

## TRUST PATTERN, INTERACTIVE PROCESS AND TRUST LOSS IN SINO-U.S. RELATIONS

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**ABSTRACT:** *The 2008 global financial crisis witnessed the start of decline in the degree of mutual trust between China and the United States. Especially after the Trump administration took office, not only was their trust relationship further seriously damaged, their mutual strategic suspicions of each other have further expanded from security to economic, political, scientific, cultural, educational and other fields. This paper believes that the rapid loss of Sino-US mutual trust in recent years is not only the result of the continuous failure of both sides on realizing their expectations in the interest game, but also reflected the process of their gradual transition from limited benign interaction to vicious interaction. The root cause lies in the establishment of the Sino-US trust pattern dominated by rational-choice based trust and process-based trust. Due to the lack of sufficient affective trust, external institutional guarantee, and internal trust incentive and supervision mechanism, the Sino-US trust relationship become more fragile and contextual and less stable. Meanwhile, the direct cause should be attributed to the formation of mutual strategic hedging between China and the United States in Asia-Pacific after the financial crisis, as well as the transformation of their interaction process under this mechanism.*

**KEY WORDS:** sino-us relations, inter-state trust, mutual trust loss, trust pattern, mutual strategic hedging

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## INTRODUCTION

In an anarchic international system, trust is generally considered a "scarce resource". Strategic distrust and precaution against each other tends to be normal, especially for hegemonic powers relatively in decline and emerging powers with rising influence. In this context, an increasing number of far-sighted people have realized the importance and necessity of maintaining and enhancing Sino-U.S. mutual trust for promoting cooperation and reducing conflicts between the two sides, so as to prevent China and the United States from falling into the "Thucydides trap" and repeating the "tragedy of great power politics" (Zhu, 2003; Yuan, 2008; Niu, 2010; Ling, 2012; Huang, 2016). Chinese President Xi Jinping also emphasized during his visit to the United States in 2012 that enhancing Sino-U.S. mutual trust is the top challenge to be addressed more successfully by the two countries.

Nevertheless, scholars have noticed that there has been declining trust and growing distrust between China and the U.S. over the recent years (Wang and Lieberthal, 2013). Expressions such as "lack of mutual trust", "trust deficit", "increasing strategic distrust" and "trust loss" have been frequently mentioned by Chinese politicians, scholars and businesspeople. Especially, after U.S. President Donald Trump took office, Sino-U.S. relations have sharply deteriorated. With the escalating trade war between China and the U.S., the strategic distrust and precaution against each other has gradually expanded from the security sector towards a wider range of fields, including politics, economy, science and technology, education, culture, etc. Many people even believe that China and the U.S. are at risk of falling into "a new Cold War" (Qi, 2018; Zheng, 2018; Zhang, 2018; Perlez, 2018; Johnson and Groll, 2018).

In academia, there are several representative interpretations regarding the reasons for the loss of mutual trust between China and the United States. The first interpretation attributed the growing Sino-US strategic distrust and competition to the rise of China and the narrowing gap of relative power between China and the U.S. (Organski, 1958; Mearsheimer, 2001; Lemke, 2002; Chan, 2004; Jeffery, 2009). However, this viewpoint is based on an underlying premise that the rising China's intentions are untrustworthy, which means that China would employ its growing power in ways harmful to the U.S. and the rest of the world (Chan, 2017: 18). In fact, the concept of "trust" involves one's trust in both capabilities and intentions of the other (Das and Teng, 2004). Therefore, the rise of a country's overall national strength can either lead to strengthened trust from the rest of the world, or result in distrust between them. In this light, one of the biggest flaws of this interpretation is that the intentions of a rising power are viewed as constants instead of variables. Also, it is a relatively long process for changes to take place in the gap of national strength between different countries. Considering the fact that currently there is still a significant gap of comprehensive national strength between China and the United States, it can be said that in recent years, the pace of the loss of Sino-U.S. mutual trust has actually exceeded the pace of the narrowing of the gap between the two sides, and that the increasingly fierce strategic competition between China and the U.S. has went far beyond the scope of the relative power and international status between the two sides.

Also, Some scholars blame the adjustment of China's diplomatic strategies for the trust loss and rising distrust between China and the United States. They believe that China's diplomatic strategy has changed from "keeping low profile" to "striving to make an impact", and China has become more confident and assertive towards such issues as maintaining maritime rights and resolving territorial disputes, which has made its neighbor countries as well as the US increasingly worried about China's strategic intentions (Yahuda, 2013; Johnston, 2013). Although to some extent, this viewpoint can help us understand the reasons why the U.S. has changed its perceptions of China and made corresponding strategic adjustments, the rapid loss of mutual trust and escalating strategic distrust between China and the U.S. is actually the process and the result of the long-term interaction between the two parties, as well as with other stakeholders. Thus, it is not appropriate to only blame one side for the deterioration of the Sino-U.S. relations. This one-sided

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viewpoint exaggerates the influence of China on the Sino-U.S. relations, and ignores the influence of the United States on China's foreign policy and the Sino-U.S. relations.

In addition, some scholars have pointed out that the misunderstandings or misperceptions between China and the U.S. regarding each other's policies and intentions are the root causes for the declining mutual trust and deepening distrust between the two sides (Wang and Lieberthal, 2013). It is undeniable that there are great difficulties in understanding the intentions and motivations of other countries in an anarchic international system. That's why the transmission and processing of information between countries are particularly significant for establishing and maintaining mutual trust (Kydd, 2005). Throughout the history, there are many examples where misunderstandings and misjudgments between two countries led to disputes, conflicts or even wars (Larson, 2000). However, in today's world, as means of mass communication and channels of information have become more diverse, convenient and widely available, the technical barriers to the collection, transmission and processing of information between countries are decreasing. So the growing distrust between China and the U.S. is not necessarily caused by insufficient mutual understanding between the two sides and consequently misunderstandings or misperceptions about each other's intentions. Rather, it is more likely that the two sides now have a clearer and more objective understanding about each other's behavioral patterns and real intentions, basing on the increasingly frequent interactions between them. This understanding, however, might fail to meet their own expectations of each other (Chan, 2017).

Besides, some scholars believe that the root causes of the Sino-U.S. distrust lie in the differences between the two sides in ideology and domestic political system (Friedberg, 2005). Although the author acknowledges the fact that similarities between two countries in their ideology and domestic political system can facilitate the establishment of mutual trust to some extent, such factors are still not sufficient to interpret trust between countries. This viewpoint is not in line with the history of Sino-U.S. relations either. For one thing, relatively speaking, such factors as ideology, culture and political system are of certain stability. Over the past half century, especially before and after the 2008 global financial crisis, there have been no substantial changes to the political system and mainstream ideology of China and the U.S. Yet, the mutual trust between the two sides has undergone major changes. For another, looking back at the history of international relations, in other cases of "hegemonic power versus emerging power", the political systems and leaders of different states had been changing, there were also significant differences among those states regarding their ideology and political system. Yet, wars eventually took place between the hegemonic power and the emerging power in most cases, which shows the fact that different stories share the same ending.

To sum up, these studies have presented the complexity of trust between countries, especially between such hegemon power and rising power as the US and China in today's world. Although these interpretations could be used as valuable resources in understanding Sino-US relations, none of them could fully explain the reasons for the rapid trust loss between these two sides, due

to the lack of systematic theoretical discussions on trust and insufficient emphasis on the changes in Sino-US interactive process. Therefore, the author believes that in order to have an in-depth and comprehensive understanding of the declining Sino-US trust, it is necessary to have a comprehensive grasp of such basic theoretical issues as the definition, connotations and sources of trust, as well as to clarify the external conditions and internal mechanism of establishing, maintaining and enhancing trust. To this end, this paper intends to go beyond the traditional analysis framework of mainstream IR theories about the relationship between hegemonic power and emerging power, and to incorporate the approaches and findings of other disciplines such as economics and sociology on trust and distrust. Eventually, the author tries to offer an in-depth new interpretation on the causes for trust loss in Sino-US relations based on relatively systematic theoretical analysis on trust.

## **A THEORETICAL ANALYSIS OF TRUST**

### **Definition and connotations of trust**

The definition of trust varies tremendously in different disciplines. Economists usually regard trust as a rational choice of actors based on calculating and balancing benefits and risks (Arrow, 1964; Williamson, 1993; Hardin, 1992, 2002), whereas psychologists view trust as a kind of mental state related to expectations, emotions, cognitions and beliefs of human beings (Deutsch, 1958; Wrightsman, 1991; Robinson, 1996; Sabel, 1993). In contrast, sociology usually refers to trust as a phenomenon of social relations or a simplified mechanism of the complicated social functioning associated with human actions (Luhmann, 1979; Zucker, 1985; Sztompka, 1999; Fukuyama, 1995). In international studies, trust is regarded as a subjective factor or a condition that influences the mode and state of cooperation, competition or conflict among countries (Hoffman, 2006; Larson, 2000; Kydd, 2005; Wang, 2016).

German sociologist Niklas Luhmann (1979:1-40) believes that trust is a simplified psychological mechanism of human beings in the face of social complexity and uncertainty about the future, which is an integration of "knowledge" and "ignorance". As is pointed out by Russell Hardin (2001: 3-39), trust is a kind of confidence that you can count on an individual or an institution. In his definition, the "encapsulated interest" between each other is the basis of "trustworthiness" and so the trust generated from it is in essence an interest-centered relationship (Hardin, 2002). Dr. Andrew Kydd, an expert on international relations, defines trust as a belief that the other side is willing to reciprocate cooperation instead of exploiting one's cooperation (Kydd, 2005: 6).

Based on these studies, this paper defines trust between countries as a positive expectation that one country develops of another country's intentions and/or capabilities in pursuit of benefits in an anarchic international system, while distrust is a negative expectation of another country's intentions and/or capabilities in order to avoid losses. Although the definition of trust in each discipline has its own emphasis, basic connotations of trust can be summarized as follows:

First, both trust and distrust are results of people's expectations. They are simplified psychological mechanism of "bringing certainty to uncertain situations" that decision-makers develop in uncertain, complicated and risky conditions. In essence, both trust and distrust originate from the limited rationality of human beings (Luhmann, 1979; Zheng, 2005). Second, trust and distrust are relative concepts. The establishment of trust does not mean that there is not any mistrust between the two sides, and the deepening of strategic distrust does not indicate that there is no mutual trust at all between the two sides. Third, trust in essence is a kind of subjective belief, tendency, wish and expectation centered on benefits. Trust indicates that, the truster believes that the trustee's behaviors can objectively or subjectively bring benefits or at least no harm to the truster. This kind of expectation and confidence in potential partners involves both rational calculations and subjective factors such as emotions (Ruzicka and Wheeler, 2010; Gambetta, 1988; Liu, 2014). Fourth, trust is related to key decisions and only involved in expectations or anticipations that are dependent on the behaviors of the other side. Otherwise, it should be called "hope" rather than trust (Luhmann, 1979). Therefore, trust is essentially a relational concept demonstrating the unbalanced interdependence between the truster and the trustee. Fifth, trust and trustworthiness complement each other. The establishment and maintenance of mutual trust means that both sides trust each other and regard each other as trustworthy. Both sides believe that it is their responsibility to act in a certain way in order to meet each other's expectations, even if it means that both sides may sacrifice part of their interests (Hardin, 2002; Hoffman, 2002; Coleman, 1990).

### **Preconditions for establish trust among states**

Classical realism, offensive realism and security dilemma theory all hold that international anarchy has increased the complexity of relations between countries as well as the uncertainty over each other's intentions and behaviors. As a country has to follow the self-help principle to ensure its survival, it is almost impossible to establish a long-term and stable trusting relationship with other countries (Morgenthau, 2007; Mearsheimer, 2001; Booth and Wheeler, 2008). Liberalism, neoliberal institutionalism and constructivism have provided some clues on how to build trust and cooperation among countries from different perspectives (Doyle, 1997; Axelrod, 1984; Keohane, 1984; Keohane and Nye, 2011; Wendt, 1992). However, it seems that these theories are trying to interpret cooperation instead of interpreting trust, and they imply a common inference that the process from distrust to trust and from non-cooperation to cooperation is a linear process with continuous evolution.

As this paper argues, it is not impossible to build trust relationship among countries, even between the hegemon power and the rising power. Yet, the trust-building process does not happen overnight, and trust is not built once and for all. In fact, trust-building is a continuous process. Trust is more than a result, which needs to be continuously fostered and maintained as countries keep interacting with each other (Chan, 2017:6). Besides, the establishment and maintenance of trust between two countries should meet at least three basic prerequisites (Jiang, 2019; Buzan, 1993; Qin, 2009; Ji, 2015):

(1) The international community is in a relatively stable state of anarchy, where countries coexist in a relatively peaceful, relaxed, yet highly uncertain international environment and are not posing extreme, continuous, urgent and concentrated security threat to each other.

(2) The international system is not an "imperialist system" and there is no global hegemony with absolute advantages in all fields. All state actors have certain limitations in their strengths and cannot completely dominate the actions of other countries.

(3) The international community is a complicated network of dynamic relations and countries are units interconnecting with each other in this network. Countries make decisions on what actions to take while interacting with each other.

### **Criteria for judging the level of mutual trust between countries**

In the real world, unilateral trust may exist in the short term, but there must be a certain level of mutual trust between countries that have maintained cooperation for a relatively long period of time. In this light, the level of trust between countries is mostly a comprehensive level of mutual trust as a result of their interaction and competition with each other during this period (Wang, 2016). The implicitness and subjectivity of trust itself makes it difficult for us to accurately measure the differences and changes regarding the level of trust between countries. But as there would be a certain time difference between giving trust and fulfilling promises or expectations, trust can be seen as two sides of a trusting relationship empowering each other (Barbalet, 2009). In this light, we could try to comprehensively observe and compare the level of trust between countries through building the evaluation indicator system, which includes the following eight main indicators (Hoffman, 2006; Zucker, 1985; Bao, 2015).

**Discretion-granting Indicator:** As two countries interact and cooperate with each other, the more discretion they grant each other, the more they expose their own vulnerabilities and transfer their control over results to each other, and the more willing they are to cooperate with each other in highly important, sensitive and risky areas, the higher level of mutual trust they may have, and vice versa.

**Oversight Indicator:** The more countries tend to adopt relatively low-cost ex post punitive monitoring mechanisms/measures (similar to the fire alarm system) for monitoring the discretion process and cooperation outcomes, the higher the level of trust between them may be. While the more countries tend to adopt relatively high-cost ex ante preventive monitoring mechanisms/measures (similar to police patrols), the lower the level of trust between them may be.

**Institutionalization Indicator:** The more countries devote themselves to long-term, institutionalized and normalized cooperation with each other in various fields, and the more they commit themselves to bilateral or multilateral institutionalization so as to maintain standing and stable cooperation and continuously improve the level of reciprocity with each other, the higher the level of trust between them may be, and vice versa.



**Rule Indicator:** If the agreements or memorandums of cooperation between two countries tend to be more framework-oriented, with greater freedom granted to each other in making decisions and taking actions, the level of mutual trust might be higher. In contrast, if they tend to be more statute-oriented, with specific code of conduct and less freedom granted to each other in making decisions and taking actions, the level of mutual trust between them might be lower.

**Interest Preference Indicator:** As two countries interact with each other, the more emphasis they attach to absolute return and long-term common interests, and the longer the time difference between the realization of expected goals and the realization of benefits is, the higher the level of trust between them may be. On the contrary, the more emphasis they attach to relative return and short-term individual interests, and the shorter the time difference between the realization of expected goals and the realization of benefits is, the lower the level of mutual trust may be.

**Policy Coordination Indicator:** As two countries interact with each other as well as with other stakeholders, or as they take part in collective action, the stronger their policy coordination is, the more consciously they take into consideration or show concern over each other's interests, and the more willing they are to actively communicate with each other and make compromises in the face of a conflict of interests, the higher the level of trust between them may be, and vice versa.

**Risk Indicator:** Over a certain period of time, the lower the risk, frequency, intensity is and the shorter the time span is as for frictions, crisis and conflicts taking place between two countries, the more willing decision makers are to "reduce a big trouble into a small one and a small one into nothing" in response to crisis, and the more easily a consensus can be reached on solutions to frictions, crisis or conflicts, the higher the level of trust between them may be, and vice versa.

**Emotion Indicator:** As two countries interact and cooperate with each other, the more positive emotions they express towards each other in their official statements and documents, domestic mainstream media and public opinion, the higher the level of trust between them may be, and vice versa

It is worth mentioning that this paper regards sovereign states as the main actors in the international society, and regards state leaders (and their foreign policy decision-making teams) facing a dual-level game internationally and domestically. The trust discussed and the indicators built in this paper are mainly focused on the state level, and does not involve trust between other actors like companies or individuals. Admittedly, such factors as domestic economic development, stability of the political power, characters of state leaders and the degree of synergy between decision-makers and implementers might all affect the level of trust between countries. However, considering that the influence of these factors could be reflected in a country's foreign policies, actions and its interaction with other countries, this paper will not go into details about

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such factors.

Also importantly, a deduction of the discretion-granting indicator is that, the stronger a country is, the more capable it would be to bear trust-related risks, and the greater influence it tends to have on the level of mutual trust between two sides. Therefore, in an asymmetric relationship, the trust behaviors of the great power can better facilitate the improvement of mutual trust between two sides, and vice versa. However, considering the differences between power and trust, it is still necessary to comprehensively examine all of the indicators on the basis of the policies, statements and behaviors of both sides, so as to better evaluate the level of their mutual trust.

### **Main sources and patterns of trust**

Trust comes from a wide range of sources, which can either originate from implicit shared interests or common values, or be based on interactions between two sides and effective institutional control (Larson, 1997; Hardin, 2002; Luhmann, 1979; Williamson, 1993). Based on differences in the source of trust and structural features of the trust-building process, this paper intends to estimate the trust patterns between countries from two main dimensions. The first dimension is rational trust versus affective trust (Wang, 2016; Yin, 2009), and the second dimension is process-based trust versus institution-based trust (Zucker, 1985; Zhou, 2013).

### **Rational trust versus affective trust**

Rational trust emphasizes that the establishment of interstate trust is based on their rational calculations of each other's future actions, and originates from the encapsulated interests between two sides. In other words, when a country chooses to trust another country, it considers that certain hidden shared interests or goals can only be realized through cooperation from the trustee and believes that the trustee has the ability and/or willingness to meet its expectations (Das and Teng, 2004). Also, the calculation of the trustee's trustworthiness is an important factor influencing whether rational trust can be established and maintained. The trustor not only needs to assess whether the trustee is trustworthy in terms of its abilities and intentions, but also needs to examine whether the international environment can support the trustee to take actions that meet the expectations of the trustor. Therefore, rational trust has a strong contextual nature. The establishment and maintenance of rational trust primarily depends on the perception of encapsulated interests or common goals by the two sides and whether they can realize each other's expectations in the benefit game (Gambetta, 1988).

By contrast, affective trust can be regarded as an intimate, irrational "impulse" or ability (Zucker, 1985). It emphasizes that the interstate trust mainly originates from the "homogeneity" of two sides in terms of values, history, culture, domestic system, identity and so forth. It may also come from the intimate relationship between the two sides or their inherent qualities formed on the basis of their shared experiences or historical experience (Zhou, 2013). Therefore, unlike rational trust, affective trust is a kind of well-intentioned cognition of potential partners and recognition of potential partners' values. It is a kind of "subjective trust" dominated by intimate relationship



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or generated from the homogeneity of two sides. Whether affective trust can be established, maintained and strengthened primarily depends on the perceptions of the trustor and the trustee on their homogeneity and intimacy.

As mentioned before, trust includes both rational and affective aspects. Thus, both rational trust and affective trust are relative concepts indeed. When there is a strong basis of both rational and affective trust between two countries, their trusting relationship tends to be stronger. The lack of either rational or affective trust will increase the “fragility” of the trusting relationship between countries, namely the ability to cope with external pressures, fluctuations and randomness or the degree of potential damage under external shock.

### **Process-based trust versus institution-based trust**

Trust is a product of socialization of countries. The trusting relationship between any two countries is actually established, maintained and developed within a larger international network of trust. On account of this fact, process-based trust emphasizes that a country's history, reputation and trusting relationship with other countries in the past will serve as a special "mortgage" or "guarantee" of that country in its trusting relationship with others, becoming a reference for other countries to form positive expectations on its future behaviors. Therefore, process-based trust can also be regarded as a kind of “behavioral trust” or “reputation-based trust”, which is based on past behaviors and interaction experiences.

Institution-based trust emphasizes that the establishment, maintenance and development of trust between countries depends on the formal and informal institutional environment. Social mechanisms such as international institutions, contracts and treaties, traditional customs, social ethics and cultural norms are not only regarded as an "external guarantee" in the process of rational calculation and risk-based decision-making, but they can also provide certain patterns of social behaviors for interactions among different countries, thereby helping to stabilize the expectations of states about each other, change their ways of thinking and behavior, and influence the decision-making and interaction processes among them. Once institution-based trust is established, each country can form positive and stable expectations on other countries' behaviors more easily. Trust would be built and maintained mainly based on widely accepted international systems and norms, rather than on familiarity, interactions or intimacy between two specific states. Therefore, institution-based trust can become a systemic force that integrates different countries, regions and even the entire international community, and can facilitate the establishment and maintenance of stable trusting relationship between individual countries (Zucker, 1985; Sztompka, 1999; Rathbun, 2012; Lane and Bachmann, 1996).

Therefore, it can be concluded that process-based trust is in essence a specific trust between individual countries, while institution-based trust is more like a systemic generalized trust (Putnam, 2000; Misztal, 1996). The establishment, maintenance and development of process-based trust requires countries to continuously send well-intentioned and high-cost signals to each

other, and to consider establishing their own international credibility and maintaining long-term positive interactions with each other as relationship-specific investment (Williamson, 1993; Kydd, 2005). Changes to the behaviors of one side or changes in the interaction process will affect the other side's comprehensive assessment of its future objective competence and goodwill (Das and Teng, 2004). By contrast, the establishment, maintenance and development of institution-based trust is not only under the long-term influence of a series of international laws and institutional arrangements dominated by hegemonic or regional powers, but also depends on the culture, norms, rules and values established on the basis of the collective historical experience of different countries. In the international community, the establishment of formal international institutions with strong binding power, a wide range of restrictions and less discrimination, the continuous evolution of moral and cultural norms, as well as the internalization of norms by different countries can all contribute to the improvement of the level of institution-based trust.

The distinction between process-based trust and institution-based trust helps to evaluate the maintenance cost as well as the "stability" of the trusting relationship between countries, namely the ability to remain unchanged over time, which involves both the degree of deviation from the normal state under certain interference and the ability to return to balance after the interference disappears. When there is a solid basis of both process-based trust and institution-based trust between two countries, their trusting relationship tends to be more stable and the maintenance cost tends to be relatively limited. The lack of institutional basis in a trusting relationship will lead to significantly increased instability and relatively high maintenance cost of the relationship.

To some extent, different patterns of trust are mutually reinforcing. For example, the realization of common goals or shared interests, namely the realization of expectations, can help increase common experiences, cultivate intimacy and build identity recognition between two sides. And the cultivation and enhancement of intimacy can also help promote the perception of common interests and mutual credibility by the two sides and further increase the willingness of both sides to take actions to meet the interests of each other. The growing importance attached to international credibility by different countries and the accumulation of positive interactions between countries can promote the development of international institutions and the evolution of trust culture in the international community. In turn, an increase in the level of institution-based trust can help improve interactions between countries, enhance the countries' international credibility, and reduce the maintenance cost and instability of the trusting relationship. However, this reinforcement effect is still limited, as these four trust patterns vary in their main sources.

### **Establishment and Changes of Sino-U.S. Mutual Trust**

Based on changes in the eight indicators listed above, this paper divides the Sino-U.S. relationship into six different major historical stages since the founding of the People's Republic of China and assigns scores to the relative changes in the level of trust at each stage (as shown in Table 1). For any indicator, when there are significant positive changes between two consecutive stages, 1 score is assigned to it, whereas -1 score is assigned in case of significant negative

changes. Besides, if the changes are neither significantly positive nor significantly negative, with fluctuations or varying changes in different sectors, 0 score will be assigned. The degree of improvement or deterioration of Sino-U.S. mutual trust between two stages can thus be demonstrated by totaling the scores of the eight indicators. It needs to be emphasized that the total score for each stage does not represent the absolute level of Sino-U.S. mutual trust, but is only used to measure its relative changes.

**Table 1: Changes to the level of trust between China and the U.S.**

	Stage 1 (--) (1949-1967)	Stage 2 (Score:6) (1967-1989)	Stage 3 (Score: -5) (1989-1996)	Stage 4 (Score: 4) (1996-2008)	Stage 5 (Score: -4) (2008-2017)	Stage 6 (Score: -8) (2017-2019)
Discretion-Granting Indicator	-	1	-1	0	-1	-1
Oversight Indicator	-	0	-1	0	-1	-1
Institutionalization Indicator	-	1	0	1	1	-1
Rule Indicator	-	0	-1	0	-1	-1
Interest Preference Indicator	-	1	0	1	0	-1
Policy Coordination Indicator	-	1	0	1	0	-1
Risk Indicator	-	1	-1	0	-1	-1
Emotion Indicator	-	1	-1	1	-1	-1

**Stage 1 - mutual distrust and hostility (1949-1967):** China and the U.S. not only refused to acknowledge the legitimacy of each other's regime and almost severed all connections with each other, but also experienced several major direct conflicts and confrontation, such as the Korean War and the Taiwan Strait Crisis. It can be said that the level of mutual trust between China and the U.S. at this stage is extremely low.

**Stage 2 - establishment and enhancement of mutual trust (1967-1989):** From the friendly signals released by the Nixon administration to China and China's positive response, to the establishment of secret third-party channels for Sino-U.S. diplomatic links in Paris, Pakistan and Romania, and then to Ping-Pong diplomacy, visits of Henry Kissinger and Richard Nixon to China, and the Sino-U.S. Joint Communiqué issued in Shanghai, and finally to the formal establishment of diplomatic relations between China and the U.S. and the normalization of Sino-U.S. relations, all these evidences indicate that the two sides have gradually established initial mutual trust with each other in the process of multiple signal transmissions and interactions. By the end of the Cold War, China and the U.S. had closely cooperated with each other in fighting against the USSR, and actively carried out frequent high-level visits and military exchanges, with significantly lower intensity, lower frequency, narrower scope and shorter time span regarding conflicts and frictions between the two sides in comparison to the previous stage. They also

signed cooperation agreements with each other in a wide range of fields, such as intelligence, science and technology, culture, agriculture, trade and transportation. In addition, the U.S. further strengthened mutual trust and cooperation with China by providing technical support and relaxing restrictions on exports to China. However, under the influence of the Taiwan issue and the domestic politics of the U.S., the road towards the normalization of Sino-U.S. relations was still full of twists and turns. Although China and the U.S. had reached initial consensus on some key positions, their opinions were significantly divided on the specific code of conduct for handling the Taiwan issue, which not only posed a serious obstacle to the establishment of Sino-U.S. mutual trust, but also sowed the seeds of various contradictions and frictions in future Sino-U.S. relations. Therefore, in comparison to the first stage, six indicators have demonstrated significantly positive changes, while there have been no significant improvement regarding the other two indicators related to Taiwan.

**Stage 3 - destruction and restoration of mutual trust (1989-1996):** After the 1989 political disturbance in China and the dissolution of the Soviet Union, because of significant adjustments in the US policy towards China, the Sino-U.S. trusting relationship experienced great damage for a time. The Clinton administration not only held a tough attitude towards China in official statements on issues such as human rights, it also significantly adjusted some specific measures related to China. The US first imposed severe economic sanctions and political blockade on China, and then canceled unconditional most-favored-nation treatment to China and handled the Yinhe Incident rather negatively. Moreover, the US even blatantly blocked China's bid for the Olympic Games, which once led to quite strong dissatisfaction among the Chinese people (Tao, 2016). It was not until September 1993 when the United States formally proposed the "comprehensive engagement" policy towards China that the mutual trust between the two sides began to be gradually restored. Compared to the previous stage, the degree and willingness of the U.S. in discretion-granting has decreased significantly, and its precautionary supervision and decision-making restrictions on China have been substantially enhanced. Rising risks were witnessed in the Sino-U.S. relations, with negative emotions about each other growing dramatically. Consequently, scores of five indicators have fallen significantly.

**Stage 4 - maintenance and enhancement of Sino-U.S. mutual trust (1996-2008):** From the second term of the Clinton administration to the period of the George W. Bush administration, the Sino-U.S. relations improved significantly. From increasingly close high-level exchanges, deepening complex economic interdependence, increasingly frequent cultural exchanges and growing multi-level exchange and cooperation mechanisms, to the United States' support for China's accession to the WTO and the strategic restraint of both sides in unexpected incidents such as the NATO bombing of the Chinese Embassy in Belgrade in 1999, all these evidences have shown the efforts made by the two sides to restore and maintain their relationship of mutual trust and cooperation. Especially after the September 11 attacks, China and the U.S. carried out active cooperation in various non-traditional security fields, such as fighting against terrorism and resolving the North Korean nuclear issue. In comparison to the previous stage, four indicators

have experienced significant improvement. However, with the rapid rise of China, the United States' defense against China in the traditional security field was strengthened during the second term of the Bush administration. Differences and frictions between the two sides on human rights, Taiwan issue, Tibet issue, Hong Kong issue, economy and trade, etc. continued to grow. As a result, discretion-granting indicator, oversight indicator, risk indicator and rule indicator have demonstrated certain fluctuations and varying changes in different sectors.

**Stage 5 - rapid loss of Sino-U.S. mutual trust (2008-2017):** After the 2008 financial crisis, with the rapid rise of China and the US strategic pivoting to Asia-Pacific under the Obama administration, the Sino-U.S. relations have been gradually worsening from early peaks and the two sides have been blowing hot and cold over each other. On the one hand, China and the U.S. have further strengthened cooperation in bilateral trade, coping with financial crisis as well as other non-traditional security areas, with great progress made in institutionalization in their bilateral relations too. On the other hand, strategic competition between the two sides in political and security areas has been significantly enhanced, and risks in Sino-U.S. relations have been soaring. It can be seen from a series of actions taken by the United States, such as strengthening the US Alliance system in Asia-Pacific, high-profile intervention in regional territorial disputes, introduction of the "Asia-Pacific Rebalancing" strategy, criticizing China on manipulating exchange rate publicly, and strongly advocating the Trans-Pacific Partnership (TPP), that the willingness of the U.S. to authorize China in Asia-Pacific has declined significantly and its preventive supervision over China has dramatically strengthened, with interest preferences demonstrating varying changes in different sectors. Meanwhile, it could also be seen from the increasingly negative attitude of public opinion towards each other in both countries and the responsive actions of the Chinese government, including taking a tougher stance on regional territorial disputes, supporting the RCEP negotiations, advocating the Belt and Road initiative, that the emotion indicator have significantly worsened and the policy coordination between the two sides in multilateral and bilateral cooperation has been more divided during this period, especially in traditional security sector and non-traditional security sector. Therefore, compared to the previous stage, certain improvement can be seen as for the institutionalization indicator, yet there have been significantly negative changes for five indicators. And regarding the rest two indicators, the varying changes in different sectors have been more obvious.

**Stage 6 - serious damage to Sino-U.S. mutual trust (2017-present):** due to the "Trump Shocks", the Sino-U.S. mutual trust has been severely damaged in merely two years, with significantly negative changes for all indicators (Jiang, 2019). Adversely influenced by the economic unilateralism and trade protectionism of Trump administration, the trade war between China and the U.S. has intensified, the negotiation process has been extremely difficult, and the global trade system and the dispute settlement mechanisms have been severely trampled. Also, contradictions between China and the U.S. have intensified comprehensively in a wider range of fields, including technology, finance, intellectual property, human rights, Taiwan issue, Xinjiang issue and Tibet issue, territorial disputes in South China Sea, and North Korean nuclear issue,

etc. Not only have the two sides further strengthened their defenses against each other in various fields, their attitudes in handling contradictions and differences have also become even tougher. What's worse, "decoupling" between China and the U.S. has already been witnessed in certain areas of cooperation.

The analysis above shows that both China and the United States have made unremitting efforts to establish and maintain mutual trust with each other, thereby creating the possibility for the Sino-U.S. relations to shift from hostility to relaxation and for the establishment of long-term cooperative relations between the two sides. However, unfortunately, the level of trust between China and the U.S. has been highly volatile, which has even begun to decline rapidly after the 2008 financial crisis. This means that the key issue for China and the United States is actually not the inability to establish mutual trust or a serious lack of mutual trust, but the difficulty for the two sides to maintain a stable trusting relationship and continuously improve the level of mutual trust. From this perspective, the continuous loss of mutual trust between China and the U.S. in recent years essentially reflects two "symptoms" of the Sino-U.S. relations, namely not only objectively reflecting the sharp decline of Sino-U.S. mutual trust after the financial crisis, but more importantly reflecting the great difficulty of maintaining and strengthening mutual trust between the two sides.

### **Causes for the Loss of Sino-U.S. Mutual Trust**

Based on the analysis above, the causes for the loss of Sino-U.S. mutual trust in recent years should also be analyzed from two aspects. This paper holds that the root cause lies in the establishment of the Sino-US trust pattern dominated by rational trust and process-based trust. Due to the lack of sufficient affective trust and deficiencies in institution-based trust, the Sino-US trust relationship become more fragile and contextual and less stable. Meanwhile, the direct cause should be attributed to the formation of mutual strategic hedging between China and the United States in Asia-Pacific after the 2008 financial crisis, as well as the transformation of their interaction process under this mechanism.

### **Root cause: trust pattern dominated by rational trust and process-based trust**

Firstly, the trust established between China and the United States is a kind of rational trust mainly driven by their common interests and goals. The lack of a foundation of affective trust results in its great fragility. In the 1960s and 1970s, the existence of the Soviet Union as a common external threat and the stability of the relative power between China and the U.S. were the main reasons for the establishment of mutual trust between the two sides. From the perspective of the U.S., on the one hand, cooperating with China, a country with rapidly growing comprehensive national strength and the ability to deliver nuclear weapons, can significantly raise its confidence in confronting the Soviet Union. On the other, the obvious "internal bilateral asymmetry" between China and the U.S. in their comprehensive strength has restrained the United States' concerns about China on security issues (Ross, 1995: 8). The existence of the Soviet Union as their common threat has greatly increased the willingness of China and the U.S. to establish mutual



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trust and cooperation with each other in order to achieve their common goal of confronting the Soviet Union. Since the establishment of the diplomatic relations between China and the U.S., although the familiarity and intimacy between the two sides has significantly improved in comparison to the early periods of the Cold War, their mutual trust is still essentially rational trust, which is based on common interests and goals. Due to the "heterogeneity" between China and the U.S. in cultural background, political system, ideology and so forth, especially their deep differences on the Taiwan issue, there has always been a lack of a solid foundation of affective trust between the two sides (Harding, 1992, 1997: 169; Wang and Lieberthal, 2013: 40).

After the collapse of the Soviet Union and the end of the Cold War, the strategic importance of China towards the United States was greatly reduced, and China even became a potential competitor most likely to threaten the US (Tao, 2016: 235). Coupled with the 1989 political disturbance in China, contradictions and differences between China and the U.S. on human rights and other issues became more prominent, which once put their trusting relationship in great crisis during the early years after the end of the Cold War. However, in the international system of "one superpower and multiple great powers", with the expansion and deepening of globalization and a more peaceful and relaxed international environment with closer ties among countries, China and the United States shared a common understanding of the great potential of bilateral economic cooperation, a common belief in promoting domestic economic development, a strategic consensus of "avoiding becoming each other's real enemy" as well as a common goal of resolving the North Korean nuclear issue and maintaining peace and stability in East Asia, which have provided a new basis of rational trust for the two sides to maintain their mutual trust. The perception of these common interests and the continuous realization of encapsulated interests in economic cooperation have provided the psychological basis for China and the U.S. to establish an increasingly close and extensive cooperative relationship in the new context, and have also restrained the differences between the two sides in ideology and other aspects to a certain extent.

In this view, Sino-U.S. mutual trust in essence is mainly a confidence and positive expectation of each other's ability to meet their own interests, which has an obvious characteristic of being driven by external threats and common material interest, but lacks subjective trust in each other on the basis of homogeneity and intimacy. Therefore, Sino-U.S. mutual trust has always been highly fragile and situational. Once the external objective conditions change or the expected goals/interests of the two sides cannot be achieved, the weakening and shaking of the rational trust foundation will easily make the two sides raise their subjective distrust against each other, leading to great damage to their trusting relationship.

Secondly, the trust between China and the United States is mainly a kind of process-based trust. Besides their rational considerations and calculations, another reason why China and the U.S. could gradually build trust with each other in the 1960s and 1970s lay largely in the accumulation of positive interactions between the two sides. Also, after the end of the Cold War, Part of the reason why China and the U.S. could re-establish mutual trust in the new international situation

was not only attributed to the previous interactions between the two sides, but also to a large extent because China had made best of various opportunities to send strong signals of trust to the U.S. and gradually established its own international credibility in the international community. This was not only reflected in the calmness and strategic restraint of China in handling issues such as the NATO bombing of the Chinese Embassy in Belgrade in 1999, the aircraft collision over the South China Sea in 2001, the Taiwan issue, and territorial disputes in South China Sea, but was also reflected in the joint efforts made by the two sides for promoting China's accession to the WTO and the active cooperation of the two sides in counter-terrorism after the September 11 attacks, as well as China's concern and consideration for the interests of other neighboring countries when dealing with such issues as the North Korean nuclear crisis and the Asian financial crisis. Although these were not enough for China and the U.S. to establish a high level of mutual trust, it helped demonstrate China's goodwill and its willingness to restore trust with the US and to integrate into the US-led international system. Also, based on these common experiences and interactive processes, the two sides have improved their mutual understanding and to a certain extent reduced their doubts about each other.

Thirdly, it is undeniable that, in comparison to the Cold War period, the improvement of international institutions and the advocacy of free trade by the United States after the end of the Cold War had provided a more favorable external institutional environment for the establishment and development of Sino-U.S. mutual trust. Also, the US-led international trade system have strengthened the beliefs of policy makers of both sides that deepening interdependence and promoting domestic development should be put as the top priority in national strategies (Wesley, 2012). However, under the influence of American Exceptionalism and the logic of power, the United States, as the hegemonic power, has always taken its credibility as a matter of course. The establishment and maintenance of the trusting relationship between the U.S. and other countries fundamentally depends on whether the U.S. chooses to trust other countries, rather than whether the U.S. itself is trustworthy or not (Rathbun, 2012: 2-7). Therefore, on the whole, the multilateral international institutions designed and dominated by the U.S. are relatively discriminatory and their binding forces on restricting the US unilateralism are also quite limited, making it difficult to truly establish international norms and institutional trust that inspire trust among countries in the international community. On the other hand, based on the US's considerations on its own interests, there are significant differences between the US-led international security system and the international economic system (Shambaugh, 2012). This inherent contradiction is very likely to exacerbate the imbalance of China and the U.S. between "trust" and "trustworthiness". Consequently, it is very difficult for both sides to establish stable and thorough trust incentive and risk management mechanisms and can easily lead to misalignment and failure of expectations.

In short, although the level of general trust in the international community was relatively higher in the post-Cold War period dominated by the United States than in the Cold War period with hegemonic confrontation between the United States and the Soviet Union, the overall level of trust was still low. Defects in external institutional guarantees and the lack of internal trust

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incentive, expectation management and risk management mechanisms have left China and the U.S. with no choice but to rely more on high-cost interactive processes to maintain and strengthen mutual trust. However, the weak foundation of institution-based trust has made it difficult for China and the U.S. to increase their ability to trust each other's motivations and intentions as they interact with each other, thereby restraining them from raising their positive expectations on each other's behaviors, which has resulted in the high maintenance cost and low stability of Sino-U.S. mutual trust.

To sum up, under the trust pattern dominated by rational trust and process-based trust, the trusting relationship between China and the United States has always been highly fragile, situational and unstable. The lack of affective trust and institutionalized trust makes it relatively difficult and costly for the two sides to maintain mutual trust with each other. This is not only the main reason why it is difficult for China and the U.S. to raise the level of their mutual trust, but also the root cause why Sino-U.S. mutual trust can easily decrease or be destroyed under new conditions.

**Direct cause: mutual strategic hedging between China and the U.S. after the financial crisis**

It can be seen from the Sino-U.S. trust pattern that the declining level of trust between China and the U.S. could actually be understood as the continuous loss of rational trust and process-based trust between the two sides. This is not only the result of the continuous failure of expectations between China and the U.S., but also reflects the shift of Sino-U.S. interactions from limited positive interactions to negative interactions. The direct reason of this phenomenon should be attributed to the shift of the United States' strategic focus towards the Asia-Pacific region and the establishment of strategic hedging between China and the U.S. in the Asia-Pacific region after the financial crisis.

The hedging strategy mainly refers to a hybrid strategy with bet-hedging as its core, adopted by a country with limited national strength in a relatively peaceful, relaxed but highly uncertain international environment against another country, with which it has intertwined interest (Jiang, 2019; Goh, 2005; Medeiros, 2005/2006; Kuik, 2008; Tunsjo, 2010; Foot, 2006). This strategy is usually adopted when the benefit and cost/risk for cooperation are rising at the same time, thus the main purpose of hedging is not only for seeking benefits, but also for avoiding loss (Haacke, 2019; Jiang, 2019). To many countries, such as the small countries in southeast Asia, the "hedging strategy" has been regarded as a geopolitical insurance strategy which is quite flexible and pragmatic. As a result, the use of the hedging strategy has become increasingly common and normal in the world.

After the end of the Cold War, due to the constraints of the external environment and the limitations of its own national strength, on the basis of the Sino-U.S. trusting relationship dominated by rational trust and process-based trust, China carefully adopted the "hedging strategy" against the United States instead of adopting direct strategies such as bandwagoning or balancing, in order to promote domestic economic development while enhancing Sino-U.S.

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mutual trust, reducing security risks and striving for strategic space (Foot, 2006). On one hand, China actively explored positive ways to interact with the U.S., striving to integrate into the international system led by the U.S. and trying its best to develop various bilateral and multilateral cooperative relations. On the other hand, China avoided intensifying Sino-U.S. conflicts, prevented itself from being involved in regional disputes and improved its self-defense capabilities so as to avoid suspension or slowdown of its rise caused by excessive compromises and concessions. After the 2008 financial crisis, led by the motivations of seeking benefits while avoiding loss, the Obama administration decided to shift the United States' strategic focus eastward towards the Asia-Pacific region, and gradually established the hedging strategy featured by bet-hedging against China as a rapidly rising power (Jiang, 2019). On one hand, the U.S. actively promoted and deepened cooperation with China and other Asia-Pacific countries in economy and trade as well as non-traditional security fields, striving to influence and shape China's behaviors during their cooperation. On the other hand, the U.S. further strengthened and expanded the Asia-Pacific alliance network, enhanced soft containment and balancing against China in geopolitical and military aspects and increased the pressure exerted on China in areas that may affect its own interests. As a result, China and the U.S. gradually formed a "mutual strategic hedging" mechanism in the Asia-Pacific region.

It is worth noting that the favor of China and the U.S. for the "hedging strategy" largely reflects the dilemma faced by both sides with insufficient affective and institution-based trust and highly fragile and unstable trusting relationship. Also, it reflects the common aspiration of the two sides to promote peace and cooperation and to avoid conflicts and wars. However, the reasons for China and the U.S. to adopt the "hedging strategy" are not exactly the same. For China, unlike other rising powers in history, after the Cold War, China was faced with the multilateral international trade system and the hub-and-spoke regional security alliance system both dominated by the unipolar hegemonic power of the United States. The "original setting" of this U.S.-led dual structure of economic and security systems left China with very few strategic options. On one hand, as China was the biggest potential competitor of the U.S., any actions of balancing and alignment taken by China would be viewed by the U.S. and its allies as a challenge to the existing international order, thereby resulting in greater suspicion and tougher containment measures from the U.S. side, which may even lead to confrontation between the two sides. Therefore, considering the wide gap of relative strength between China and the U.S., in order to create a good external environment for domestic economic development, China had no choice but to handle the relationship with the U.S. and other countries in Asia-Pacific more carefully. On the other hand, the lack of sufficient affective trust and institution-based trust between the two sides made China believe that bandwagoning was not a wise choice either. Because it was highly likely that China would be pressured to making greater compromises and concessions on national interests in its conflicts and disagreements with the US as well as its allies, which would probably slow down the speed of China's development (Liu, 2015).

For the United States, the establishment of the "hedging strategy" was more a reflection of the

subtle changes in the United States' mentality and the increase of destabilizing factors domestically after the financial crisis. On one hand, after the financial crisis, the United States' rational trust in China increased greatly. China became the biggest creditor of the United States, and this new economic link between the two sides made the U.S. more aware of the importance and necessity of strengthening cooperation with China in order to restore its economy. Meanwhile, with the dilemma of the long-term depletion brought by the war and the build-up of domestic debts, the Obama administration gradually developed the expectation of cooperating with China and letting China share its international responsibilities including promoting global economic recovery and tackling climate change. However, on the other hand, the increasingly severe domestic economic crisis as well as political and social disruption greatly raised the United States' expectations of its own vulnerability. China's rising status in East Asian regional economic cooperation and its continuously growing international influence also strengthened the sense of crisis of the U.S. that it would be overtaken by China economically or that its dominant position in East Asia would be replaced by China, which significantly restrained the United States' willingness and ability to bear the risks of trust.

It is undeniable that the "hedging strategy" is a rather flexible, pragmatic and prudent strategic option for both China and the US in the face of external uncertainties and limitations of their own capabilities. However, the ambiguity, hybridity and instability of the "hedging strategy" itself determines that it is not conducive to the development of positive interactions as well as to the cultivation of trust. In particular, when China and the US adopt the hedging strategy at the same time, the fragility and instability of their mutual trust would be further exacerbated, and the course of information processing and results of interest calculation of the two sides would be changed, leading to continuous failure of expectations of both sides.

First, although both China and the U.S. had the obvious motivation of "seeking benefits" and the strong willingness to cooperate with each other after the financial crisis, the formation of mutual strategic hedging in Asia-Pacific had made both of them more aware of the exclusion, suspicion and precaution against themselves in the each other's policies and actions, thereby strengthening their perception of the risks of trust and the hostility between. Consequently, their willingness to further enhance cooperation were largely discouraged, and the dominant motivation of their behaviors gradually turned into "avoiding loss", making it increasingly difficult for the two sides to realize their previous positive expectations in the interactions.

Second, due to the "hybridity" and "ambiguity" of the hedging strategy itself, it is easy for China and the U.S. to have cognitive biases about the signals released by each other in various fields, and misalignment of expectations between the two sides can also take place in different sectors. Consequently, not only did it lead to negative coupling effects in a wide range of fields such as economy, politics and security, it also resulted in problems such as the politicization and securitization of economic issues in Sino-US relations.



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Third, the expansion of negative interactions and accumulation of negative emotions between the China and the U.S. in different areas have continuously enhanced the affective distrust and weakened the foundation of process-based trust between the two sides, which has gradually changed their assessment of each other's credibility and the pattern of their interactions. As a result, the interactions between the two sides have gradually turned from limited positive interactions to negative interactions.

Fourth, the mutual hedging between China and the U.S. in the process of institutionalization and regional cooperation in Asia-Pacific, especially for the utilization of regional multilateral mechanisms as strategic tools, have continuously weakened the foundation of institutionalized trust within this region, thereby hindering the institutionalization and development of the trust culture in the region. This could further lead to systematic loss of trust and continuous deterioration of the overall security situation in this region, which would in turn further adversely impact the Sino-U.S. mutual trust.

For China, the so-called "pivoting to Asia-Pacific" of the United States and its strategic planning in the surrounding areas have tremendously strengthened China's perception of its own vulnerability due to the increasing external security pressures and augmented its mentality of precautions against the US. For one thing, the US's decision to deploy more superior strategic and military resources in Asia-Pacific, to intervene in the territorial disputes between China and its neighboring countries, and to carry out military exercises with its allies in the waters around China, have raised China's anxiety and fear about its own security to a great extent (Wang and Lieberthal, 2013). For another, China was inclined to believe that the US policy towards Asia-Pacific has been increasingly developed in the direction of offsetting China's regional influence and penetrating the process of regional cooperation. Moreover, China tended to believe that the US's effort in strengthening and enlarging its alliance system under Obama administration was aimed at forming a tighter "strategic encirclement" of China and imposing greater restrictions on China's strategic space. Therefore, with growing anxiety on the strategic and security level, increasing negative emotions generated from not being trusted by the US and the belief that the US is not trustworthy, as well as a stronger sense of precautions against neighboring countries taking advantage of this opportunity to gain benefits, China started to hold a tougher attitude in handling territorial disputes, showed more doubts about the G2 concept put forward by Obama, and actively participated in the RCEP negotiations to offset the potential adverse influence of TPP.

For the United States, these actions taken by China have further "verified" the ongoing concerns of the US about China's strategic intentions, as well as the suspicion and fear of China that shared by the US and China's neighboring countries, which also led to a rapid decline of the level of trust on the US side due to the failure of its expectations on China. As a result, the U.S. was even more worried that an increasingly strong and "overconfident" China would gradually gain greater advantages in Sino-U.S. relations, do harm to its national interests and even threaten its



leadership in Asia-Pacific. Therefore, the Obama administration further strengthened its precautionary and regulatory measures against China, and exerted greater pressure on China on a series of issues such as trade, exchange rates, the Xinjiang and Tibet issue, the Taiwan issue and human rights, etc. Also, the Obama administration introduced the "Asia-Pacific rebalancing" strategy targeted at China and even put forward the Air-Sea Battle concept. However, the above actions taken by the U.S. have in turn further raised China's anxiety and anger, thus resulting in more negative impact on the mentality and behavioral choices of the two sides in the next round of interaction.

### **Severe damage to Sino-U.S. mutual trust under the Trump administration**

After the Trump administration came to power, the US hedging strategy towards China has rapidly evolved from "strong coordination and strong confrontation" to "weak coordination and strong confrontation" (Jiang, 2019). A series of foreign policy adjustments of the U.S., including adjusting the strategic positioning of China, unilaterally provoking the trade war against China, frequently pressuring China to make concessions by posing threats on Taiwan and South China Sea, trampling multilateral mechanisms and the international trade system, striking on China's high-tech industries, and blowing hot and cold frequently in bilateral trade negotiations and so forth, have further destroyed the foundation of Sino-US mutual trust in all dimensions. China's level of trust in the U.S. has also dropped sharply along with the continuous failure of its expectations on the U.S., the rapid decline of the United States' international credibility, and more negative interactions between the two sides.

From the perspective of the Trump administration, the increasingly strong, assertive and confident China have demonstrated the failure of "engagement policy", which was designed to exert more US influence on China's domestic and foreign affairs (Shambaugh, 2012: 3-19). China's behaviors in recently years have "stubbornly" violated the US' long-standing expectations for China and frustrated its effort in shaping China, which means that the rise of China has been developing in a direction that is not conducive to the national interests of the US. Therefore, as the gap in relative power between China and the U.S. continues narrowing, only if the US seeks peace through strength and becomes great again, could the US truly ensure its security in the face of increasing Sino-US competition.

While from the perspective of China, China has been increasingly aware of the concerns and hostile sentiments of the US, the substantial strategic adjustments of the US towards China, as well as the underlying purposes of the US in launching the trade war against China (Gao, 2018; Yu and Zhao, 2018). Meanwhile, the continuous destruction of the bilateral trusting relationship by the U.S. has repeatedly led to the failure of China's expectations for the US, bringing more anger and frustration to China regarding its policy towards the US as well. Consequently, China also started to reflect on its US policy and decided to strengthen its defense against the U.S. in various fields. More importantly, due to the economic protectionism and unilateralism of the Trump administration, the international image and credibility of the US has been severely

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damaged. The US trampling of the existing multilateral international mechanisms has also undermined the foundation of institution-based trust in the entire international community. It has not only further accelerated the speed of trust loss between China and the U.S., but also led to the systemic "trust deficit" around the globe an increasingly serious problem.

However, it does not mean that there is already no trust at all between China and the United States. Such factors as the foundation of highly intertwined interests between them, the fundamental strategic consensus on avoiding falling into large-scale war, and the uncertainties brought about by the increasingly prominent non-traditional security threats and so forth have still ensured a certain level of rational trust between the two sides and reduced the motivation for both to break through the "lower limit" of hedging. In particular, China, as a rising power, is unwilling to completely destroy the long-term cooperative relationship with the U.S., which provides certain possibilities to change the vicious circle in their interactions and restore their trusting relationship in the future.

## CONCLUSION

The strong religious passion, deep-rooted values and pursuit of material interests of the United States have made itself divided between rationality and affection in its China policy since the end of the Cold War, which has played a crucial role in shaping international order in East Asia, Sino-U.S. trusting relationship, as well as China's strategic choices. In addition, As the only superpower in the world, the US's over-emphasis on its own interest and power has imposed restrictions on itself in making a good example in the establishment and development of mutual trust between countries. More importantly, due to the internal imbalance and inequity between the US and other countries regarding trust and trustworthiness in the US-dominant international institutions, these institutions have been playing a rather limited role in encouraging the development of general trust in the world and in safeguarding the interstate trusting relationships and networks in the post-Cold War era. With the rise of China, the US has been increasingly worried about China's strategic intentions and seeking to shape and influence the direction of China's development through its engagement and cooperation with China. However, it has ignored the fact that the international and regional institutional environment and the credibility of the US itself are also key factors that have been restricting and influencing China's strategies and behaviors.

Therefore, after the 2008 financial crisis, with the continuously narrowing gap of relative national strength between China and the US, as well as growing domestic instability within the US, the Sino-US rational and process-based trust pattern gradually led them falling into the dilemma of "reciprocal causation". In the absence of sufficient intimacy and goodwill perceptions, external institutional guarantees, as well as internal incentive and monitoring mechanisms, both China and the US increasingly regard each other's behaviors and whether their own expectations have been fulfilled as the prerequisites for their evaluation of each other's intentions and their own

actions in the next round of interaction. The formation of mutual strategic hedging between China and the U.S. in the Asia-Pacific region was also a result of this trust pattern. Unfortunately, although both China and the U.S. had the intention of further enhancing mutual trust and cooperation, with the establishment of the mutual hedging mechanism, both sides became more aware of the exclusion, suspicion and caution against themselves in each other's behaviors, and thus further strengthened their defense and hedging against each other in the action-to-reaction circles. As the Trump administration further adjusted the US strategy towards China, the foundation of mutual trust between China and the U.S. in all dimensions has been further severely damaged. And the loss of mutual trust between the two sides has further accelerated along with the sharp decline of the US's international credibility and the continuous failure of expectations, increase of negative interactions and accumulation of negative emotions in their interactions.

As the national strength and international influence of China continues to grow, China has been playing a more important role in shaping the Sino-US trusting relationship. But this has also placed higher requirements on China's capability and performance in leadership, reforming, and taking responsibilities. In the face of rapid loss of Sino-U.S. mutual trust and a new stage of the Sino-U.S. relations development, China needs to recognize both the importance and necessity of restoring Sino-US mutual and the fact that this is a long-term and arduous task. More specifically, not only does China need to strive to maintain and restore the foundation of rational trust and process-based trust between China and the U.S., but also it needs to make efforts to strengthen the affective trust between the two sides and raise the level of institution-based trust at the regional and international level. It is important for China to handle the problems and frictions in Sino-U.S. relations with more caution, rationality and moderation. Meanwhile, it is also necessary for China to further improve the expectation management, risk management and relational management mechanisms with the U.S., explore ways of restoring positive interaction mode together with the U.S., strive to creatively transform the Sino-U.S. trade war as well as their frictions and differences in other areas into opportunities and windows for the two sides to enhance communication and coordination of interests, adjust expectations, resolve conflicts, and rebuild mutual trust. Moreover, China needs to further improve its international credibility and image, deepen its reform and opening-up, promote international economic cooperation more effectively and creatively, and make joint efforts together with the U.S. and other countries in the world to construct an international institutional environment and trust culture that is more conducive to enhancing international trust and cooperation.

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