The strategic and foreign policy environment Xi Jinping inherited when he took the helm of the Chinese Communist Party in 2012 was bleak. 2009 and 2010 were difficult years for Chinese foreign policy and were followed closely by the announcement of the American pivot and the diplomatic tensions it engendered from 2010 to 2012. By 2012, Chinese relations in East Asia and with the United States were at their worst since the advent of reform. Nevertheless, by the end of 2013 under Xi’s watch there had been a complete reversal. Chinese-US relations today are better than they were in 2008. How did Xi achieve such a quick turnaround? What tactics did he use to secure better relations with China’s East Asian neighbors and the U.S.?

Xi has pushed Chinese foreign policy into more stable territory through a combination of compromise and aptly applied coercive diplomacy. China’s recent dealings with North Korea best represent the important compromises Xi has made in the foreign policy arena. With growing tension on the Korean peninsula following North Korea’s moves to develop nuclear weapons, the U.S. announced the pivot reversing U.S. policy in the area, increasing troop deployments on the peninsula, expanding ground force exercises with South Korea, and initiating trilateral naval exercises with South Korea and Japan. All of this served to increase tension and showed China that it could end up in a conflict with the U.S. over North Korea. Since 2010, China had not cooperated with the United States in containing its ally. With a growing realization of the risks the North Korean relationship posed to regional stability, however China reversed this policy, making it clear that it was no longer going to tolerate rogue North Korean behavior. It carried out banking sanctions against North Korea, reduced border trade, and completely isolated North Korea diplomatically. These compromises signaled China’s willingness to work with the U.S. and restored American faith in China.

Compromise has not been the only tool in Xi’s arsenal, however. Coercive diplomacy has also been an important component in Xi’s move to restore regional and international diplomatic stability. China’s recent tough stance on territorial disputes in the South China Sea is emblematic of this trend. In the build up to recent conflicts the U.S. had announced “strategic partnerships” and discussed arms sales with Vietnam. Regarding the Philippines, China responded to the Scarborough Shoal Incident in April 2012 to make clear that increased U.S. support for the Philippines’ challenges to Chinese sovereignty claims was unacceptable. By risking war, China compelled the U.S., Vietnam and the Philippines to go back to their 2008 stance on territorial disputes. The U.S. has since revised its policy in the region, making no mention of sovereignty in the disputes and demonstrating that it is not taking sides. By the end of 2012, Vietnam was trying to restore cooperative relations with China by deescalating the territorial disputes and reducing its support for the Philippines. The Philippines have likewise backed down. These incidents show that China’s tough stance in the region is not the unpredictable action of a rogue state, but carefully
considered action designed to reduce overall tension. It’s also clear that in these instances, coercion worked.

China also used coercive diplomacy in in the Sino-Japanese dispute over the Diaoyu/Senkaku Islands. The Japanese government’s 2012 purchase of the islands ignited a quick and forceful response, including increased Chinese patrols in the territorial waters and efforts to strengthen Chinese administrative control of the islands. Similar to the incidents in the South China Sea, the U.S. backed off in response to Chinese aggression, responding much less strongly to China than it did in 2010 during the incident with Japan over the arrest of Chinese fishermen. Following the Senkaku tensions, U.S. Secretary of State John Kerry praised Japan for its “restraint” and made no mention of the islands to China. As with previous incidents, China successfully used coercive diplomacy to take territorial disputes off the agendas of foreign governments. The only player who has not backed down in response, however, is Japan.

In sum, Xi has done a masterful job of getting Chinese foreign policy back on track. He inherited a tough agenda, yet through a combination of compromise and coercion has made major improvements in Chinese relations with foreign nations and proven his strong leadership capabilities. Chinese-U.S. relations are back on track, with joint efforts over Syria, Iran and North Korea as well as military-to-military cooperation. The only anomaly in this landscape is China’s recently declared Air Defense Identification Zone (ADIZ) in the East China Sea. The ADIZ, which includes the Senkaku Islands and was released unexpectedly and without clear specifications, was a setback for Chinese diplomacy and points towards China’s challenges associated with having an independent and strong Central Military Commission. Even the U.S., however, understands that this is a diplomatic problem and, with the release of specific regulations governing the ADIZ, is moving past the incident.