relationship. In his article, "Economic Openness and Great Power Competition: Lessons for China and the United States," he argues that "great power competition has been driven primarily by exclusion or fears of exclusion from each power's international economic zone."¹⁰ Lake describes the competition between the United States and China being driven by each state's desire for economic advantage and benefit. He points to historic data that suggests the tendencies for international powers to create economic zones that include other countries, which give them economic privilege over other powers and

⁵ Christopher Layne, "This Time It's Real: The End of Unipolarity and the Pax Americana," *International Studies Quarterly* 56, no. 1 (March 1, 2012): 203–13.

⁶ Layne, 209.

⁷ Charles Freeman, "The Commercial and Economic Relationship," in *Tangled Titans: The United States and China* (Plymouth, UK: Rowman & Littlefield, 2013), 181–210.

⁸ Freeman.

⁹ Freeman, 192.

¹⁰ David A Lake, "Economic Openness and Great Power Competition: Lessons for China and the United States," *The Chinese Journal of International Politics* 11, no. 3 (September 1, 2018): 237–70.

drive the creation of rival trade blocs.¹¹ Lake highlights the recent shift in U.S. policy towards economic nationalism and preferential trade agreements as supporting a move towards this economic rivalry with China. Lake's article argues that the United States can still change course and choose to cooperate or compete with China in the future, but pursuit of economic exclusion zones abroad will make competition more likely.

3. Military Explanations

Some scholars argue that China's rapid military growth, increase in regional force projection capabilities, and more vigorous pursuit of its territorial claims are driving competition with the United States. Adam Liff and John Ikenberry in their article, "Racing Toward Tragedy?: China's Rise, Military Competition in the Asia Pacific, and the Security Dilemma," state that part of the reason for increase in regional tensions is "the pace and scale of Beijing's military buildup, its tendency to dismiss other states' concerns, and its low transparency about actual spending, capabilities, and intentions."¹² Liff and Ikenberry suggest that uncertainty and negative perceptions of China's military buildup and intentions drives the United States to compete with China in the Asia-Pacific region. Additionally, Liff and Ikenberry state that "China has vast claims over islands and features in the South and East China Seas and, as military capabilities grow, Beijing is increasingly capable of asserting these claims."¹³ They claim this has caused the United States to react and reassert its "role as the region's resident power, security provider, and leader."¹⁴ Thus China's military buildup, advancement in capabilities, and assertiveness towards territorial claims, drives the United States to react and bolster its position in the region to compete.

Phillip Saunders and Julia Bowie in their article, "US-China military relations: competition and cooperation," agree that China's increased capability to assert its claims over disputed territory in the South China Sea drove increased military competition

¹¹ Lake, 239.

¹² 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 (October 1, 2014): 52–91.

¹³ Liff and Ikenberry, 56.

¹⁴ Liff and Ikenberry, 57.

between the United States and China. They state that “[u]nder Xi Jinping, there has been more emphasis on pursuing Chinese territorial claims and on efforts to gradually diminish the U.S. regional role and less concern about the negative impact on relations with China’s neighbors.”¹⁵ Additionally, they argue that from 2000 through 2009 there was more military-to-military cooperation between the United States and China. However, after 2009 this cooperation decreased because of China’s military assertiveness in the South China Sea.¹⁶ They suggest that increased military competition between the United States and China coupled with the increasing military presence of both countries in the region, raises the likelihood for future incidents or crises.

4. Political Factors

Another group of scholars identify political factors that impact the relationship between the United States and China. David Shambaugh focuses on political factors that drive the United States government to compete with the Chinese Communist Party (CCP). In his article, “Dealing with China: Tough Engagement and Managed Competition,” he argues that “[t]here is a deep reservoir of frustration and disillusion in the United States concerning China...and a seeming consensus exists that Washington needs to get tougher with Beijing on a broad range of issues.”¹⁷ Shambaugh lists eleven issues where the U.S. government and the CCP do not agree politically, which leads to both states competing. He does provide areas where the countries are able to cooperate, mostly listing economic areas but also highlights cooperation on social issues, for example Chinese students’ attendance at American universities. Shambaugh argues that there is room for management of differences between the two countries but reminds us of the political issues that are tough to resolve. These issues include, U.S. companies being restricted in China, cybersecurity and technological espionage, human rights in China, political constraints in Hong Kong,

¹⁵ Phillip C. Saunders and Julia G. Bowie, “US–China Military Relations: Competition and Cooperation,” *Journal of Strategic Studies* 39, no. 5–6 (September 18, 2016): 662–84.

¹⁶ Saunders and Bowie.

¹⁷ David Shambaugh, “Dealing with China: Tough Engagement and Managed Competition,” *Asia Policy*, no. 23 (2017): 4, JSTOR

and the status of Taiwan to name a few.¹⁸ The issues are areas where the United States can choose to compete to achieve resolutions that favor the United States or choose to cooperate with China to maintain positive relations, even if it requires making compromises.

Hal Brands in his article, “Democracy vs Authoritarianism: How Ideology Shapes Great-Power Conflict,” argues that the rivalry and competition between China and the United States is partly driven by the ideological differences in government between them.¹⁹ A key concept Brands argues, is that the competition between the United States and China cannot be broken down to simple geopolitics. He states that “today’s competitions are so fraught because they are not simply about clashing desires for geopolitical influence, but about contradictory conceptions of governance, political values, even morality” held by democratic and authoritarian countries.²⁰ Brands explains that America focus on promoting democracy, human rights, and international rules and norms are based in its own liberal democracy. These political agendas are at odds with the Chinese authoritarian system and, as Brands states, “threatens to deprive autocracies of international influence and legitimacy...by leaving them as second-class citizens in a democratic world.”²¹

5. Leadership Explanations

Finally, other academics contend that emphasis should be placed on the leaders themselves and their unique policy preferences regarding the relationship between the United States and China. Arguments offered by Kai He and Deborah Larson, suggest that leaders’ perceptions of external pressures impact their foreign policy decisions. Kai He argues in his article, “Explaining United States – China relations: neoclassical realism and the nexus of threat-interest perceptions,” cooperation or competition is driven by the

¹⁸ Shambaugh, 6.

¹⁹ Hal Brands, “Democracy vs Authoritarianism: How Ideology Shapes Great-Power Conflict,” *Survival* 60, no. 5 (September 3, 2018): 61–114.

²⁰ Hal Brands, “Democracy vs Authoritarianism: How Ideology Shapes Great-Power Conflict,” *Survival* 60, no. 5 (September 3, 2018): 61–114.

²¹ Brands, 71.

leaders' interpretation of the international environment and their prioritization of security and economic interests.²² While he admits there are structural pressures placed on the leaders, he acknowledges the importance of how leaders in both countries perceive these pressures and threats and how they choose to act on them. He states "China's assertiveness in diplomacy after the 2008–2009 economic crisis seemed to frustrate U.S. policy makers and triggered serious threat perceptions in Washington."²³ He argues that this led to the Obama administration's 'pivot' policy, and consequently Chinese leaders interpreted this as a threat and moved to competitive behavior to counter.²⁴ His article places importance on economic and military factors in changing the relationship between China and the United States to a more competitive one. However, he states that it is the way these threats are perceived by both states' leadership and the actions they choose to take, that really drive the relationship towards a cooperative one or a competitive one.

Deborah Larson in her article, "Policy or Pique? Trump and the Turn to Great Power Competition," concedes that the increased great power competition between the United States and China is partly due to structural factors as ones advanced by Allison and Mearsheimer.²⁵ However, Larson highlights the impact that leaders have on a state's foreign policy. She highlights Xi Jinping's more assertive policies than his predecessors' and contrasts the policies implemented by President Trump as compared to his predecessor. She explains that former president Trump's transactional style of foreign policy impacted U.S.-China relations. Trump's focus on negotiating new trade deals with China led to a trade war because both sides could not agree on a deal. Each government-imposed trade restrictions on each other to force negotiations of new deals. Trump's heavy focus on economic competition with China was a result of his leadership style and unilateral actions

²² Kai He, "Explaining United States–China Relations: Neoclassical Realism and the Nexus of Threat–Interest Perceptions," *The Pacific Review* 30, no. 2 (March 4, 2017): 133–51, <https://doi.org/10.1080/09512748.2016.1201130>.

²³ He.

²⁴ He.

²⁵ Deborah Welch Larson, "Policy or Pique? Trump and the Turn to Great Power Competition," *Political Science Quarterly* 136, no. 1 (2021): 47–80, <https://doi.org/10.1002/polq.13134>.

towards China. Larson's argument, like He's argument, shows that leaders choose cooperation or competition based on their perceptions of external pressures.

D. HYPOTHESIS

This thesis examines economic, military, and political factors such as American values on human rights to determine which played a more significant role in the shift to more competition between the United States and China under the Bush and Obama administrations. The first hypothesis suggests that China's economic growth and divergent economic interests caused U.S. Presidents and their administrations to adjust U.S. policy to compete with China. This hypothesis suggests that U.S. presidents and their administrations based their decisions to compete with China on economic factors. The decreased cooperation and increased competition between the United States and China centered around marked shifts in economic interests of the two countries and negative perceptions of the benefits related to cooperative economic relations. This hypothesis also suggests that China's continued economic growth changed the United States' desire to seek a cooperative relationship with China. If the shift from cooperation to competition between the two countries is largely driven by economic factors, then significant shifts in U.S. economic policy towards China should be evident.

The second hypothesis suggests that China's military growth, modernization, and assertiveness caused the United States to increase competition with China. This hypothesis suggests that U.S. policymakers decided to pursue a more competitive relationship with China based on the justification that China's military growth, modernization, and assertiveness were challenging U.S. national interests in East and Southeast Asia. If U.S. decision makers were mainly concerned with the military relationship between the United States and China, then U.S. shifts in policy towards China should correlate with increases in Chinese armaments, advances in military technology and foreign policy goals pursued under aggressive military means. Research should reveal a focus on China's military capabilities and posture as justification for increased competition with China. U.S. policy calls for competition with China would be in response to China's military actions and stated intentions.

The third hypothesis suggests that the strategies of each presidential administration were not largely affected by external factors. This hypothesis suggests that each of the U.S. leaders' own personal foreign policy preferences drove the relationship that developed between the United States and China. Preset desires to cooperate or compete were significant in driving policy and not simple reactions to economic or security incidents during their terms. Research should reveal a consistent desire to compete with China and a decreased desire to cooperate. Each president's actions should show a consistent pursuit of their policy towards China despite external factors.

E. METHODS AND SOURCES

This study concentrates on the Bush administration (2001–2009) and the Obama administration's (2009–2017) policy towards China. Each administration, with a particular focus on the presidents, Secretaries of Defense, and Secretaries of State, are analyzed to discover marked shifts in policy towards China and potential causes for these shifts. This time-period and these administrations are the focus of this study because many scholars have identified this time-period as marking a shift in the U.S.-China relationship, where cooperation decreased, and competition increased. The focus of analysis is on primary source government documents and speeches or memoirs of presidents and key personnel in their administrations to identify policy changes and causes of change. Economic trade agreements and trade restrictions signed during each administration that pursue either cooperation or competition with China are examined to identify economic factors for the shift. The examination of National Security Strategies of each administration will help define defense policies towards China. Comparative analysis of the aforementioned items over two administrations help identify policy shifts that were based on the preferences of each U.S. presidential administration or whether they were reactions to the changing economic, security, and political environment involving the United States and China.

F. MAIN FINDINGS AND ORGANIZATION

My main findings are that both administrations desired cooperation with China. However, China's rapid economic growth, military growth and modernization, and more assertive posture in the South China Sea led the Obama administration to take a more

competitive approach towards China. This included a multilateral approach towards economic cooperation in the region and more participation in Southeast Asia to counter China's aggressive posture in the South China Sea. Additionally, China's economic rise and the United States relative economic decline following the Global Financial Crisis highlighted disproportionate Chinese gains through U.S.-China economic cooperation. These trends were evident during Bush's second term and continued into the Obama administration. Increased competition between the United States and China through the Obama administration and China's increase in relative economic and military power provided the basis for a more competitive U.S.-China relationship. The Trump administration utilized more direct and unilateral forms of competing with China, but the overall trend of increased competition with China provided the catalysis.

This thesis follows with 3 additional chapters. The second chapter focuses on the Bush administration and the choices in policy towards China. The chapter discusses economic, security, and political factors separately to discover significant impacts on U.S. policy. The third chapter follows a similar construct in analyzing the Obama administration's policy towards China. The chapter has subsections devoted to the economic, security, and political factors that drove U.S. cooperation or competition with China. The examination of each administration separately, helps identify consistent policy choices through the administrations or marked shifts in policy during their terms. The organization follows chronologically to display the changes in policy over time. Finally, the fourth chapter is the conclusion that includes a summary of findings. A short epilogue explaining how competitive trends influenced the Trump administration's economic, security, and political policy towards China is included to show how a different administration approached the problem of competition with China.

II. THE BUSH ADMINISTRATION (2001–2009)

A. INTRODUCTION

From nearly the beginning, the Bush administration's policy towards China appeared to be heading towards cooperation, but with elements of competition. In fact, former President Bush acknowledged this on the campaign trail, when he called China a strategic competitor instead of a strategic partner, a term used in the previous administration.²⁶ George W. Bush's comments suggest that, even if the United States was willing to cooperate with China, it was going to be in the context of China as a competitor. The Bush administration found, however, that it was not as simple as dealing with China through the lens of either a partner or a competitor. The security relationship, the economic relationship, and the political relationship all had to be managed in a different way and required flexibility in choosing when to cooperate and when to either compete with or challenge China. The Bush administration heavily sought China's cooperation but also chose managed competition in areas of diverging interests.

When it came to national security concerns and defense, the Bush administration was placed in a precarious position early in its first term. The new administration had to negotiate a resolution with China over a contentious incident involving military aircraft from both sides. Then, shortly after, the devastating terrorist attacks of September 11, 2001, pushed the Bush administration to seek cooperation with China regarding major national security concerns, such as the Global War on Terrorism and the prevention of the proliferation of weapons of mass destruction (WMD), especially in North Korea. Yet, the Bush administration was willing to continue support of Taiwan, a place where the United States and China had competing interests. Overall, despite areas of disagreement regarding security concerns like U.S. military support to Taiwan, the Bush administration sought cooperation with China regarding international security issues, often emphasizing areas where both countries had converging interests.

²⁶ Thomas W. Lippman, "Bush Makes Clinton's China Policy an Issue," *Washington Post*, August 20, 1999, <https://www.washingtonpost.com/wp-srv/politics/campaigns/wh2000/stories/chiwan082099.htm>.

Economically, George W. Bush and his administration desired cooperation. The desire to cooperate was apparent through many actions taken by the Bush administration. First, they followed through with the process of approving China's accession to the World Trade Organization (WTO) and granted China Permanent Trading Status, which provided increased economic cooperation between the two nations.²⁷ The administration also established the Strategic Economic Dialogue to constructively work through issues that arose.²⁸ These moves supported the increase in the amount of trade between the United States and China.²⁹ The Bush administration elected this policy of increased trade with China to gain increased access to China's markets.³⁰ The administration believed that leading China into the WTO would pressure China to adopt international economic trade rules and regulations.³¹ However, by Bush's second term the economic cooperation between the two countries received heavier scrutiny from the U.S. Congress, based on the perceived lopsided advantages being enjoyed by China.³² This scrutiny led to the Bush administration competing with China over its monetary policy and the trade imbalance. Overall, the economic relationship between the two countries was positive and George W. Bush aimed to keep it this way. Even if the Bush administration had to challenge China on its economic policies, it was to be done in a way that did not threaten the overall positive relationship.

Politically, however, the Bush administration found it challenging to deal with China. Bush emphasized his freedom agenda that promoted liberal ideals, human rights,

²⁷ "President Grants Permanent Trade Status to China," The White House: President George W. Bush, December 27, 2001, <https://georgewbush-whitehouse.archives.gov/news/releases/2001/12/20011227-2.html>.

²⁸ "Fact Sheet Creation of the U.S.-China Strategic Economic Dialogue," U.S. Department of the Treasury, September 20, 2006, <https://www.treasury.gov/press-center/press-releases/pages/hp107.aspx>.

²⁹ "Foreign Trade: Data," United States Census Bureau Foreign Trade Division, accessed August 7, 2021, <https://www.census.gov/foreign-trade/balance/c5700.html>.

³⁰ The New York Times, "In Bush's Words: 'Join Together in Making China a Normal Trading Partner,'" *The New York Times*, May 18, 2000, sec. World, <https://www.nytimes.com/2000/05/18/world/in-bush-s-words-join-together-in-making-china-a-normal-trading-partner.html>.

³¹ The New York Times.

³² Robert Sutter, *US-China Relations: Perilous Past, Uncertain Present*, Third (Lanham, Maryland: Rowman & Littlefield, 2018), 129.

and democratic principles internationally.³³ Yet, it was careful to not push this agenda too hard on China. While the Bush administration showed its support for human rights, religious freedom, and political freedom in China through meeting with the Dalai Lama and visiting churches in China, they were not willing to push this agenda to the point that would stifle cooperation in other areas.³⁴

B. U.S.-CHINA SECURITY COOPERATION AND MANAGED CRISIS

The United States relationship with China was tested early on as George W. Bush and his administration had to deal with a military incident involving China in their first months in office. However, the relatively quick peaceful resolution of the incident displayed some willingness to maintain a cooperative relationship with China. On April 1, 2001, a U.S. EP-3E surveillance and reconnaissance military aircraft collided with a People's Liberation Army Navy (PLAN) F-8 fighter jet. According to a congressional research report, the U.S. aircraft was conducting overt collection in international airspace 70 miles from Hainan Island, which is a province of China, when a Chinese fighter collided with it.³⁵ The Chinese fighter pilot was killed in the collision, and the EP-3 conducted an emergency landing on Hainan Island. The United States and China disagreed over which aircraft was primarily responsible for the incident, each defending the actions of their servicemembers.³⁶ The test for U.S.-China relations came with finding a resolution to the incident in which a Chinese military pilot was dead, and the Chinese were in possession of a U.S. military plane along with its 24 crewmembers.

Despite stern rhetoric from both, China demanding concessions and the United States demanding immediate return of plane and crew, resolution only took 11 days for the U.S. servicemembers to be returned to the United States. The negotiations for return of the plane took a couple of months, and overall, the incident would be resolved peacefully.

³³ George W. Bush, *Decision Points* (New York: Crown, 2010), 426–27.

³⁴ Bush, 428.

³⁵ Shirley A Kan et al., *China-U.S. Aircraft Collision Incident of April 2001: Assessments and Policy Implications*, CRS Report No. RL30946 (Washington, D.C.: Congressional Research Service, 2001), 1, <https://crsreports.congress.gov/product/pdf/RL/RL30946>.

³⁶ Kan et al., 1–2.

However, during negotiations China attempted to address issues with the United States' military posture in the region. Chinese Minister of Foreign Affairs Tang Jiaxuan, who accepted the Bush administration's letter of regret that led to the EP-3 crew's release, suggested that U.S. reconnaissance flights near China needed to be discussed further, and that these flights should cease.³⁷ However, the United States did not seriously consider stopping U.S. military aircraft flights in international airspace and about a month after the incident the United States resumed these operations.³⁸ The incident was resolved peacefully, but it did not change the Bush administration's military posture in the region.

The EP-3 incident highlighted a serious point of contention between the United States and China, and that was U.S. military operations in East Asia. Secretary of Defense Donald Rumsfeld in a press briefing regarding the EP-3 incident, on April 13, 2001, stated that "the United States flies hundreds of these types of missions and at least six other countries fly reconnaissance missions in Asia."³⁹ Rumsfeld also stated that Chinese intercepting aircraft had a history of aggressive and dangerous passes of U.S. reconnaissance aircraft. He provided that "in recent months, there have been 44 PLA interceptions of U.S. surveillance and reconnaissance flights off the coast of China. Six of these were within 30 feet, two were within 10 feet."⁴⁰ The reasons for the set of military engagements are based on a difference of opinions between the United States and China on what is acceptable military behavior in this region. Based on international law, the U.S. aircraft had the right to fly over the South China Sea 70 miles South of the Chinese coast.⁴¹ This is based on international conventions concerning aviation and the law of the sea that gives states control of the airspace over their country and 12 miles off it's coast.⁴² However, China's issue is with a state's exclusive economic zone (EEZ), which extends as

³⁷ Kan et al., 5–6.

³⁸ Kan et al., 7.

³⁹ "News Briefing: Secretary of Defense Donald Rumsfeld," CNN, April 13, 2001, <http://www.cnn.com/TRANSCRIPTS/0104/13/lt.06.html>.

⁴⁰ "News Briefing: Secretary of Defense Donald Rumsfeld."

⁴¹ Kan et al., *China-U.S. Aircraft Collision Incident of April 2001: Assessments and Policy Implications*, 20.

⁴² Kan et al., 20.

much as 200 miles off the coast.⁴³ According to the report, “China contends that the performance of reconnaissance in its EEZ constitutes an abuse of the right of overflight.”⁴⁴ The EP-3 crash and emergency landing on Hainan Island provided China an opportunity to address a major military security concern it had regarding the United States. However, the United States avoided addressing the issue and instead maintained the status quo of reconnaissance flights near China. The EP-3 incident proved that the United States and China could work through a crisis scenario and maintain positive relations, even when there were divergent security interests.

Shortly after the EP-3 incident, the Bush administration was forced to shift focus in the wake of the September 11, 2001, terrorist attacks. These attacks immediately changed the national security and foreign policies of the United States. The impact on U.S.-China relations was that the United States was now focused on international terrorism as its primary security threat. The United States also prioritized cooperation with countries around the world to combat the international threat, which included China. During George Bush’s visit to China, only a month after the terrorist attacks in September, Bush stated that “[t]he President and the government of China responded immediately to the attacks of September 11th. There was no hesitation, there was no doubt they would stand with the United States and our people during this terrible time.”⁴⁵ President Bush added that “[t]here is a firm commitment by this government to cooperate in intelligence matters, to help interdict financing of terrorist organizations.”⁴⁶ Bush’s speech set the stage for China and the United States cooperating against the international security threat of terrorism.

United States and China cooperation in combatting international terrorism, however, was limited and Chinese domestic efforts against terrorism raised concerns in the United States. Joshua Kurlantzick in his article, “China’s Dubious Role in the War on

⁴³ Kan et al., *China-U.S. Aircraft Collision Incident of April 2001: Assessments and Policy Implications*.

⁴⁴ Kan et al., 20.

⁴⁵ “U.S., China Stand Against Terrorism,” Archives, The White House: President George W. Bush, October 19, 2001, <https://georgewbush-whitehouse.archives.gov/news/releases/2001/10/20011019-4.html>.

⁴⁶ “U.S., China Stand Against Terrorism.”

Terror,” discussed some of the ways China agreed to cooperate with the United States.⁴⁷ Kurlantzick explained that “the CCP allowed the U.S. to open an Federal Bureau of Investigation liaison office in Beijing, agreed to new regulations regarding the safeguarding of global shipping, agreed to support investigations of illegal financial transactions run through Hong Kong, and to support the prevention of weapons of mass destruction proliferation, all to counter terrorist operations.”⁴⁸ Yet, as Chien-peng Chung argued in his article, “China’s War on Terror: September 11 and Uighur Separatism,” China’s support for the global war on terrorism was limited and that China focused more on using the global war on terror to crack down on Uighur separatist movements in Xinjiang.⁴⁹ Joshua Kurlantzick agreed with Chung’s argument that China’s support of the Global War on Terror helped it link its Xinjiang campaign of Uighur repression to a counter-terrorism campaign.⁵⁰ Yet, China’s efforts received U.S. support when the United States agreed to place the East Turkestan Islamic Movement on its list of global terrorist organizations.⁵¹ The East Turkestan Islamic Movement is a Muslim militant separatist group that operates in Western China in Xinjiang and is a national security concern of the CCP.⁵² Overall, the Bush administration’s Global War on Terrorism drove cooperation on international security issues between the United States and China. However, cooperation was limited, and China’s domestic counter-terrorism campaign eventually raised concerns of violation of human rights in China.

Cooperation in security matters extended to another core U.S. concern: preventing proliferation of WMDs, especially regarding North Korea. North Korea’s renewed push towards the development of nuclear weapons, during the Bush administration, highlighted the need for US-China cooperation.⁵³ Bush mentioned in his memoir that the revelation in

⁴⁷ Joshua Kurlantzick, “China’s Dubious Role in the War on Terror,” *Current History* 102, no. 668 (December 2003): 432–38, <https://doi.org/10.1525/curh.2003.102.668.432>.

⁴⁸ Kurlantzick, 433.

⁴⁹ Chien-peng Chung, “China’s ‘War on Terror,’” *Foreign Affairs*, August 2002.

⁵⁰ Kurlantzick, “China’s Dubious Role in the War on Terror,” 432.

⁵¹ Kurlantzick, 432.

⁵² Chung, “China’s ‘War on Terror.’”

⁵³ Bush, *Decision Points*, 424.

2002 of North Korea's secret uranium-enrichment program led him to end bilateral negotiations with North Korea and attempt multilateral diplomacy.⁵⁴ Even though this multilateral diplomacy would include South Korea, Russia, and Japan, Bush believed that the key to successful negotiations was the inclusion of China.⁵⁵ However, Bush also understood the difficulty of cooperating with China in this endeavor because he knew that the United States and China had differing interests for the Korean Peninsula. President Jiang stated to Bush during a meeting in October 2002, that "Exercising influence over North Korea is very complicated and that it was the United States' problem."⁵⁶ Bush claimed that he expressed to President Jiang in 2003 that without progress on talks with North Korea, the United States would consider a military strike against North Korea.⁵⁷ Discussions between President Bush and President Jiang led to cooperation on a significant national security concern.

The United States and China cooperated through series of six party talks that had mixed results but displayed willingness from both sides to cooperate regarding a major international security issue. North Korea agreed to talks in 2003, and in 2005, the six party talks reached a breakthrough, as North Korea stated that it would abandon its nuclear weapons program.⁵⁸ However, in 2006, the success of the talks was called into question when North Korea fired missiles into the Sea of Japan to test its ballistic missile capabilities. President Bush called then-president Hu Jintao of China and "urged him to condemn the launch publicly."⁵⁹ While President Hu showed restraint following the missile test, he publicly opposed the North Korean nuclear test that occurred three months after the missile test.⁶⁰ North Korea's missile and nuclear test persuaded the United Nations Security Council's to draft Resolution 1718 that condemned the nuclear test,

⁵⁴ Bush, 424.

⁵⁵ Bush, 424.

⁵⁶ Bush, 424.

⁵⁷ Bush, 424.

⁵⁸ Kelsey Davenport, "The Six-Party Talks at a Glance | Arms Control Association," Arms Control Association, June 2018, <https://www.armscontrol.org/factsheets/6partytalks>.

⁵⁹ Bush, *Decision Points*, 425.

⁶⁰ Bush, 425.

demanded an end to North Korean nuclear and ballistic missile testing, and called for North Korea to rejoin the Non-Proliferation of Nuclear Weapons Treaty.⁶¹

The resolution was passed with a unanimous vote, which showed agreement and cooperation between the United States and China regarding the security concern of North Korea.⁶² The resolution included a long list of sanctions against North Korea that would freeze financial assets and ban the supplying of weapons or other material that could support North Korea's weapons program.⁶³ Ultimately, after more rounds of six party talks Bush left office never reaching a final deal with North Korea on its nuclear program.⁶⁴ Even though the success of the talks were limited, the United States and China cooperated over the handling of a shared international security concern.

The United States and China's security interests did not always align, however, and a major divergence in interests was the status of Taiwan, yet the United States and China were able to manage competing interests. The Bush administration continued America's policy of supplying military weapons to Taiwan through foreign arms sales. The administration's policy towards Taiwan was made clear by Deputy Secretary of Defense Paul Wolfowitz in a 2002 speech at the U.S.-Taiwan Defense Summit. Wolfowitz stated that "the United States is committed to doing whatever it takes to help Taiwan defend itself. We don't support Taiwan independence, but we oppose force."⁶⁵ Additionally, Wolfowitz stated that the United States needed to assist with not only arms sales but to also discuss strategic planning, improving operational and joint readiness, and rational acquisitions.⁶⁶

⁶¹ "Security Council Committee Established Pursuant to Resolution 1718 (2006)," United Nations Security Council, accessed August 9, 2021, <https://www.un.org/securitycouncil/sanctions/1718>.

⁶² United Nations Security Council, "Security Council Committee Established Pursuant to Resolution 1718 (2006)."

⁶³ United Nations Security Council, "Security Council Committee Established Pursuant to Resolution 1718 (2006)."

⁶⁴ Steven Lee Myers, "In Setback for Bush, Korea Nuclear Talks Collapse," *The New York Times*, December 11, 2008, sec. World, <https://www.nytimes.com/2008/12/12/world/asia/12korea.html>.

⁶⁵ Deputy Secretary of Defense Paul Wolfowitz, "Remarks to US-Taiwan Business Council" (United States-Taiwan Defense Summit, St. Petersburg, Florida, March 11, 2002). https://www.esd.whs.mil/Portals/54/Documents/FOID/Reading%20Room/International_Security_Affairs/twn_us_council.pdf

⁶⁶ Wolfowitz.

The Bush administration's commitment to improving Taiwan's defense was evidenced by the United States' assistance to Taiwan during its Joint Defense Capabilities Assessment that was conducted from 2007–2009.⁶⁷ China saw these actions as provocative because China considers Taiwan a part of the People's Republic of China and not a separate country. In 2004, when U.S. National Security Advisor Condoleezza Rice visited China to meet with President Hu Jintao and Chinese Central Military Commission chair Jiang Zemin, Jiang told Rice that “the move to sell advanced weapons to Taiwan, deeply concerned and dissatisfied Chinese people, and Taiwan independence will never be tolerated.”⁶⁸ The Bush administration walked a careful line regarding relations with Taiwan to keep a cooperative relationship with China, while helping Taiwan's ability to defend itself in the face of Chinese aggression.

The Bush administration managed the divergent interests with China by showing signs of restraint in the case of Taiwan. Bush claimed that “every time I met with Chinese Leaders, I confirmed that America's longstanding ‘one China’ policy would not change.”⁶⁹ Additionally, when President Chen Shui-bian of Taiwan pushed a referendum on Taiwan independence that enraged the CCP and increased tensions between the United States, China, and Taiwan, President Bush sought to ease tensions by stating, in response to the referendum, that “the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose.”⁷⁰ The issue of Taiwan had the potential to disrupt cooperation between the United States and China, but the Bush administration managed its interests without pushing China's concerns too far, and this aided cooperation in other areas.

⁶⁷ Shirley A Kan, *Taiwan: Major U.S. Arms Sales Since 1990*, CRS Report No. RL30957 (Washington, D.C.: Congressional Research Service, 2014), 4, <https://sgp.fas.org/crs/weapons/RL30957.pdf>.

⁶⁸ China Daily, “Hu Told Rice: China's Concern over Taiwan Serious,” *China Daily*, July 9, 2004, http://www.chinadaily.com.cn/english/doc/2004-07/09/content_347068.htm.

⁶⁹ Bush, *Decision Points*, 427.

⁷⁰ Kan, *Taiwan: Major U.S. Arms Sales Since 1990*, 27.

C. INCREASED TRADE AND THE PROMISE OF COOPERATION

The Bush administration entered office determined to cooperate with China economically. The administration believed that increased trade between the United States and China could create economic interdependencies that would lead to a stronger non-confrontational relationship.⁷¹ Additionally, China would be more integrated into the international order. Robert Sutter, in his book, *US-China Relations: Perilous Past, Uncertain Present*, explained that “[t]he United States endeavored to use growing interdependence, engagement, and dialogue with China to foster webs of relationships that would tie down or constrain possible Chinese policies and actions deemed negative to U.S. interests.”⁷² The Bush administration supported the accession of China into the World Trade Organization and granted China Permanent Trade Status in December 2001 with the intention of normalizing trade with China and pushing China towards more trade liberalization.⁷³ These two steps showed the willingness of the United States to cooperate with China.

During the Bush administration, trade with China increased drastically. U.S. exports to China increased from \$16.1 billion in 2000 to \$69.7 billion in 2008.⁷⁴ This was a 330 percent increase over the eight-year period compared with a 128 percent increase in exports over the previous eight years, 1992–2000.⁷⁵ China’s decision to open its economy and allow access to its markets allowed the United States to increase exports. In return Chinese imports to America also skyrocketed. The United States imported around \$100 billion in goods from China in 2000 and by 2008 this increased to \$337 billion.⁷⁶ The result was increased trade with China, but a growing trade deficit. During the Bush administration, the United States trade deficit with China ballooned from approximately

⁷¹ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 124.

⁷² Sutter, 124.

⁷³ The White House: President George W. Bush, “President Grants Permanent Trade Status to China.”

⁷⁴ US Census Bureau Foreign Trade Division, “Foreign Trade.”

⁷⁵ US Census Bureau Foreign Trade Division.

⁷⁶ US Census Bureau Foreign Trade Division.

\$83 billion at the start of Bush's first term to about \$268 billion in Bush's final year.⁷⁷ Even though both sides gained from the increased trade, the trade deficit with China increasingly became a subject of political debate as some domestic industries in the U.S. were negatively impacted, and members of congress began to worry that the growing trade deficit was providing more benefit to China at the expense of U.S. interests.

Despite the growing trade deficit, the Bush administration emphasized economic cooperation, especially through increased trade with China and believed this was a key area that could build trust between the two nations. President Bush believed that trade and access to each other's markets was an area of common ground.⁷⁸ Additionally, President Bush stated that "I saw trade as a tool to promote the freedom agenda. I believed that, over time, the freedom inherent in the market would lead people to demand liberty in the public square."⁷⁹ The optimism President Bush held for the relationship with China helped maintain good economic relations with China.

The Bush administration proved an additional level of commitment to economic cooperation with China through the establishment of the Strategic Economic Dialogue in 2006. The Strategic Economic Dialogue was an agreement between George Bush and Hu Jintao to hold bilateral discussions twice a year to work through economic issues and create areas for economic cooperation.⁸⁰ George Bush stated in his memoir, *Decision Points*, that he asked Henry Paulson, the Secretary of the Treasury, and Condoleezza Rice, Secretary of the State, to head this effort.⁸¹ This communication mechanism showed willingness on both sides to cooperate economically and provided a way to negotiate through obstacles to economic cooperation. Economically, Bush was willing to cooperate with China because it provided an area where, differences aside, cooperation was possible, and interests of economic benefits converged.

⁷⁷ US Census Bureau Foreign Trade Division.

⁷⁸ Bush, *Decision Points*, 427.

⁷⁹ Bush, 427.

⁸⁰ U.S. Department of the Treasury, "Fact Sheet Creation of the U.S.-China Strategic Economic Dialogue."

⁸¹ Bush, *Decision Points*, 427.

Through the benefits of increased trade, the Bush Administration tried to push China to further increase economic liberalization and openness. Specifically, the Bush administration sought more cooperation on China's trade protections and the value of its currency. The United States attempted to push China to reduce protectionist measures such as trade tariffs stating that one of the provisions of China's accession into the WTO was to reduce tariffs.⁸² China agreed that it would reduce its average tariff rates among other trade liberalization requirements, in order to gain the WTO membership.⁸³ From 2001 to 2006, China's tariff percentages dropped in line with the WTO requirements, its average dropped from around 15.9% in 2001 to about 9.9%; however, in 2006, China's market liberalization slowed.⁸⁴ In March 2006, the United States raised with the WTO the issue of China's discriminatory regulations on auto part tariffs, and would raise five other issues in the next two years ranging from unfair Chinese government subsidies to imports and exports and lack of enforcement of Intellectual Property Laws.⁸⁵ Susan Schwab, the U.S. Trade Representative from 2006–2009, argued that the United States use of WTO mechanisms to raise trade issues with China provided a way to address Chinese unfair trade practices while preventing a bilateral trade war.⁸⁶ These issues showed that while there was increased cooperation in terms of trade between the United States and China, there were lingering issues the United States wanted China to address.

The Bush administration also pushed China on its monetary policy. In the United States, critics in congress and others with business interests in the United States believed that China's currency, the renminbi, was undervalued.⁸⁷ President Bush pressed Hu Jintao during his first visit to Washington on China's currency and asked the Chinese leader to

⁸² Wayne M. Morrison, *China-U.S. Trade Issues*, CRS Report No. RL33536 (Washington, D.C.: Congressional Research Service, 2018), 49, <https://sgp.fas.org/crs/row/RL33536.pdf>.

⁸³ Morrison, 49.

⁸⁴ Morrison, 49–51.

⁸⁵ Morrison, 53.

⁸⁶ Susan Schwab, *The President's Trade Policy Agenda* (Washington, D.C.: White House, 2008), 11, <https://ustr.gov/sites/default/files/The-Presidents-Trade-Policy-Agenda.pdf>.

⁸⁷ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 132.

appreciate the currency.⁸⁸ The value of China's currency became an important political issue for the Bush administration as many people in the United States linked China's undervalued currency as a cause of an increased U.S.-China trade deficit and the loss of U.S. manufacturing jobs.⁸⁹ Based on a congressional research report, pressure from the Bush administration helped the United States persuade China to some currency reform.⁹⁰ The report stated "from 2005 to July 2008, the official exchange rate went from 8.27 to 6.83 yuan per dollar."⁹¹ The Chinese currency appreciation during this time showed how economic cooperation and dialogue allowed for some negotiation on economic issues between the two countries.

The Bush administration used positive economic relations with China to grow cooperation and put China on a path to trade liberalization and more fair currency policy. However, during his second term, the Bush administration recognized that China needed to make further progress.⁹² Susan Schwab outlined the Bush administration's trade policy agenda in early 2008 and stated that "[t]he United States continues to press for more progress by China in fully implementing its WTO obligations in areas such as intellectual property rights enforcement, barriers to market access, persistent government intervention in the economy, and lack of transparency in its legal and commercial procedures."⁹³ The unresolved economic issues between the United States and China provided points of contention for political opposition to the Bush administration's policies towards China.⁹⁴ This provided Democrats in Congress opportunities to hurl criticism at the Bush administration's leniency on China regarding economic relations.⁹⁵ The Democrat-led

⁸⁸ BBC, "Bush Presses China Over Currency," *BBC*, April 21, 2006, <http://news.bbc.co.uk/2/hi/americas/4925704.stm>.

⁸⁹ Stimson Center. "China's Currency Dilemma," *Stimson Center* (blog), June 2, 2010, <https://www.stimson.org/2010/chinas-currency-dilemma/>.

⁹⁰ Morrison, *China-U.S. Trade Issues*, 54.

⁹¹ Morrison, 54.

⁹² Schwab, *The President's Trade Policy Agenda*.

⁹³ Schwab, 11.

⁹⁴ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 129.

⁹⁵ Sutter, 129.

Congress in 2007 and the election of Barack Obama in 2008, provided the opportunity for Democrats to implement new ways to apply more pressure on China regarding these issues, as will be discussed later.

D. FREEDOM AGENDA AND HUMAN RIGHTS IN CHINA

While economic differences created areas of concern between the United States and China, political differences provided little room for cooperation. George Bush's second inaugural speech highlighted a political policy that he later devoted a chapter of his memoirs to, called the Freedom Agenda. Bush stated in his address, "So it is the policy of the United States to seek and support growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world."⁹⁶ The Freedom Agenda policy advanced by President Bush meant different things in different parts of the world. Regarding the United States relationship with China, it meant that the Bush administration hoped to "advocate for freedom while maintaining a strategic relationship focused on the economy and shared security interests."⁹⁷ Additionally, Bush believed that the push towards more economic cooperation with China would lead to breakthroughs in political and religious freedoms in China.⁹⁸ Thus President Bush claimed that he tried to cooperate where there was agreement, to try to build a relationship of trust.⁹⁹ Politically, Bush stood by his promotion of human rights, to include political and religious freedoms, but he realized this was a path of divergent interests with China. The Bush administration refrained from pushing China too hard on these issues as to not upset cooperation elsewhere.

There were, however, some notable areas of tension. Divergent issues were evident during President Bush's meeting with the Dalai Lama, the religious leader of Tibet. Bush met with the Dalai Lama five times during his presidency and advocated for the religious

⁹⁶ "Inaugural Address | The American Presidency Project," The American Presidency Project, accessed July 21, 2021, <https://www.presidency.ucsb.edu/documents/inaugural-address-13>.

⁹⁷ Bush, *Decision Points*, 397.

⁹⁸ Bush, 427.

⁹⁹ Bush, 426.

rights of Chinese people.¹⁰⁰ Bush was also present at the 2007 ceremony, where members of Congress presented the Dalai Lama with the Congressional Gold Medal.¹⁰¹ During the ceremony, Bush remarked on the situation of Tibet and China. He called out China directly when he stated, “Americans cannot look to the plight of the religiously oppressed and close our eyes or turn away. And that is why I will continue to urge the leaders of China to welcome the Dalai Lama to China.”¹⁰² The statements by President Bush cause tension with China, because the CCP worries about separatist movements in Tibet.¹⁰³ In 2008, President Hu Jintao remarked that “Our conflict with the Dalai clique is not an ethnic problem, not a religious problem, nor a human rights problem, it is a problem either to safeguard national unification or to split the motherland.”¹⁰⁴ President Bush was vocal about his stance on the rights of individuals in China; however, there was restraint in the actions the Bush administration would take regarding these issues.

There were two notable instances of the Bush administration showing restraint in pushing human rights issues in China. In 2003, during a session of the United Nations Commission on Human Rights, the United States decided not to sponsor a UN resolution condemning the CCP’s human rights’ abuses in China.¹⁰⁵ According to Elizabeth Economy in her article, “Changing Course on China,” this was the first time, since 1989, that the United States refrained from approving a resolution regarding human rights’ abuses in China.¹⁰⁶ This was likely do to the United States push for cooperative relations in Bush’s first term especially regarding economic and security cooperation. Secondly, in the spring

¹⁰⁰ Bush, 428.

¹⁰¹ Bush, 428.

¹⁰² George W. Bush, “President Bush Attends Congressional Gold Medal Ceremony Honoring the Dalai Lama,” The White House: President George W. Bush, October 17, 2007, <https://georgewbush-whitehouse.archives.gov/news/releases/2007/10/20071017-3.html>.

¹⁰³ Jim Yardley, “China’s Leader Insists Sovereignty Is at Stake Over Tibet,” *The New York Times*, April 13, 2008, sec. World, <https://www.nytimes.com/2008/04/13/world/asia/13tibet.html>.

¹⁰⁴ Yardley.

¹⁰⁵ Joanna Weschler, “U.N. Rights Body In Serious Decline (Human Rights Watch Press Release, Geneva, April 25, 2003),” Human Rights Watch, April 25, 2003, <https://www.hrw.org/legacy/press/2003/04/unchr042503.htm>.

¹⁰⁶ Elizabeth Economy, “Changing Course on China,” *Current History* 102, no. 665 (September 2003): 247, <https://www.jstor.org/stable/45317282>.

of 2008, violent protests broke out in Tibet raising international concerns regarding China's treatment of the Tibetan people. The People's Republic of China declared martial law and sent military troops to crackdown on the protestors and restore order.¹⁰⁷ The Tibet protests and the harsh response of Chinese government, as Robert Barnett argued, "cemented an international perception of China as authoritarian and propelled the Tibet issue to the top of Sino-US relations."¹⁰⁸ Furthermore, the protests and crackdown led to the House of Representatives of the 110th Congress to introduce H.R. 5668 in April 2008, that would "prohibit federal government officials and employees from attending the opening ceremonies of the 2008 Summer Olympic games held in communist China based upon communist China brutalizing protestors in Tibet."¹⁰⁹ Despite some congressional support for this bill and some calls for a U.S. boycott of the Beijing Olympics in 2008, President Bush decided to attend the games. President Bush had the chance to take a more hardline with China regarding human rights concerns by not attending the games, but Bush chose restraint in pressing the CCP on this issue to keep cooperation and positive relations alive. His administration spoke of and promoted human rights in China. However, in some cases the administration refrained from tangible punitive measures against China. President bush instead relied on the strategy of prioritizing economic cooperation in the hopes that it would open the door to future political liberalization even if it wasn't during his term.¹¹⁰

E. CONCLUSION

The review of the relationship between the United States and China during the Bush administration reveal a few things. First, economic tensions between the United States and China increased over the course of the Bush administration. In Bush's first term, there was a strong push by the administration to increase economic relations and cooperation. During Bush's second term, the administration showed frustration with the rate of economic

¹⁰⁷ Robert Barnett, "The Tibet Protests of Spring 2008: Conflict Between the Nation and the State," *China Perspectives*, no. 2009/3 (September 1, 2009): 6–7, <https://doi.org/10.4000/chinapersonpectives.4836>.

¹⁰⁸ Barnett, 6.

¹⁰⁹ Communist Chinese Olympic Accountability Act, H.R. 5668, 110th Cong., 2d sess. § (2008), <https://www.govtrack.us/congress/bills/110/hr5668/text>.

¹¹⁰ Bush, *Decision Points*, 426–28.

liberalization in China. This resulted in the Bush administration pushing for China to continue to reform its economy. Second, security cooperation was possible in areas of convergent interests. The United States and China displayed cooperation on the Global War on Terror and on non-proliferation in North Korea. Third, the Bush administration avoided a major conflict over the Taiwan issue, but tensions were heightened due to the pro-independence Taiwanese Presidency of Chen Shui-bian. Fourth, President Bush publicly spoke out against China's human rights abuses, but on a number of occasions, his administration restrained from punitive actions in favor of growing economic and security cooperation. Overall, the Bush administration was successful in engaging China and achieving economic and security cooperation. The administration grew trade with China and gained cooperation on international terrorism and non-proliferation. Yet, there were significant issues between the United States and China that remained unresolved. These included unresolved economic disagreements involving China's currency value, trade rules, and intellectual property laws. Additionally, the United States' weapons sales to Taiwan remained a thorny issue. Furthermore, the United States still disapproved of the lack of individual freedoms in China. These issues between the United States and China carried on into the Obama administration.

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III. THE OBAMA ADMINISTRATION (2009–2017)

A. INTRODUCTION

During the Obama administration, competition between the United States and China increased, which made cooperation difficult. Three factors that made cooperation more difficult under the Obama administration was the Global Financial Crisis (GFC), China's economic and military growth, and the Obama administration's 'Pivot' to Asia. The GFC highlighted China's economic rise and the narrowing of the gap between the size of the U.S. economy and China's economy. China's economic rise allowed it to continually increase military spending, which led to an increase in its capabilities and solidified its position as a regional power.¹¹¹ Lastly, the Obama administration's announced focus on the Asia-Pacific region, publicly known as the 'Pivot' to Asia, was perceived as many to be an American challenge to China.¹¹² These factors made it more challenging for the Obama administration to cooperate with China, but the administration worked hard to manage economic, security, and political areas of competition to ensure cooperation was possible in important areas like trade and non-proliferation.

Economically, the GFC posed a great challenge to the Obama administration. The administration needed to cooperate with China for global economic recovery, but still needed to challenge China on what the United States deemed to be unfair economic trade practices.¹¹³ These practices included China's currency manipulation, intellectual property theft, cyber economic theft and espionage, and protectionist trade practices. The Obama administration achieved some success on cooperation with China on currency manipulation and cyber economic theft and espionage. However, these deals were narrowly focused, and their results limited. The Obama administration struggled to persuade China to agree to a more comprehensive trade deal that would allow the United States to more completely

¹¹¹ M. Taylor Fravel, "China's Military Strategies since 1993: 'Informatization,'" in *Active Defense: China's Military Strategy since 1949* (Princeton University Press, 2019), 217–35.

¹¹² Kenneth G. Lieberthal, "The American Pivot to Asia," Brookings, December 21, 2011, <https://www.brookings.edu/articles/the-american-pivot-to-asia/>.

¹¹³ Barack Obama, *A Promised Land* (New York: Crown, 2020), 482.

address Chinese economic policies that negatively impacted America.¹¹⁴ So, the Obama administration used a multilateral approach to address America's economic concerns, which resulted in the push to carry forth negotiations for the Trans-Pacific Partnership (TPP) that included eleven Asia-Pacific states. This move would expand U.S. trade with Asia-Pacific states and help enforce regional trade rules and norms deemed fairer and more open.¹¹⁵ The TPP gave the United States the opportunity to compete with China for economic influence in the region and establish fair trade norms and rules that were beneficial to U.S. interests.

Regarding security, the Obama administration continued to pursue cooperation with China towards non-proliferation in North Korea and extended this cooperation to non-proliferation in Iran.¹¹⁶ However, the Obama administration's increased focus on the Asia-Pacific region led to increased tensions between the United States and China. In terms of security, the 'Pivot' to Asia was characterized by the Obama administration's protection of military spending in the Asia-Pacific region from overall defense budget cuts, and the signing of an agreement with Australia for rotational deployments of 2,500 marines to a military base in northern Australia.¹¹⁷ President Obama stated that "the pivot wasn't meant to contain China...rather, it was to reaffirm U.S. ties to the region, and to strengthen the very framework of international law."¹¹⁸ However, he acknowledged that China would perceive these moves as a way for the United States to compete with China in Asia.¹¹⁹ Additionally, divergent interests in the South China Sea especially enhanced military competition between the United States and China in the region. China's increased military spending and increased capabilities allowed it to more assertively pursue its territorial

¹¹⁴ Obama, 482.

¹¹⁵ "Remarks by Ambassador Michael Froman at the Council on Foreign Relations: The Strategic Logic of Trade," Office of the United States Trade Representative, June 1, 2014, <https://ustr.gov/about-us/policy-offices/press-office/speeches/transcripts/2014/June/Remarks-USTR-Froman-at-Council-Foreign-Relations-Strategic-Logic-of-Trade>.

¹¹⁶ Obama, *A Promised Land*, 481.

¹¹⁷ Lieberthal, "The American Pivot to Asia."

¹¹⁸ Obama, *A Promised Land*, 477.

¹¹⁹ Obama, 477.

claims in the South China Sea and increase its activity of building islands on disputed land features.¹²⁰ The Obama administration chose to address China's actions through promotion of international law and the use of freedom of navigation operations (FONOPS). The United States and China failed to reach common ground during the Obama administration regarding the South China Sea; however, the administration chose to not allow unresolved security issues to ruin cooperation addressing other international security concerns. The Obama administration's approach of dealing with each issue separately allowed security cooperation with China in non-proliferation regarding North Korea and Iran.

Politically, the Obama administration avoided major confrontations regarding Taiwan and the Dalai Lama's visit to the United States. Despite continued arms sales to Taiwan under the Obama administration, the presidency of Ma Ying-jeou in Taiwan led to a relative ease in tensions between the United States and China over the Taiwan issue.¹²¹ The scheduled visit of the Dalai Lama early in President Obama's term raised the contentious issue of Tibet between the United States and China. However, due to the careful management of the visit, the Obama administration was able to avoid increased tensions in this area.¹²² The administration chose to address these concerns in a tempered way, as to not cause too much friction between the United States and China that could upset negotiations on other economic and national security issues. Overall, the administration prioritized economic and security concerns over political issues such as divergent interests regarding America's policy of promotion of human rights and China's policy of non-interference in a state's domestic affairs.

¹²⁰ "China Island Tracker," Asia Maritime Transparency Initiative, accessed October 26, 2021, <https://amti.csis.org/island-tracker/china/>.

¹²¹ Sutter, *US-China Relations: Perilous Past, Uncertain Present*.

¹²² Jeffrey Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy* (Washington, D.C.: Brookings Institution Press, 2012), 48.

B. ECONOMIC COOPERATION AND COMPETITION: THE GLOBAL FINANCIAL CRISIS AND THE TRANS-PACIFIC PARTNERSHIP

1. The GFC and Limited Cooperation

From the start of President Obama's first term the context of the economic relationship between the United States and China was different in terms of relative economic power, resiliency during the GFC. In terms of relative economic power, the gap between the gross domestic product (GDP) of the United States and China narrowed when compared to when President Bush entered office.¹²³ When President Bush entered office in 2001, the gap between the two countries stood at 4.1 trillion U.S. dollars at the 2015 constant value.¹²⁴ At the end of 2008, the gap was 2.6 trillion U.S. dollars. In terms of purchasing power parity (PPP), the gap at the beginning of 2001 was 6.6 trillion international dollars, but at the end of 2008 it was 4.6 trillion international dollars.¹²⁵ Additionally, the GFC had a larger negative impact on the United States compared to China. The Great Recession in the United States and the GFC abroad came largely, as a result of, an unregulated mortgage market and the issuance of subprime loans in America.¹²⁶ Because unregulated financial markets in the United States were a major cause of the economic crisis, they greatly impacted the American economy causing negative annual GDP growth in 2008 and 2009, -.1% and -2.5% respectively.¹²⁷ In China, annual GDP growth dropped, but still grew at an impressive 9.6% in 2008 and 9.3% in 2009.¹²⁸ When President Obama entered office, the United States remained the world's

¹²³ "GDP (Constant 2015 US\$) - China, United States | Data," The World Bank Data, accessed June 19, 2021, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?locations=CN-US&view=chart>.

¹²⁴ "GDP (Constant 2015 US\$) - China, United States | Data."

¹²⁵ "GDP, PPP (Current International \$) - China, United States | Data," The World Bank Data, accessed June 19, 2021, <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD?locations=CN-US&view=chart>.

¹²⁶ Colin McArthur and Sarah Edelman, "The 2008 Housing Crisis," Center for American Progress, April 13, 2017, <https://americanprogress.org/article/2008-housing-crisis/>.

¹²⁷ "GDP Growth (Annual %) - United States, China | Data," The World Bank Data, accessed August 24, 2021, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=US-CN>.

¹²⁸ "GDP Growth (Annual %) - United States, China | Data."

largest economy. However, China's impressive GDP growth narrowed the gap between the two economies.

Not only did the relative gap between the United States and China narrow, but the world's perception of the United States' strength and leadership was weakened. This was due to the United States shouldering much of the blame for the GFC and the Obama administration needing Chinese cooperation in global recovery. President Obama explained his thoughts on world perception of America following the GFC in his memoir, *A Promised Land*. He stated that "the United States had beckoned the world to follow us into a paradisaical land of free markets, global supply chains, internet connections, easy credit, and democratic governance. And for the moment, at least, it felt to them like they might have followed us over a cliff."¹²⁹ President Obama was able to reach a joint final communique at the April 2009 G20 Summit in London with other world leaders that promised the avoidance of protectionism and issuance of stimulus.¹³⁰ President Obama stated that "not only was the deal more substantive than expected, but our central role in the negotiations had helped to at least partially reverse the view that the financial crisis had permanently damaged U.S. leadership."¹³¹ Despite success at the G20 negotiations, the Obama administration perceived that the world's perception of America's global standing was still weakened by the GFC.

Additionally, the Obama administration's economic bargaining position with China was weakened. As it needed to prioritize economic recovery and seek economic cooperation with China, before the administration could challenge China on U.S. concerns over unfair trade practices and intellectual property theft the administration needed to.¹³² Aside from cooperation with China at the G20 Summit in London and the negotiating of the communique that promised stimulus spending.¹³³ The Obama administration needed

¹²⁹ Obama, *A Promised Land*, 330.

¹³⁰ Obama, 343.

¹³¹ Obama, 343.

¹³² Obama, 475.

¹³³ Obama, 343.

support from China regarding its holding and purchasing of U.S. debt.¹³⁴ President Obama stated that “China held more than \$700 billion in U.S. debt and had massive foreign currency reserves, making it a necessary partner in managing the financial crisis. To pull ourselves and the rest of the world out of the recession, we needed China’s economy growing.”¹³⁵ Additionally, China’s purchase of around \$300 billion in U.S. treasuries, following the economic crisis supported the United States’ ability to implement stimulus recovery spending.¹³⁶ The Global Financial crisis made it difficult for the Obama administration, early in its first term, to address economic concerns with China when cooperation needed to be prioritized.

Despite the difficulties in challenging China’s economic practices, the Obama administration felt compelled to negotiate a better economic deal with China that would address unfair trade practices. President Obama believed that the U.S.-China economic relationship was beneficial for both countries, but he argued that “China’s gaming of the international trading system had too often come at America’s expense.”¹³⁷ Additionally, President Obama, during his presidential campaign, promised to work towards a better trade deal with China to help the U.S. economy and domestic jobs.¹³⁸ The Obama administration recognized that they needed to devise a strategy for dealing with China that would maintain overall positive relations. President Obama acknowledged that his administration needed to put pressure on China to change its behavior, while preventing the start of a trade war.¹³⁹ The administration also hoped to provide realistic timelines for China to address U.S. concerns and focus on private negotiations, saving public pressure

¹³⁴ Obama, 475.

¹³⁵ Obama, 475.

¹³⁶ Brad Setser, “Who Bought All the Treasuries the U.S. Issued in 2008? And Who Will Be the Big Buyers in 2009?,” Council on Foreign Relations, *Follow the Money* (blog), February 26, 2009, <https://www.cfr.org/blog/who-bought-all-treasuries-us-issued-2008-and-who-will-be-big-buyers-2009>.

¹³⁷ Obama, *A Promised Land*, 475.

¹³⁸ Obama, 475.

¹³⁹ Obama, 475.

and retaliatory actions as a means of last resort.¹⁴⁰ Through this strategy the Obama administration sought to maintain economic cooperation with China.

During President Obama's first trip to China in November 2009, it became clear that the strategies of his administration and China's leadership did not align. When President Obama met with Premier Wen Jiabao, he discussed the need for a comprehensive trade deal that addressed a variety of concerns and provided a structural framework to trade between the two countries.¹⁴¹ According to President Obama, Wen Jiabao preferred a more transactional approach and stated that if President Obama provided him a list of U.S. products, the Chinese would purchase more of these items.¹⁴² From these negotiation, President Obama stated that he, "was reminded that Chinese leadership viewed foreign policy as purely transactional. How much they gave and how much they got would depend not on abstract principles of international law but on their assessment of the other side's power and leverage. Where they met no resistance, they'd keep taking."¹⁴³

The Obama administration exemplified this approach when addressing China's currency manipulation and its cyber-enabled intellectual property theft. The U.S. concern over the value of China's currency was a recurrent issue. This was an area of contention during the Bush administration and continued to be a concern during Obama's presidency.¹⁴⁴ The Obama administration still believed that the Chinese currency was unfairly kept undervalued.¹⁴⁵ This allowed the price of Chinese products to remain low so that they would be more competitive in the international market. Essentially, congressional concerns over China's currency manipulation were partly curbed when, in 2005, China reformed their currency peg to the dollar allowing for some market exchange input to the

¹⁴⁰ Obama, 476.

¹⁴¹ Obama, 482.

¹⁴² Obama, 482.

¹⁴³ Obama, 482.

¹⁴⁴ Obama, 482.

¹⁴⁵ Obama, 482.

determination of the value of the Renminbi.¹⁴⁶ From 2005 to 2008 the Chinese currency had appreciated between 18 and 20% from 8.11 to the dollar to 6.83.¹⁴⁷ However, after the Global Financial Crisis, from 2008 to 2010 the Chinese currency maintained a valuation of 6.83.¹⁴⁸ During this period, China managed to halt the appreciation of its currency to help economic recovery in their country.¹⁴⁹ The intervention of the Chinese government into the valuation of their currency, once again raised concerns among U.S. policymakers.¹⁵⁰ The Obama administration, as they entered office, needed to address the halt of the static valuation of Chinese currency. By June 2010, China announced that it would once again allow their currency to appreciate against the dollar.¹⁵¹ According to the Congressional Research Report on China's currency policy, China claimed it took these steps because based on the status of recovery the Chinese economy was healthy enough to allow it to appreciate again.¹⁵² From the 2010–2013 the Chinese currency appreciated from 6.83 to 6.17 against the dollar, which was an appreciation of 10%.¹⁵³ The appreciation of the Chinese currency from 2010 to 2013 following the Obama administration's trip to China in 2009 showed progress in economic negotiations between the United States and China, but exemplified the addressing and partial resolving of a single issue through negotiations.

The Obama administration faced much more difficulty in resolving the issue of IP theft with China, as Chinese technological advancements provided the ability to facilitate the theft of U.S. IP thru cyber economic espionage and theft. This issue was only partly resolved after mounting evidence against China, U.S. public pressure, and a meeting between President Obama and President Xi Jinping. There are varying estimates to the

¹⁴⁶ Wayne M. Morrison and Marc Labonte, *China's Currency Policy: An Analysis of the Economic Issues*, CRS Report No. RS21625 (Washington, D.C.: Congressional Research Service, 2013), 3, <https://sgp.fas.org/crs/row/RS21625.pdf>.

¹⁴⁷ Morrison and Labonte, 3.

¹⁴⁸ “Chinese Yuan | 2021 Data | 2022 Forecast | 1981–2020 Historical | Quote | Chart,” Trading Economics, accessed September 26, 2021, <https://tradingeconomics.com/china/currency>.

¹⁴⁹ Morrison and Labonte, *China's Currency Policy: An Analysis of the Economic Issues*, 3.

¹⁵⁰ Morrison and Labonte, 14.

¹⁵¹ Morrison and Labonte, 4.

¹⁵² Morrison and Labonte, 4.

¹⁵³ Morrison and Labonte, 4.

actual dollar value of Chinese theft of U.S. intellectual property on the American economy, but all agree that the United States suffered losses because of China's actions. In some cases, U.S. companies complied with demands made by Chinese companies to transfer technology in order to enter joint ventures with Chinese companies and obtain access to Chinese markets.¹⁵⁴ James Lewis in his article, "How Much Have the Chinese Actually Taken?," explained that U.S. companies no longer perceived the long term benefits of Chinese market access as positive given the involuntary technology transfers.¹⁵⁵ He suggested that U.S. companies saw the difficulty in competing with Chinese companies in the international market where Chinese companies benefited from innovation without significant R&D expenditures because of technology transfers and could benefit from Chinese government subsidies.¹⁵⁶ Through developments in computer and internet technology and the increased digitization of intellectual property and trade secrets, the Chinese government was able to access this information through cyber theft and espionage. Lewis stated that "from 2005–2015 the United States was losing around \$100 billion annually due to cyber theft and espionage, and that China accounted for most of the economic cyber espionage against the United States."¹⁵⁷ The Obama administration set out to engage China on this issue because of the economic damage it caused the United States and the disadvantaged position it put the United States in regarding economic competition with China.

Specifically, cyber economic espionage and theft connected to China began to receive a lot of attention between the years of 2010–2015. In part this stemmed from the increased capability of U.S. cyber security companies in discovering and tracing cyber intrusions. One company, Mandiant, grabbed headlines for its discovery of trends relating to Chinese cyber espionage and theft. The trends that were evident during the period covering 2010–2015 is that Advanced Persistent Threat (APT) hacker groups increasingly

¹⁵⁴ James Andrew Lewis, "How Much Have the Chinese Actually Taken?," Center For Strategic & International Studies, March 22, 2018, <https://www.csis.org/analysis/how-much-have-chinese-actually-taken>.

¹⁵⁵ Lewis.

¹⁵⁶ Lewis.

¹⁵⁷ Lewis.

connected to China were responsible for large amounts of cyber economic espionage and cyber intellectual property theft against U.S. companies.¹⁵⁸ These APTs focused on economic espionage to acquire intellectual property, trade secrets for economic advantage, and to conduct more traditional espionage.¹⁵⁹ In 2010, Mandiant identified that the majority of cyber incidents involving theft of trade secrets and intellectual property they investigated were traced back to China.¹⁶⁰ In 2013, Mandiant reported that APT groups traced to China increased targeting against industries that matched areas of China's strategic growth priorities outlined in their 12th Five-Year Plan (2011–2015).¹⁶¹ Additionally, in 2013, Mandiant discovered that not only did Chinese APT groups expand from primarily defense industrial base targets to a large swath of industries, but these groups also shifted their priorities in regards to data collected.¹⁶² Their 2014 report stated “the Chinese government conducted expansive intrusion campaigns to obtain information to support state-owned enterprises...to include information about how these businesses work and how executives and key figures make decisions.”¹⁶³ The period from 2010–2015 saw Chinese APT groups expanding their targets and efforts against U.S. companies, to not only steal intellectual property, but to learn how to better run Chinese state owned enterprises (SOEs) to gain an economic advantage in international trade competition.

Following a public indictment of five Chinese hackers connected to People's Liberation Army in 2014, President Obama addressed state sanctioned economic theft and espionage with President Xi Jinping of China. Regarding the incident, Attorney General Eric Holder conducted a press conference that provided details of the indictment where he stated “These charges represent the first ever charges against known state actors for

¹⁵⁸ *M-Trends 2014*, M-Trends 2014 (Milpitas, CA: FireEye, 2014), <https://content.fireeye.com/m-trends/rpt-m-trends-2014>.

¹⁵⁹ *M-Trends 2012*, M-Trends 2012 (Milpitas, CA: FireEye, 2012), 1, <https://content.fireeye.com/m-trends/rpt-m-trends-2012>.

¹⁶⁰ *M-Trends 2010*, M-Trends 2010 (Milpitas, CA: FireEye, 2010), 1, <https://content.fireeye.com/m-trends/rpt-m-trends-2010>.

¹⁶¹ *M-Trends 2013*, M-Trends 2013 (Milpitas, CA: FireEye, 2013), 22, <https://content.fireeye.com/m-trends/rpt-m-trends-2013>.

¹⁶² *M-Trends 2014*, 15.

¹⁶³ *M-Trends 2014*, 15.

infiltrating U.S. commercial targets by cyber means and that the alleged hackers appeared to have no other motive other than to advantage state-owned companies in China, at the expense of businesses here in the United States.”¹⁶⁴ The formal charging of Chinese military hackers with cyber economic espionage and IP theft for economic advantage supported the United States effort to demand change in China’s cyber behavior. During a meeting between President Obama and Xi Jinping, the United States and China successfully negotiated a cyber agreement that addressed U.S. concerns over China’s unfair economic practices that disadvantaged the United States. The United States and China officially signed the U.S.-China Cyber Agreement that highlighted cyber-enabled IP theft as unacceptable cyber conduct. On September 25, 2015, Barack Obama stated at a joint press conference regarding U.S.-China relations that “neither the U.S. or the Chinese government will conduct or knowingly support cyber-enabled theft of intellectual property, including trade secrets or other confidential business information for commercial advantage.”¹⁶⁵ The Obama administration again achieved cooperation with China concerning economic disparities, but the achievement was narrow in focus and achieved limited results.

The U.S.-China cyber deal resulted in a brief reduction in reported cases of cyber enabled IP theft and economic espionage that lasted through the end of Obama’s presidency. Mandiant’s 2018 Annual Report provided hope to many in the United States that the U.S.-China agreement changed China’s behavior and was a positive step in creating agreed upon norms in cyberspace.¹⁶⁶ Mandiant’s report stated that “research indicated that in 2013 a peak of 72 concurrent operations were carried out by Chinese state-sponsored hackers, the months leading up to the Cyber Agreement it was down to 30, and at the time

¹⁶⁴ “Attorney General Eric Holder Speaks at the Press Conference Announcing U.S. Charges Against Five Chinese Military Hackers for Cyber Espionage,” The United States Department of Justice, May 19, 2014, <https://www.justice.gov/opa/speech/attorney-general-eric-holder-speaks-press-conference-announcing-us-charges-against-five>.

¹⁶⁵ “Remarks by President Obama and President Xi of the People’s Republic of China in Joint Press Conference,” The White House: President Barack Obama, September 25, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>.

¹⁶⁶ *M-Trends 2018*, Special Report M-Trends 2018 (Milpitas, CA: FireEye, 2018), <https://content.fireeye.com/m-trends/rpt-m-trends-2018>.

of publication Mandiant is tracking 6 or fewer.”¹⁶⁷ The numbers reported by Mandiant coupled with similar reports from CrowdStrike, another U.S. cybersecurity firm, resulted in many articles published that hailed the success of the U.S.-China Cyber Agreement.¹⁶⁸ It appeared that the cyber agreement between the two countries curtailed Chinese cyber-enabled IP theft from 2015–2017. The U.S.-China cyber deal resulted in positive cooperation between the United States and China and for a short period appeared to resolve a serious economic issue between the two countries. Yet, a return of Chinese economic espionage and IP theft during the Trump administration limited the impact of this deal.¹⁶⁹ The Obama administration’s inability to build a more comprehensive rules-based trade framework with China resulted in individual bilateral resolutions to some economic issues between the two countries. To address other economic issues, the Obama administration chose to challenge China’s economic practices by negotiating multilaterally with other states in the Asia-Pacific region.

2. The Trans-Pacific Partnership

The Obama administration sought to address U.S. concerns of China’s economic practices through the pursuit of the Trans-Pacific Partnership economic agreement. The pursuit of the Trans-Pacific Partnership comprehensive trade pact sought to increase the number of Asian states that would follow the economic rules and norms largely established by the United States. The Obama administration notified Congress in December 2009, that the United States would continue negotiations on establishing the TPP, and in 2011 the countries involved in negotiations announced the basis of the agreement.¹⁷⁰ The Obama administration negotiated the TPP with 11 other countries—Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam—that

¹⁶⁷ *M-Trends 2018*, 49.

¹⁶⁸ Cory Bennett, “Why Trump Is Sticking with Obama’s China Hacking Deal,” Politico, November 8, 2017, <http://politi.co/2zDK28Y>.

¹⁶⁹ *M-Trends 2020*, Special Report M-Trends 2020 (Milpitas, CA: FireEye, 2020), <https://content.fireeye.com/m-trends/rpt-m-trends-2020>.

¹⁷⁰ Ian F. Fergusson, Mark A. McMinimy, and Brock R. Williams, *The Trans-Pacific Partnership (TPP) Negotiations and Issues for Congress*, CRS Report No. R42694 (Washington, D.C.: Congressional Research Service, 2015), 3, <https://sgp.fas.org/crs/row/R42694.pdf>.

“share a commitment to concluding a high-standard, ambitious agreement and to expanding the initial group to include additional countries throughout the Asia-Pacific region.”¹⁷¹ Through the signing and potential future expansion of the TPP the Obama administration saw an opportunity to advance U.S. economic interests in a region where China was gaining increasing economic control and influence. The exclusion of China in the negotiating of the deal signified an effort by the United States to compete with China for economic influence in the region, and if China wanted to eventually conform and join the agreement, they would have to abide by rules on economic trade laid out by the United States.

The Obama administration had clear goals in pursuing this deal. Jeffrey Bader, Senior Director for Asian Affairs on the National Security Council, stated that the Obama administration “wanted to strengthen bilateral and multilateral trade ties with the region through understandings such as the Trans-Pacific Partnership.”¹⁷² Michael Froman, U.S. Trade Representative, stated that the “TPP is as important strategically as it is economically. Economically, TPP would bind together a group that represents 40 percent of global GDP and about a third of world trade. Strategically, TPP is the avenue through which the United States, working with nearly a dozen other countries (and another half dozen waiting in the wings), is playing a leading role in writing the [trade] rules of the road for a critical region in flux.”¹⁷³ Through the TPP, the United States would help negotiate the rules concerning intellectual property rights, trade in services, government procurement, investment, rules of origin, competition, labor, and the environment, many of which were areas of contention with China.¹⁷⁴ The TPP rules were intended to be more stringent than rules established by the WTO, that would hold states to a higher standard.¹⁷⁵

¹⁷¹ “Overview of TPP,” Office of the United States Trade Representative, accessed July 7, 2021, <https://ustr.gov/tpp/overview-of-the-TPP>.

¹⁷² Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy*, 70.

¹⁷³ Office of the United States Trade Representative, “Remarks by Ambassador Michael Froman at the Council on Foreign Relations: The Strategic Logic of Trade.”

¹⁷⁴ Fergusson, McMinimy, and Williams, *The Trans-Pacific Partnership (TPP) Negotiations and Issues for Congress*.

¹⁷⁵ Fergusson, McMinimy, and Williams.

The congressional report on the TPP stated that “the TPP approach could eclipse the alternative model of narrower goods based FTAs that are offered by China.”¹⁷⁶ Through the TPP, the Obama administration attempted to rewrite the rules of economic trade in the region with other states that initially excluded China. China would be allowed to join in the future but would then have to adhere to the rules and norms laid out by other states, with no inputs of their own. The Obama administration utilized a multilateral approach to economic competition with China as their attempts to address U.S. concerns directly with China proved difficult. The 12 negotiating countries signed the TPP in February 2016 in the last year of President Obama’s second term.

C. SECURITY COOPERATION AND COMPETITION: NON-PROLIFERATION AND TENSIONS IN THE SOUTH CHINA SEA

The Obama administration pursued cooperation with China to address nuclear non-proliferation in North Korea and Iran. It achieved some cooperation with China in addressing these concerns. However, China’s military modernization and expansion coupled with its more assertive pursuit of its territorial claims in the South China Sea, increased tensions between the United States and China. In this area, the Obama administration chose to compete with China by conducting FONOPS that challenged some of China’s claims in the South China Sea. At the same time, the administration promoted peaceful international resolutions to territorial disputes between China and other claimants to prevent direct conflict over claims. Regarding military and security concerns, the Obama administration engaged in both cooperation and competition with China.

1. Cooperation in Non-Proliferation

The Obama administration maintained cooperation with China regarding the non-proliferation of nuclear weapons in North Korea and extended this cooperation to address non-proliferation in Iran. President Obama made denuclearization a top priority of his administration, making this clear in his speech to an audience in Prague, Czech Republic in 2009. President Obama stated “I state clearly and with conviction America’s

¹⁷⁶ Fergusson, McMinimy, and Williams, 6.

commitment to seek the peace and security of a world without nuclear weapons. I'm not naive. This goal will not be reached quickly -- perhaps not in my lifetime. It will take patience and persistence. But now we, too, must ignore the voices who tell us that the world cannot change. We have to insist, Yes, we can."¹⁷⁷ President Obama addressed the issue of non-proliferation concerns in his November 2009 meeting in China with President Hu Jintao.¹⁷⁸ President Obama stated that North Korea's nuclear program and achieving new sanctions on Iran were U.S. national security priorities, even warning President Hu that Israel or the United States might have to consider strikes against Iranian nuclear facilities.¹⁷⁹ The Obama administration hoped this would compel China to cooperate with the United States towards United Nations Security Council Resolutions and economic sanctions on North Korea and Iran.¹⁸⁰

In terms of North Korea, the Obama administration's policy, just like his predecessor's, was to focus on denuclearization. The Obama administration's policy of pursuing denuclearization of North Korea immediately ran into issues. North Korea decided in 2009 to test both its nuclear capability and more ballistic missiles. Following the test, the UN Security Council voted unanimously to adopt Resolution 1874, which expanded an arms embargo on North Korea and asked member states to further restrict aid and support that could be used for weapon's programs.¹⁸¹ North Korea continued to conduct tests of its missile and nuclear capabilities throughout the Obama presidency. The Obama administration continued to use the UN Security Council and the expansion of sanctions to pressure North Korea to the negotiating table. The UN Security Council unanimously passed 5 additional resolutions, Resolution 2087, 2094, 2270, 2321, all which

¹⁷⁷ Barack Obama, "Remarks by President Barack Obama in Prague as Delivered," The White House: President Barack Obama, April 5, 2009, <https://obamawhitehouse.archives.gov/the-press-office/remarks-president-barack-obama-prague-delivered>.

¹⁷⁸ Obama, *A Promised Land*, 481.

¹⁷⁹ Obama, 481.

¹⁸⁰ Obama, 481.

¹⁸¹ "UN Security Council Resolutions on North Korea," Arms Control Association, April 2018, <https://www.armscontrol.org/factsheets/UN-Security-Council-Resolutions-on-North-Korea>.

expanded and increased the sanctions against North Korea.¹⁸² The United States and China cooperated in this effort, and both voted for sanctions against North Korea to deter further expansion of its nuclear program. Despite the limited success in deterring North Korea from continued pursuit of nuclear weapons, the United States and China cooperated towards an international security concern.

Additionally, the Obama administration sought China's cooperation in non-proliferation regarding Iran's nuclear program. The Obama administration advocated for China's vote in the UN security council to pass Resolution 1929 on 2010.¹⁸³ President Obama explained that this resolution "imposed unprecedented new sanctions on Iran, including a ban on weapons sales, a suspension of new international financial activities by Iranian banks, and a broad mandate to bar any commerce that could help Iran expand its nuclear weapons program."¹⁸⁴ The administration was successful in cooperating with China through the UN Security Council on pressuring Iran through sanctions to stop its advancements towards nuclear weapons. In 2015, the Obama administration cooperated with China in the development of the Joint Comprehensive Plan of Action (JCPOA) that would provide a plan to reduce sanction on Iran following Iran's monitored actions regarding nuclear capabilities.¹⁸⁵ On July 14, 2015, the UN Security Council unanimously passed Resolution 2231, which endorsed the Joint Comprehensive Plan of Action (JCPOA).¹⁸⁶ The Obama administration showed cooperation with China regarding Iran's nuclear program through the UN Security Council mechanism and the passing of Resolution 1929, Resolution 2231, and the establishment of the JCPOA. Again, in the Iranian case, in the interest of an international security concern, there was cooperation between the United States and China.

¹⁸² "UN Security Council Resolutions on North Korea."

¹⁸³ Obama, *A Promised Land*, 483–84.

¹⁸⁴ Obama, 484.

¹⁸⁵ "Resolution 2231 (2015) on Iran Nuclear Issue," United Nations Security Council, accessed October 7, 2021, <https://www.un.org/securitycouncil/content/2231/background>.

¹⁸⁶ "Resolution 2231 (2015) on Iran Nuclear Issue."

2. Tensions in the South China Sea

The Obama administration's goals towards non-proliferation drove cooperation between the United States and China. However, China's goals in the South China Sea drove the administration to compete with China because of diverging interests. In May 2009, Chinese officials submitted notes to the United Nations China's claims to the South China Sea. The note stated that "China has indisputable sovereignty over the islands in the South China Sea and the adjacent waters and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof (see attached map). The above position is consistently held by the Chinese government and is widely known by the international community."¹⁸⁷ The Chinese claim submitted to the UN had long been known publicly as China's nine-dash line. This formal claim was not a new Chinese claim, but the 2009 submittal showed an increased Chinese interest in resolving these territorial disputes on China's terms. Additionally, China's increased land reclamation of features it controls, but are disputed, between 2013 and 2015 raised additional concerns among other claimant states and the United States.¹⁸⁸ Additionally, the land reclamation projects undertaken by China created artificial islands improved with military infrastructure and which China claimed granted it 12NM territorial seas and 200NM Exclusive Economic Zones (EEZ).¹⁸⁹ China's more aggressive pursuit of its interests in the South China Sea alarmed other claimant states and alarmed the United States. The Obama administration strove to support peaceful international resolutions to these disputes to protect the rights of other claimant states, while conducting FON operations to counter Chinese displayed control of artificial islands and EEZs. The administration used these approaches to challenge China's coercive expansion of its control and reach into the South China Sea.

¹⁸⁷ Office of Ocean and Polar Affairs, *China: Maritime Claims in the South China Sea*, Report No. 143 (Washington, D.C.: United States Department of State Bureau of Oceans and International Environmental and Scientific Affairs, 2014), 1, <https://www.state.gov/wp-content/uploads/2019/10/LIS-143.pdf>.

¹⁸⁸ Ben Dolven, Susan V Lawrence, and Ronald O'Rourke, *China Primer: South China Sea Disputes*, CRS Report No. IF10607 (Washington, D.C.: Congressional Research Service, 2021), <https://crsreports.congress.gov/product/pdf/IF/IF10607>.

¹⁸⁹ Dolven, Lawrence, and O'Rourke.

The Obama administration maintained previously held United States interests in the South China Sea. Taylor Fravel in his Policy Report, “U.S. Policy Towards the Disputes in the South China Sea Since 1995,” stated that “the United States has two principal interests in the South China Sea: access and stability.”¹⁹⁰ Fravel also explained that during the Obama administration there was an increase in tensions in the South China Sea that drew more attention and focus from the United States. Fravel stated that “from 2007–2010, all claimants, especially China, more actively asserted their claims and at times, took actions to uphold or defend those claims that further increased tensions.”¹⁹¹ In 2010, the Obama administration felt it necessary to clarify its policy on the South China Sea. While attending the ASEAN Regional Forum (ARF), Secretary Clinton outlined the U.S. position on the South China Sea. She stated that “The United States, like every nation, has a national interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea.”¹⁹² Secretary Clinton also addressed the use of force and resolution of territorial claims by stating:

“The United States supports a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion. We oppose the use or threat of force by any claimant. While the United States does not take sides on the competing territorial disputes over land features in the South China Sea, we believe claimants should pursue their territorial claims and accompanying rights to maritime space in accordance with the UN convention on the Law of the Sea.”¹⁹³

The increased aggression by China caused the United States to, publicly and privately, promote peaceful resolution of claims and stability in the region.

The Obama administration stressed the peaceful resolution of territorial disputes and the respect for relevant rulings in international tribunals as one response to increased Chinese activity in the South China Sea. Taylor Fravel argued that “the emphasis of the

¹⁹⁰ M. Taylor Fravel, *U.S. Policy Towards the Disputes in the South China Sea Since 1995* (Singapore: S. Rajaratnam School of International Studies, Nanyang Technological University, 2014), 2, https://www.rsis.edu.sg/wp-content/uploads/2014/11/PR140330_US_Policy_Towards_Disputes.pdf.

¹⁹¹ Fravel, 4.

¹⁹² Hillary Rodham Clinton, “Remarks at Press Availability,” U.S. Department of State, July 23, 2010, <https://2009-2017.state.gov/secretary/20092013clinton/rm/2010/07/145095.htm>.

¹⁹³ Clinton.

United States on the collaborative process favored resolutions achieved through multilateral talks as opposed to China working bilaterally with other claimants.”¹⁹⁴ This indicates that the Obama administration was fearful that China would use economic and military forms of coercion to achieve agreements with smaller weaker states that were favorable to China and unfair to other claimants. The United States promotion of multilateral international solutions helped it remain neutral while supporting peaceful resolution.

The Obama administration’s promotion of the use of international institutions in South China Sea disputes was evident in the case between the Philippines and China. The Philippines initiated a case for an international tribunal to hear regarding China’s actions in the South China Sea. According to a press release following the hearing, the Philippines wanted a ruling on how UNCLOS relates to China’s historic nine dash line claim, ruling on definition on the land features in the South China Sea, a ruling on if China violated Philippines’ sovereign rights through building and construction off artificial islands on the Spratley Islands.¹⁹⁵ The tribunal decided that China did not have historic resource rights within the entire nine-dash line that supersede the maritime rights provided to states through economic exclusion zones.¹⁹⁶ Additionally, the tribunal ruled that all the Spratly Islands are legally ‘rocks’ and not life sustaining islands in their natural condition, so they do not provide EEZs for states that control them.¹⁹⁷ Finally, the tribunal found that on several occasions China violated Philippines’ sovereign rights by restricting the Philippines access to resources clearly within the Philippines’ EEZ and which international law does not provide China with any access.¹⁹⁸ These rulings largely ruled in favor of the

¹⁹⁴ Fravel, *U.S. Policy Towards the Disputes in the South China Sea Since 1995*, 5.

¹⁹⁵ Permanent Court of Arbitration. “The South China Sea Arbitration (The Republic of the Philippines V. The People’s Republic of China),” *Permanent Court of Arbitration Press Release*, July 12, 2016, 4, <https://pcacases.com/web/sendAttach/1801>.

¹⁹⁶ Permanent Court of Arbitration, “The South China Sea Arbitration (The Republic of the Philippines V. The People’s Republic of China),” 9.

¹⁹⁷ Permanent Court of Arbitration, “The South China Sea Arbitration (The Republic of the Philippines V. The People’s Republic of China),” 10.

¹⁹⁸ Permanent Court of Arbitration, “The South China Sea Arbitration (The Republic of the Philippines V. The People’s Republic of China),” 10.

Philippines and its case against China. The CCP decided not to participate in the arbitration. The arbitration report stated that “China does not accept and is not participating in this arbitration and that the tribunal does not have jurisdiction over this case.”¹⁹⁹ Even though there was an international ruling, clearly, the issue was not resolved.

After the ruling, the Obama administration promoted the peaceful resolution of territorial disputes in the South China Sea. John Kirby, Assistant Secretary and Department Spokesperson of Bureau of Public Affairs for the State Department, remarked that “[t]he decision today by the Tribunal in the Philippines-China arbitration is an important contribution to the shared goal of a peaceful resolution to disputes in the South China Sea.”²⁰⁰ China’s decision to disregard the tribunal and its rulings were seen by the United States as a rebuke of international institutions and order. When President Obama met with Xi Jinping in 2016, he “emphasized the importance for China, as a signatory to UNCLOS, to abide by its obligations under that treaty, which the United States views as critical to maintaining the rules-based international order.”²⁰¹ However, the ruling by the tribunal does not have an enforcement mechanism and relies on China to abide by the rulings.²⁰² The Obama administration made it clear that the United States wanted China to adhere to the rulings of the international tribunal and respect international law and order. Yet, as Robert Sutter stated in his book, *US-China Relations*, “the few public objections offered by the U.S. displayed a careful measured approach by Washington as to not disrupt the broader US-China relationship.”²⁰³ In this way the Obama administration’s support of international resolutions allowed the United States to not become too entangled in resolving the dispute and thus prevented more U.S.-China conflict.

¹⁹⁹ Permanent Court of Arbitration, “The South China Sea Arbitration (The Republic of the Philippines V. The People’s Republic of China),” 6.

²⁰⁰ John Kirby, “Decision in the Philippines-China Arbitration,” U.S. Department of State, July 12, 2016, <https://2009-2017.state.gov/r/pa/prs/ps/2016/07/259587.htm>.

²⁰¹ “Readout of the President’s Meeting with President Xi Jinping of China,” The White House: President Barack Obama, September 3, 2016, <https://obamawhitehouse.archives.gov/the-press-office/2016/09/03/readout-presidents-meeting-president-xi-jinping-china>.

²⁰² Prashanth Parameswaran, “U.S. South China Sea Policy after the Ruling: Opportunities and Challenges,” *Brookings* (blog), July 22, 2016, <https://www.brookings.edu/opinions/u-s-south-china-sea-policy-after-the-ruling-opportunities-and-challenges/>.

²⁰³ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 158.

The United States and China also had different interpretations of the Law of the Sea regarding EEZs and this continued to cause tensions between the two countries. The United States believes in the freedom of navigation and the freedom to conduct surveillance and reconnaissance activities beyond the 12 nautical miles from a state's coastline. The United States even conducts these activities in the area known as the Exclusive Economic Zone that can extend 200 NM beyond a state's shoreline as long as there aren't adjacent states that also have claims. The United Nations Convention of the Law of the Sea states that the Exclusive Economic Zone provides the coastal state with the rights to resources found within the zone.²⁰⁴ However, the agreement also states that "in the exclusive economic zone all states enjoy the freedoms of navigation and overflight and of the laying of submarine cables and pipelines, and other internationally lawful uses of the sea related to these freedoms."²⁰⁵ The United States interprets this as allowing for reconnaissance and surveillance activities because those operations are not explicitly forbidden. China asserts that these military activities are not permitted under the Law of the Sea.²⁰⁶ Further complicating the issue is that China has signed and approved the United Nations Convention of the Law of the Sea, where the United States has never officially ratified the agreement through congress. Despite this, the United States and the Obama administration urged signers of the document to observe the laws within including the right to conducting freedom of navigation and surveillance and reconnaissance operations in EEZs.²⁰⁷

The dispute between differing interpretations of EEZs led to confrontation between the United States and China during the Obama administration. The incident involved the USNS Impeccable and Chinese maritime vessels. In March 2009, a U.S. surveillance ship the USNS Impeccable was confronted by five Chinese vessels as it was transiting the South China Sea approximately seventy-five miles south of Hainan Island.²⁰⁸ The U.S. position

²⁰⁴ United Nations Convention on the Law of the Sea, Multilateral, December 10, 1982, Vol. 1833, I-31363.

²⁰⁵ United Nations Convention on the Law of the Sea, 44.

²⁰⁶ Dolven, Lawrence, and O'Rourke, *China Primer: South China Sea Disputes*.

²⁰⁷ Kirby, "Decision in the Philippines-China Arbitration."

²⁰⁸ Captain Raul Pedrozo, "Close Encounters at Sea: The USNS Impeccable Incident," *Naval War College Review* 62, no. 3 (Summer 2009): 100.

maintained that the United States' naval vessel had the right to conduct transit and surveillance operations based on UNCLOS, which does not prohibit such activities in another nation's EEZ.²⁰⁹ China through its actions against the U.S. military vessels showed its desire to restrict military activities in its EEZ. The White House Press Secretary, Robert Gibbs, stated that the U.S. embassy protested the actions of the Chinese vessels and that the United States expected China to abide by international law regarding acceptable actions in international waters.²¹⁰ Despite the provocative act by China to the U.S. Navy vessel, the incident did not escalate into a serious conflict. Still, it displayed the differing interpretations the United States and China have over the South China Sea. The Obama administration showed restraint in not escalating this situation but stood by the U.S. claims of respect for international laws and regulations regarding the sea.

During the rest of President Obama's time in office the United States continued these Freedom of Navigation operations, which challenged some of China's extensive claims in the South China Sea. The Obama administration publicly acknowledged five FONOPS from 2015–2016.²¹¹ On October 26, 2015, the USS Lassen, which is an Arleigh Burke-class destroyer, passed by Subi and Mischief reefs within 12 nautical miles of the Chinese controlled territories.²¹² Subi and Mischief Reef were not only Chinese controlled features but were two of the features where China was conducting land reclamation and building military infrastructure.²¹³ Between January 29–30 2016, the USS Curtis Wilbur, another Arleigh Burke-class destroyer, passed within 12 nautical miles of Triton Island in the Paracels controlled by China.²¹⁴ On May 10, 2016, the USS William Lawrence passed

²⁰⁹ Pedrozo, 102.

²¹⁰ "Briefing by White House Press Secretary Robert Gibbs, 3/9/09," The White House: President Barack Obama, March 9, 2009, 173, <https://obamawhitehouse.archives.gov/the-press-office/briefing-white-house-press-secretary-robert-gibbs-3909>.

²¹¹ Cid Standifer, "A Brief History of U.S. Freedom of Navigation Operations in the South China Sea," USNI News, May 29, 2017, <https://news.usni.org/2017/05/29/brief-history-us-freedom-navigation-operations-south-china-sea>.

²¹² Standifer.

²¹³ "China Island Tracker."

²¹⁴ Standifer, "A Brief History of U.S. Freedom of Navigation Operations in the South China Sea."

within 12 nautical miles of Fiery Cross Reef.²¹⁵ Fiery Cross Reef is another Chinese occupied island in the Spratly Island chain equipped with an airstrip and military infrastructure.²¹⁶ Finally, on October 21, 2016, during a freedom of navigation operation near the Paracel Islands, the USS Decatur was trailed by three Chinese vessels.²¹⁷ These operations were supported by the Obama administration to challenge what it considered excessive Chinese claims to rights in the South China Sea.

Ultimately, during the Obama administration, China's more assertive pursuit of its territorial claims in the South China Sea concerned the United States and presented an area of diverging interests between the two countries. China showed increased interest in exhibiting more control of its territorial claims. The Obama administration showed interest in maintaining freedom of navigation and overflight in the South China Sea. Throughout President Obama's two terms in office, China continued to pursue its claims in the South China Sea while the United States continued its FONOPS. In 2016, an international tribunal ruled against some of China's claims in the South China Sea. The Obama administration promoted this use of international institutions for resolution of disputes in the South China Sea.²¹⁸ However, China did not recognize the ruling and continued to press its claims. By the end of President Obama's time in office, the United States and China continued to hold differing interests in the South China Sea, and this led to increased competition between the two countries.

3. China's Military Modernization and Growth

It was not only China's more assertive behavior towards their claims in the South China Sea that concerned the United States, China's military growth and modernization was also a concern. China's military capabilities improved in the 2000s. China's rapid economic rise allowed its military expenditures to increase drastically through the 2000s, even though their spending as percent of GDP remained constant between 1.7 and 1.9

²¹⁵ Standifer.

²¹⁶ "China Island Tracker."

²¹⁷ Standifer, "A Brief History of U.S. Freedom of Navigation Operations in the South China Sea."

²¹⁸ Kirby, "Decision in the Philippines-China Arbitration."

percent.²¹⁹ In actual military spending China's military spending has increased 85 percent from 2010 to 2019.²²⁰ In 2012, China's share of regional military spending rose to 54 percent compared to 18 percent in 1991.²²¹ In terms of spending, the United States still spent considerably more than China on defense, but the gap closed. In 2000 the United States spent roughly 11.5 times more than China on military, by 2010 it was only spending 6.6 times more than China.²²² The United States maintained its military edge during the Obama administration, but in regional terms China's military expansion and growth concerned the United States. As Ronald O'Rourke in his Congressional Research Report stated, "the PLA is not close to catching up to the U.S. military in terms of aggregate capabilities, but it does not need to catch up to the United States to dominate the immediate periphery."²²³

The United States was not only concerned with China's military spending, but also in how it spent its money. Additionally, the United States was concerned with what these weapons meant for Chinese military modernization and strategy. The Chinese Communist Party (CCP) made some adjustments with its military strategy in 2004 and in 2014. In 2004, the Chinese military strategy focused on integrated joint operations, which required the buildup of China's naval and air forces.²²⁴ M. Taylor Fravel in his book, *Active Defense: China's Military Strategies since 1949*, stated that "China's modern destroyers and frigates increased from 21 to 45, modern submarines from 21 to 45, and ground attack and support aircraft increased to about 50 percent of the force."²²⁵ Fravel argued that these adjustments seemed to support a more active defense and the ability to project naval power and air

²¹⁹ Stockholm International Peace Research Institute. "SIPRI Military Expenditure Database." Accessed June 19, 2021, <https://www.sipri.org/databases/milex>.

²²⁰ Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database."

²²¹ Yves-Heng Lim, "How (Dis)Satisfied Is China? A Power Transition Theory Perspective," *Journal of Contemporary China* 24, no. 92 (March 4, 2015): 287, <https://doi.org/10.1080/10670564.2014.932160>.

²²² Stockholm International Peace Research Institute, "SIPRI Military Expenditure Database."

²²³ Ronald O'Rourke, *China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress*, CRS Report No. RL33153 (Washington, D.C.: Congressional Research Service, 2021), 53, <https://sgp.fas.org/crs/row/RL33153.pdf>.

²²⁴ Fravel, "China's Military Strategies since 1993: 'Informatization,'" 219–20.

²²⁵ Fravel, 221.

power in the region. The Chinese military modernization and build up was not lost on the Obama administration. Defense Secretary Chuck Hagel stated in an innovation memo to the military in 2014 that “We have always lived in an inherently competitive security environment and the past decade has proven no different. While we have been engaged in two large land mass wars over the last thirteen years, potential adversaries have been modernizing their militaries, developing and proliferation disruptive capabilities across the spectrum of conflict. This represents a clear and growing challenge to our military power.”²²⁶ Hagel identified the challenge that China posed to the United States and was emphasizing the need for the U.S. military to innovate to keep its technological edge.

D. POLITICAL FACTORS: THE TAIWAN PRESIDENCY OF MA YING-JEOU AND THE DALAI LAMA U.S. VISIT

Despite the increasing tensions in the South China Sea between the United States and China, the historic flashpoint of the Taiwan issue experienced a reduction of tensions compared to previous decade. During the Obama administration major tensions between the United States and China were avoided regarding Taiwan. Robert Sutter argued in his book, *U.S. China Relations*, that major crises were avoided because of the election of Taiwan President Ma Ying-jeou who held office from 2008–2016.²²⁷ His term overlapping with the Obama administration. Sutter stated that President Ma Ying-jeou took a more cooperative approach with China, which contrasted with the approach of his predecessors.²²⁸ As Sutter stated “President Ma had an agenda emphasizing reassurance of China that his government would not move Taiwan toward independence; it was based on closer economic, social, and other contacts across the strait.”²²⁹ The approach of President Ma aided in keeping tensions between the United States and China relatively low

²²⁶ Sydney J. Freedberg, “Hagel Lists Key Technologies For U.S. Military; Launches ‘Offset Strategy’ - Breaking Defense Breaking Defense - Defense Industry News, Analysis and Commentary,” *Breaking Defense*, November 16, 2014, <https://breakingdefense.com/2014/11/hagel-launches-offset-strategy-lists-key-technologies/>.

²²⁷ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 2014.

²²⁸ Sutter, 214.

²²⁹ Sutter, 219.

regarding Taiwan compared with increased tensions with Taiwan in the 90's and early 2000s.

The Obama administration continued the U.S. policy of arms sales to Taiwan, which China continued to publicly condemn. The 2010 U.S. arms sale to Taiwan resulted in temporary suspension of military-to-military exchanges between the United States and China.²³⁰ Over the course of Obama's presidency the United States made several weapons' deals with Taiwan that totaled \$20 billion, which was considered by Taiwan to be the largest amount of weapon sales over a seven-year period since 1979.²³¹ Nonetheless, the Obama administration's policy of weapons sales to Taiwan did not reflect a major change in U.S. policy towards Taiwan. The sale of weapons was a continuation of U.S. policy dating back to the 1979 Taiwan Relations Act that stated the United States would provide Taiwan arms for defense.²³² The Obama administration's continuation of the policy remained as an area where the United States and China had competing interests, but the overall positive relations between Taiwan and China during the presidency of Ma Ying-jeou helped ease the tensions between the three countries. This allowed the Taiwan dispute to not disrupt economic and security cooperation between the United States and China.

The Obama administration, like the Bush administration, carefully navigated other political differences between the United States and China as to not upset progress in economic and security cooperation. This was evident in the Obama administration's handling of the controversial Dalai Lama visit to the United States. Yet, the Obama administration carefully managed these differing interests to achieve cooperation where interests converged in economics and international security concerns. Due to diverging interests with China on this issue, the Obama administration showed a measured approach towards China in the first Dalai Lama visit to the United States of Obama's presidency. In early 2010 Barack Obama made the decision to continue the precedent of meeting with the

²³⁰ Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy*, 117.

²³¹ Susan V Lawrence and Wayne M. Morrison, *Taiwan: Issues for Congress*, CRS Report No. R44996 (Washington, D.C.: Congressional Research Service, 2017), 28, <https://sgp.fas.org/crs/row/R44996.pdf>.

²³² Lawrence and Morrison, 29.

Dalai Lama despite the negative impact it would have on the U.S.-China relationship. Jeffrey Bader, Senior Director for Asian Affairs on the National Security Council under the Obama administration, stated that President Obama's commitment to meeting with the Tibetan religious leader was evident in the decisiveness the President showed when the matter was opened for discussion.²³³ Bader quoted the president as saying "Let me cut this argument short. I'm going to meet with him."²³⁴ Bader stated that the President intended to show American support for the Dalai Lama's leadership, the religious and cultural aspirations of the Tibetan people, and his eventual return to Tibet."²³⁵ President Obama's decision to meet with the Dalai Lama signified the United States' continued support of human rights despite the tensions it raised with China.

Where the Obama administration showed tact was in the managing of the scheduled visit. The issue with the date of the meeting of President Obama and the Dalai Lama was the closeness of the date to President Obama's first visit to China.²³⁶ The Obama administration's visit to China was November 2009 and the Dalai Lama's proposed visit was in October of 2009 when he was going to be in Washington. The Obama administration was fearful that a meeting with the Dalai Lama right before the trip to China could derail any hopes of cooperation between the United States and China on other issues.²³⁷ This was based on China's feelings towards Tibet and the important issues that needed to be discussed between the United States and China.²³⁸ Bader explained that "the Chinese warned U.S. officials that a presidential meeting with the Dalai Lama shortly before the president's visit to Beijing would have grave, unspecified consequences for the US-China relationship and for Obama's upcoming visit to China."²³⁹ The Obama administration's goal of the upcoming trip with China was to make some progress on global issues such as

²³³ Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy*, 72.

²³⁴ Bader, 72.

²³⁵ Bader, 48.

²³⁶ Bader, 49.

²³⁷ Bader, 49.

²³⁸ Bader, 49.

²³⁹ Bader, 49.

Iran, North Korea, and climate change, so it decided to meet with the Dalai Lama after the its trip to China, causing the Dalai Lama to adjust his plans to accommodate.²⁴⁰ The decision by the Obama administration to delay the meeting with the Dalai Lama exemplified the approach of seeking cooperation and managing contentious issues where there were considerable disagreements.²⁴¹ President Obama's decision in this area was not unlike the Bush administration's policies regarding Tibet, both administrations acknowledged support for the Dalai Lama as a religious and cultural leader of the Tibetan people. They both agreed to meet with him despite the negative impacts it would have on the relationship with China but were not willing to push the issue to the point where it would threaten cooperation on other more prioritized issues related to economic and security policy with China.

E. CONCLUSION

Even though cooperation between the United States and China continued in some areas, under the Obama administration, competition between the United States and China increased. The Global Financial crisis challenged the Obama administration's ability to address U.S. economic concerns with China. The Obama administration addressed this challenge by engaging China on important economic issues, while at the same time negotiating the TPP. The TPP included 11 Asia-Pacific partners and American economic principles such as protection of intellectual property, transparency, and labor rights, which differed from China's economic practices.²⁴² China's increased military spending, military modernization, and pursuit of its territorial claims in the South China Sea greatly concerned the Obama administration.²⁴³ The Obama administration addressed this concern by promoting international law by championing peaceful resolutions through international institutions and by conducting FONOPS in the South China Sea. Lastly, tensions continued

²⁴⁰ Bader, 51.

²⁴¹ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 156.

²⁴² Lieberthal, "The American Pivot to Asia."

²⁴³ Sutter, *US-China Relations: Perilous Past, Uncertain Present*, 154–55.

to exist between the United States and China on the politically sensitive issues of Taiwan and Tibet and these issues remained unresolved throughout the Obama administration.

Despite the increased tensions between the United States and China, the Obama administration continued to engage China cooperatively to address international issues such as global economic recovery and non-proliferation in North Korea and Iran. The administration also engaged China bilaterally on economic issues between the two countries and achieved some cooperation. However, in areas where there were divergent interests, the Obama administration struggled to find bilateral resolutions with China. To address these issues, the Obama administration used multilateral pressure by more actively engaging with other states in the Asia-Pacific region or managing contentious issues by not forcefully pushing for resolution. This strategy allowed continued U.S.-China cooperation amidst rising tensions but also left contentious issues between the countries unresolved. The unresolved issues between the United States and China continued into the Trump administration, where drastic differences marked the approach to these issues.

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IV. CONCLUSION

A. OVERVIEW

This conclusion provides a summary of findings to the question of what were the drivers that led to U.S.-China relations shifting from cooperation to more competition from the Bush to Obama administration. In addition, this conclusion provides an overview of how this shift continued during the Trump administration and will likely impact future trends. This thesis aimed to highlight elements of cooperation and competition during the Bush and Obama presidencies to more easily understand why the relationship evolved towards more competition. It examined economic factors, security factors, and political factors which shaped both efforts at cooperation and competition.

Chapter I outlined the research question, its importance, a review of relevant literature, and defined the hypotheses. In Chapter II, the Bush administration was examined focusing on President Bush's interpretation of the United States' relationship with China and how his administration cooperated and competed on economic, security, and political issues. In Chapter III, the Obama administration was analyzed to show how his administration cooperated and competed with China on these same issue areas.

B. SUMMARY OF FINDINGS

The Bush administration can be characterized as having a cooperative relationship with China, but tensions between the countries increased due to economic, security, and political factors. To differentiate from the previous Clinton administration, President Bush sought a more competitive relationship with China; however, the September 11th terrorist attacks on the United States forced the Bush administration to adjust national security priorities. Following the attacks, President Bush, sought increased cooperation with China. Economically, the Bush administration approved of China's accession into the WTO, increased trade with China, and established the Strategic Economic Dialogue to coordinate economic issues and concerns. The Bush administration believed that U.S. support for China's economic liberalization would lead China down a path of further political liberalization in the future. Additionally, the Bush administration hoped that integrating

China in the international system, led by the United States, would pressure China to abide by the rules-based international order. However, by Bush's second term, economic frictions increased as China's economy grew rapidly along with the U.S. trade deficit with China. Domestically, this was perceived by some as China growing at the United States' expense. Additionally, the Bush administration became frustrated with the extent of China's economic reforms. President Bush and his administration in its final years pressured China on the value of its currency, Chinese protectionist policies such as subsidies for SOEs and intellectual property theft. The Great Recession and the Global Financial Crisis at the end of Bush's presidency exacerbated these concerns. These trends continued into President Obama's first term.

Military and security cooperation between the United States and China increased during the Bush presidency, due to shared international security concerns like terrorism and nuclear proliferation in North Korea. The Bush administration engaged with China and achieved some cooperation on international terrorism in Bush's global war on terrorism. China agreed to join the international effort to combat international terrorism by allowing the United States to setup an FBI liaison office and monitor global shipping and financial transactions through Hong Kong. Additionally, the Bush administration achieved cooperation on North Korea when the United States and China both approved UN Security Council Resolutions that established economic sanctions against North Korea for its continued nuclear weapons program. The Bush administration also managed a major military incident between the two countries in the first few months of his presidency when the EP-3 incident occurred. Finally, the United States and China were able to cooperatively manage the Taiwan issue despite the provocative actions of Taiwan president Chen Shui-bian.

However, there were lingering sources of tensions that remained unresolved at the end of the Bush presidency that threatened future cooperation. The Bush administration's initial enthusiasm of China's cooperation with the Global War on Terrorism waned as the administration perceived China's assistance to be limited. Additionally, the administration believed that the CCP was using the Global War on Terrorism as justification to persecute ethnic minorities in China. Secondly, even though the Bush administration managed the

EP-3 incident with China, differing opinions on acceptable military activities in a state's EEZ remained a source of tension. Finally, despite successful management of the status quo on Taiwan, the tensions between the United States and China remained over U.S. relations towards Taiwan.

When it came to differing of opinions on human rights issues, the Bush administration chose to support the rights of Chinese citizens like religious freedom vocally; however, the administration realized that concessions on this issue from China were not likely and refrained from making cooperation in other areas dependent on China's observance of American ideals and values. President Bush's decision to attend the Beijing Olympics despite some support in Congress for a boycott based on the CCP's human rights abuses, shows the importance the Bush administration placed on the maintenance of cooperative relations with China. The political and ideological differences were not eased and remained a source of tension, yet they were often put aside to ensure economic and security cooperation.

The economic, security, and political tensions between the United States and China that increased towards the end of the Bush administration continued into the Obama administration. Due to the rapid growth of China's economy, military spending, military modernization, and increased assertiveness in the South China Sea, the tensions with the United States were compounded. The Obama administration entered office in the midst of the Great Recession at home and the Global Financial Crisis abroad, which drove early cooperation between the United States and China. However, the Global Financial Crisis accentuated the United States' relative economic decline and China's rapid growth. The economic gap between the United States and China continued to narrow and this changed the bargaining position of the United States. After the early cooperation in economic recovery plans following the Global Financial Crisis, the Obama administration found it difficult to address economic issues with China which continued to be the value of China's currency, the trade deficit, intellectual property theft, and Chinese protectionist policies. The Obama administration thus drove towards economic competition with China by pursuing the Trans-Pacific Partnership. The Trans-Pacific Partnership provided the United States the opportunity to increase its economic relationship with Asia-Pacific partners and

help write acceptable economic rules and trade regulations for all participants. During the Obama administration, patience with China's gradual economic reforms seemed to be fading and provided the impetus to pursue multilateral approaches like the TPP that excluded China.

During President Obama's first term, security cooperation between the two countries was challenged by China's increased military spending, military modernization, and assertiveness in the South China Sea. The Obama administration still achieved some cooperation on non-proliferation in North Korea and Iran, by securing Chinese acquiescence in several UN Security Council resolutions. Also, the issue of Taiwan was managed during the Obama presidency in large part due to the Taiwan presidency of Ma Ying-jeou. However, China's military posturing in the South China Sea drove the Obama administration towards more competition with China. The administration's use of FONOPS provided a more direct challenge to China's territorial claims, while the support of partner nations' rights in the SCS raised international pressure on China's claims. The administration's support the Philippines and the promotion of the use of international institutions in finding peaceful resolutions to disputed territorial claims exemplified this approach. These policies challenged China who preferred to handle these disputes bilaterally with each claimant.

Ideological differences between the United States and China especially in terms of human rights continued to provide some tension between the two countries, but the Obama administration, like the Bush administration, prioritized economic and security cooperation above ideological differences on human rights. The Obama administration realized that if it pushed China too hard on politically sensitive topics like addressing human rights in China, cooperation in other areas could be jeopardized. Thus, the Obama administration refrained from linking cooperation with China to Chinese political or social reforms.

Economic and security factors drove the marked shift from cooperation towards competition. The Obama administration faced a China that had grown significantly economically and militarily over the past administration and faced them from a weakened global standing as the United States was recovering from one of the worst economic disasters in its history. The Obama administration had to deal with a China that was better

able to advance its interests and limit the concessions it made to the United States. The Obama administration pushed to reemphasize focus on the Indo-Pacific region and tried multilateral approaches to competing with China in Asia. This multilateral approach provided the opportunity to compete with China while avoiding direct outright conflict, as economic and security competition between the United States and China increased.

C. TRENDS CONTINUE IN THE TRUMP ADMINISTRATION

The economic, security, and political factors that led to increased competition between the United States and China during the Obama administration continued to drive competition in the Trump administration. Despite the differences in approaches between the Obama and Trump administration the trends in issues between the United States and China remained the same. Economically, the trade deficit and Chinese economic intellectual property theft remained an issue of contention. Regarding security issues, tensions in the SCS remained. Politically, the issue over U.S.-Taiwan relations continued to cause friction between the United States and China, while more public acknowledgement of China's human rights abuses put more pressure on an area of divergent interests.

Economically, under the Trump administration, the United States loudly complained that the U.S.-China trade relationship as unfair. The trade imbalance and Chinese intellectual property theft remained key concerns. Instead of using multilateral pressure through the TPP, the Trump administration preferred a heavier emphasis on tough bilateral negotiations with China, backed up by unilateral tariffs. In January 2017, President Trump withdrew the United States from the TPP that was signed during the Obama administration.²⁴⁴ The Trump administration chose to exert more direct pressure through the implementation of tariffs on Chinese goods. In January and in July of 2018, President Trump imposed tariffs on some Chinese imports to include washing machines, solar panels,

²⁴⁴ "The United States Officially Withdraws from the Trans-Pacific Partnership," Office of the United States Trade Representative, January 2017, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2017/january/US-Withdraws-From-TPP>.

steel, and aluminum.²⁴⁵ China responded with placing tariffs on U.S. imports. These actions sparked the much-publicized trade war between the United States and China. However, the Trump administration continued to negotiate with Chinese leadership to come to a mutually accepted bilateral trade deal which was eventually signed in January 2020.

However, the phase one trade deal signed by the United States and China in 2020 did not completely resolve trade issues between the two countries. For one, the deal did not remove all tariffs put in place in 2018.²⁴⁶ Additionally, critics of the deal highlighted that the trade deal did not include agreements on cyber-security, hacking, or China's domestic subsidies to industries that helped increase their competitiveness against the United States and other foreign companies.²⁴⁷ The absence of cyber-security and hacking agreements were a concern, due to the resurgence of Chinese economic espionage and intellectual property theft.²⁴⁸ This challenged the belief that the Obama administration's U.S.-China Cyber Agreement between the United States and China was effective in the long-term. Furthermore, as economist Chad Brown highlighted, China's actual purchases fell well short of promised targets through September 2020 and that "through three-quarters of 2020, China had purchased just more than one-third of what it pledged in Trump's deal it would buy in 2020."²⁴⁹ The signing of a bilateral trade deal between the United States and China under the Trump administration showed the ability for the two countries to cooperate and reach an agreement. However, the deal showed limited success in that the not all promises were achieved and important economic issues like intellectual property theft and tariffs

²⁴⁵ Brittany Mayes et al., "Trump's Trade War Has Started. Who's Been Helped and Who's Been Hurt?," *Washington Post*, July 15, 2018, <https://www.washingtonpost.com/graphics/2018/business/trump-tariff-trade-war/>.

²⁴⁶ Ana Swanson and Alan Rappeport, "Trump Signs China Trade Deal, Putting Economic Conflict on Pause," *The New York Times*, January 15, 2020, sec. Business, <https://www.nytimes.com/2020/01/15/business/economy/china-trade-deal.html>.

²⁴⁷ Swanson and Rappeport.

²⁴⁸ *M-Trends* 2020, 42.

²⁴⁹ Chad Brown, "Trump's Phase One Trade Deal with China and the U.S. Election," PIIE, October 27, 2020, <https://www.piiie.com/blogs/trade-and-investment-policy-watch/trumps-phase-one-trade-deal-china-and-us-election>.

remained unresolved. These economic concerns would carry-on into the Biden administration.

In terms of security, tensions in the SCS continued and arguably increased during the Trump administration. In the 2017 National Security Strategy, the Trump administration stated that “China’s efforts to build and militarize outposts in the South China Sea endanger the free flow of trade, threaten the sovereignty of other nations, and undermine regional stability. China has mounted a rapid military modernization campaign designed to limit U.S. access to the region and provide China a freer hand there.”²⁵⁰ The Trump administration also backed this up with actions by increasing the amount of FONOPS during his presidency. Ian Storey and Malcolm Cook highlighted in their article, “The Trump Administration and Southeast Asia: Half-time of Game Over,” that “The U.S. military has substantially increased the frequency of its presence missions on, over and under the South China Sea. Between May 2017 and August 2020, the U.S. Navy conducted 24 FONOPS in the disputed Paracel and Spratly Island—six more than during the Obama administration’s eight years.”²⁵¹ The Trump administration’s policies and actions in the South China Sea led to increased tensions and competition with China.

Additionally, the Trump administration sought cooperation with partner countries by enhancing their economic, security, and governance capabilities and practices through investment and assistance.²⁵² The Trump administration attempted increased engagement with four strategically important states. It attended a meeting of the ‘Quad’ which included Japan, India, and Australia at the November 2017 ASEAN summits. According to David Arase, “The Quad has an interest-based as well as a values-based concern to cooperatively preserve the rules-based order through informal diplomatic consultations.”²⁵³ Derek

²⁵⁰ White House, *National Security Strategy of the United States of America* (Washington, D.C.: White House, 2017), 46, <https://history.defense.gov/Historical-Sources/National-Security-Strategy/>.

²⁵¹ Ian Storey and Malcolm Cook, “The Trump Administration and Southeast Asia: Half-Time or Game Over?,” *ISEAS Perspective*, no. 112 (October 7, 2020): 5, https://www.iseas.edu.sg/wp-content/uploads/2020/09/ISEAS_Perspective_2020_112.pdf.

²⁵² David Arase, *Free and Open Indo-Pacific Strategy Outlook*, vol. 12, Trends in Southeast Asia (Singapore: ISEAS, 2019), 17, ProQuest.

²⁵³ Arase, 12:3.

Grossman stated in his post, “The Quad is Poised to Become Openly Anti-China Soon,” that “all four nations continue to deepen their bilateral defense and security partnerships with each other as they agree that a free and open Indo-Pacific is necessary to preserve in the face of rising Chinese assertiveness throughout the region.”²⁵⁴ China sees these moves to contain China’s growing influence in the region.²⁵⁵ Thus, the increased engagement between the United States and the three other members of the Quad increased tensions and competition between the United States and China.

The Trump administration also encountered increased tensions with China regarding Taiwan. In 2016 Tsai Ing-wen was elected President of Taiwan who was a candidate from the Democratic Progressive Party. The Democratic Progressive Party’s history as being more separatist and independence seeking causes uneasiness in China.²⁵⁶ The last DPP president was Chen Shui-bian and his presidency from 2000–2008 caused tensions between the United States and China during the Bush administration.²⁵⁷ To make the matter more contentious, President Donald Trump accepted a phone call from President Tsai Ing-wen, which broke with U.S. protocol for positive relations with China.²⁵⁸ The Trump administration raised tensions with China over Taiwan’s status militarily and diplomatically. Militarily, the Trump administration and the U.S. Congress approved the sale of 66 F-16 fighter jets to Taiwan.²⁵⁹ Additionally, the United States publicly

²⁵⁴ Derek Grossman, “The Quad Is Poised to Become Openly Anti-China Soon,” *The Rand Blog* (blog), July 28, 2020, <https://www.rand.org/blog/2020/07/the-quad-is-poised-to-become-openly-anti-china-soon.html>.

²⁵⁵ Kevin Rudd, “Why the Quad Alarms China,” *Foreign Affairs*, August 6, 2021, <https://www.foreignaffairs.com/articles/united-states/2021-08-06/why-quad-alarms-china>.

²⁵⁶ Steven M. Goldstein, *China and Taiwan* (United Kingdom: Polity Press, 2015), 75.

²⁵⁷ Goldstein, 116.

²⁵⁸ Richard Bush, *A One-China Policy Primer*, East Asia Policy Paper 10 (Washington, D.C.: Center for East Asia Policy Studies at Brookings, 2017), 1, <https://www.brookings.edu/wp-content/uploads/2017/03/one-china-policy-primer.pdf>.

²⁵⁹ Edward Wong, “Trump Administration Approves F-16 Fighter Jet Sales to Taiwan,” *The New York Times*, August 16, 2019, sec. World, <https://www.nytimes.com/2019/08/16/world/asia/taiwan-f16.html>.

announced that U.S. Marines were in Taiwan for training with the Taiwanese military.²⁶⁰ This was the first public acknowledgment of such activity in over 40 years.²⁶¹ Furthermore, the United States increased the frequency of military ships sailing through the Taiwan Strait, when compared to the Obama administration.²⁶² Diplomatically, the Trump administration approved a 250 million dollar upgrade to the American Institute in Taiwan, which serves similar functions to an embassy.²⁶³ Finally, at the end of President Trump's term, Secretary of States Mike Pompeo announced that the United States would remove restrictions on official contacts with Taiwan.²⁶⁴ These actions by the Trump administration showed a move towards more military and diplomatic relations with Taiwan, which increased tensions the pre-existing tensions with China.

Politically, the Trump administration raised tensions with China over human rights concerns in Xinjiang. President Trump, like previous administrations, focused more heavily on economic and security concerns through the majority of his term. However, during Trump's last year in office, his administration "issued a joint advisory statement warning U.S. companies to monitor their activities in China, particularly in the Xinjiang region, where the Chinese government is harshly repressing its own people and is committing human rights abuses."²⁶⁵ Additionally, the Department of Homeland Security issued a statement saying "DHS Customs & Border Protection will continue to issue trade prohibitions on goods produced with forced labor imported into the United States from

²⁶⁰ Liz George, "US Marines Are in Taiwan; First Public Confirmation since 1979," *American Military News* (blog), November 9, 2020, <https://americanmilitarynews.com/2020/11/us-marines-are-in-taiwan-first-public-confirmation-since-1979/>.

²⁶¹ George.

²⁶² Lindsay Maizland, "U.S. Military Support for Taiwan: What's Changed Under Trump?," Council on Foreign Relations, April 3, 2019, <https://www.cfr.org/in-brief/us-military-support-taiwan-whats-changed-under-trump>.

²⁶³ Maizland.

²⁶⁴ Ryan Hass, "After Lifting Restrictions on US-Taiwan Relations, What Comes Next?," *Brookings* (blog), January 11, 2021, <https://www.brookings.edu/blog/order-from-chaos/2021/01/11/after-lifting-restrictions-on-us-taiwan-relations-what-comes-next/>.

²⁶⁵ "Trump Administration Strongly Warns U.S. Businesses Against Contributing to China's Human Rights Abuses," Department of Homeland Security, July 1, 2020, <https://www.dhs.gov/news/2020/07/01/trump-administration-strongly-warns-us-businesses-against-contributing-china-s-human>.

China, especially Xinjiang.”²⁶⁶ The Department of Homeland Security suggested that PRC government has been conducting these human rights abuses since at least 2017.²⁶⁷ At the end of the Trump administration’s time in office, Secretary of State Mike Pompeo declared that China had committed ‘genocide’ and ‘crimes against humanity’ through a campaign of internment, forced labor and forced sterilization of predominantly Muslim Uighurs in the Xinjiang region.”²⁶⁸ These actions and statements by the Trump administration showed increased public pressure on China’s human rights’ abuses. In the area of ideals on human rights the Trump administration raised tensions with China.

Through Trump’s four years in office tensions between the United States and China increased in many areas. These areas included economic espionage and intellectual property theft, the South China Sea, Taiwan, and human rights. As cooperation evolved to more competition towards the end of the Bush administration into the Obama administration tensions between the United States and China grew. Since then, competition and tensions have increased through the Obama administration and continued into the Trump administration. The Trump administration’s policy of more directly competing with China through his four years in office firmly placed the United States in Great Power Competition with China.

D. POLICY IMPLICATIONS FOR THE BIDEN ADMINISTRATION

Through the past three administrations, it is clear that divergent interests between the United States and China exist. Economically, the past three administrations called attention to Chinese economic practices that place the United States at a disadvantage to include China’s manipulation of its currency, economic espionage and intellectual property theft, and domestic protectionist policies for its SOEs. As China’s economy continues to

²⁶⁶ “DHS Cracks Down on Goods Produced by China’s State-Sponsored Forced Labor,” Department of Homeland Security, September 14, 2020, <https://www.dhs.gov/news/2020/09/14/dhs-cracks-down-goods-produced-china-s-state-sponsored-forced-labor>.

²⁶⁷ “DHS Cracks Down on Goods Produced by China’s State-Sponsored Forced Labor.”

²⁶⁸ John Hudson, “At the 11th Hour, Trump Administration Declares China’s Treatment of Muslims in Xinjiang ‘Genocide,’” *Washington Post*, January 19, 2021, sec. National Security, https://www.washingtonpost.com/national-security/trump-china-genocide-uighur-muslims/2021/01/19/272a9df4-5a7f-11eb-aaad-93988621dd28_story.html.

grow, and the gap between the size of the United States' economy and China's economy continues to shrink, domestic pressure on the Biden administration to address these highlighted unfair practices will increase. Yet, the size of trade between the United States and China provides an area where positive relations between the two countries can exist. The Biden administration's challenge is to maintain positive economic relations with China while continuing to address the aforementioned economic issues the United States considers to be unfair.

Regarding security concerns, the Biden administration will be greatly challenged by the increased tensions in the SCS. China continues the protection of its claimed interests in the SCS. Meanwhile, over the last two administrations the United States increased its challenge of these Chinese claims by conducting FONOPS through the region. Additionally, the United States increased military and diplomatic engagement with other states in the region to place multilateral pressure on China. Neither the United States or China seems willing to back down, which increases the chance that a deliberate or accidental incident involving the militaries of these two great powers will occur. The Biden administration's challenge is to continue to promote U.S. interests of a free and open Indo-Pacific, while ensuring divergent interests over small and mostly uninhabited land features in the SCS do not ignite a military conflict between the U.S. and China.

Politically, the issue of Taiwan remains a highly contentious issue between the United States and China. As discussed earlier, the first four years of Tsai Ing-wen's presidency that aligned with the first four years of the Trump presidency witnessed an increase in relations between the United States and Taiwan. These increased relations drove increased tensions between the United States and China. Tsai Ing-wen's reelection in 2020 means that the Taiwan issue is likely to provide a great source of instability to U.S.-China relations. The Biden administration must choose how to manage relations with Taiwan. If the administration continues to maintain or deepen its diplomatic and military relations with Taiwan, the potential for conflict between the United States and China will most likely rise. Downgrading relations with Taiwan will likely increase positive relations with China but may reduce the United States' and Taiwan's ability to deter China from forcefully pursuing reunification. Managing the trilateral relationship

between the United States, China, and Taiwan may prove to be the Biden administration's greatest challenge.

While there is an abundance of divergent interests between the United States and China, the Biden administration should attempt to maintain cooperation with China in areas where interests converge. In the past, the United States and China were able to achieve some cooperation on issues that impact the international system at large, such as international terrorism, the Global Financial Crisis, nuclear non-proliferation, and climate change. The Biden administration should continue to pursue cooperation with China in these areas to help protect the international order. Additionally, despite the economic issues between the two countries, the amount of trade between the United States and China is still robust. This provides an opportunity for future dialogue regarding economic issues and continued negotiations. The three previous administrations were able to negotiate with China regarding economic issues and achieve some cooperation. The Biden administration should continue to engage with China to find a more agreeable, mutually beneficial trade relationship. Finally, violent conflict between the United States and China has the potential to create heavy casualties and financial losses on both sides. Thus, preventing war between the United States and China should be in the interest of both countries. The Biden administration should continue to cooperate and compete with China, while being prepared to manage crises as they arise.

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