

PUSHBACK-- America's whole of government opposition to China's challenges: origins, evolution, implications and outlook¹

Origins--The context and relevant determinants

1989-2011

- Nixon-Mao breakthrough and normalization based on opposing USSR.
- U.S. shatters the framework--condemns Tiananmen (1989), USSR gone (1991)
- Fail to create framework: Clinton “strategic partnership” -- GW Bush rejects. Post 9/11 Bush resumes engagement seeking a “responsible stakeholders” (2005) -- China rebuffs this effort. Obama (2009) seeks positive engagement; senior U.S. experts posit a “G-2”—China rebuffs this effort. China sees U.S weaker after economic crisis 2009; presses Obama for concessions. Obama eventually responds with the “pivot” to Asia (late 2011) welcomed in Asia but not China. Xi Jinping’s summit with Obama (2013) calls for a “New Type of Great Power Relationship” -- Obama demurs.

- Why no lasting framework?
 1. major differences—US side; Chinese side; 2. big powers—not easily influenced, 3. both “exceptional”—not easy to change

Yet, pragmatism prevails 2002-2011—3 reasons: 1. mutual benefits of positive engagement; 2. strong interdependence; 3. both leaderships preoccupied-- other issues

2011-2017

US government shift—less positive engagement, more adversarial rivalry: Why?

- US-China differences held in check with earlier Chinese governments
- President Xi Jinping (2012-) ever more challenges and undermines US interests—growing US consensus on need for US push back.
- Xi challenges: unfair and threatening economic practices; territorial expansion; military advances target US; undermine US norms-institutions-influence; close collaboration with aggressive Russia.
- Obama responds with rebalance policy--at first reticent, then openly critical yet ineffective in halting Xi’s advances at US expense. In 2016, Republicans say Obama weak on China, yet only secondary issue in the US election.

Trump Administration—Eventually Targeting China

[2017--Preoccupied with North Korea; heavy pressure on China; China helps]

Late 2017-summer 2018

- NSS 12/17; NDS 1/18—remarkable change--China top danger; economics deemed very important for national security
- Newly prominent issues add to US security, economic and values concerns:

¹ Robert Sutter, George Washington University

RWAC April Program (4/24/19) HANDOUT

1. Chinese influence operations and espionage in US—FBI Director—need “whole of society” effort to counter these
2. Chinese economic practices—threaten US leadership in high technology—USTR sees China as “an existential threat” to the US economy

Muddled follow-through:

- Public opinion unaware of China danger—don’t like Chinese government but don’t want trouble with China
- Media largely unaware—focus on Trump’s antics, protectionism for his “base”
- Trump vacillates—friends with Xi, needs Xi for North Korea, cautious on Taiwan
- Senior officials divided on China economic issues; G Cohn’s departure March 2018 weakens moderates. Initial punitive tariffs ensue, China retaliates
- China overly sanguine—late seeing emerging serious confrontation with US.

The whole of government pushback—summer 2017-present

- Congress in the lead—legislation, hearings, statements—August 2018 National Defense Authorization Act— “whole of government” counter-efforts; hits China hard on influence operations and high technology industrial threat to US; also S China Sea and Taiwan—echoes administration leaders seeing China threat.
- New urgency—China now peer competitor predatory against US interests; China now possibly dominate high technology industries essential to US leadership.
- Punitive tariffs against China. June: \$50 billion; July: announced plans for 10% tariffs on \$200 billion; August: rate to increase to 25%; September: tariffs on \$267 billion other China imports being considered. China responds with tariffs on almost all of the much small amount of US exports to China.
- September—Trump in world spotlight at UN—condemns China’s influence operations in mid-term US elections.
- US ambassador and “friend” of Xi Jinping condemns China influence operations.
- NSC senior China director at Chinese National Day celebrations in DC bluntly warns of US competition. NSA Bolton and Secretary Pompeo tough-on-China.
- VP Pence in October explains China’s whole of government efforts against US, promising a protracted US counter effort. Justice Department launches unprecedented range of efforts against China.

Concurrent measures:

1. Unprecedented public US sanctions against a Chinese company and company officials for buying weapons from Russia;
2. Unprecedented publicity of an FBI sting operation done in cooperation with Belgium arresting and extraditing Chinese spy official in Belgium.
3. Unprecedented US pressure on El Salvador and two other Western Hemisphere countries breaking ties with Taiwan and giving greater entry for Beijing.
4. Senior US leaders and Congress condemn China’s Belt Road Initiative (BRI).

RWAC April Program (4/24/19) HANDOUT

5. US opposes IMF bailout of Pakistan involving repay China loans; also opposes World Bank lending \$2 billion a year to China
6. US moves to withdraw from the INF treaty—allowing countering China.
7. Pence hard against China during November Asia trip—big discord at APEC.

Post Trump-Xi Summit—awaiting results of trade talks (December 2018-present)

- Somewhat less vitriol from administration officials in a period of sensitive trade negotiations. US more low profile in handling the arrest in Canada for extradition of the Huawei chief financial officer; Trump and other senior officers alternatively positive or reserved about US-China trade talks
- Congress sustains anti-China drum beat with legislation, hearings, letters and other public bi-partisan demonstration to reassure Asia of US support in the face of China, to criticize China-Russia cooperation, to condemn acute suppression in China's Xinjiang, and spotlight dangers posed Confucius Institutes.

New elements of a US strategy against China

- US efforts with allies and partners to share intelligence and related information with a focus to counter Chinese influence operations and acquisition of foreign high technology. A pattern of strong restrictions by these countries against China's technology acquisition grows
- Following tough US pressure leading to negotiations on bilateral trade agreements more beneficial to US with allies and partners in Canada, Mexico, S Korea. Japan and Europe, US encourages and finds support among these states for closer cooperation targeting their large common concerns over China's predatory practices.
- Secretary Pompeo in August promises US security assistance to Asia worth \$300 million and economic efforts to mobilize the private sector. Passage of the BUILD Act in October commits \$60 billion in US investment financing for projects abroad, widely seen as in direct competition with China's BRI. Meanwhile, Japan, Australia and India have joined with the American efforts or have parallel measures of their own that work against China's ambitions.
- With increased funding from Congress, US defense buildup vis-à-vis China continues with more frequent freedom of navigation, B-52 bomber flights and naval operations, notably in the disputed South China Sea. Allies Australia, Japan, France and Great Britain join the United States in supporting the 2016 UNCLOS tribunal verdict against China's South China Sea and in carrying out naval activities in the region that China opposes. US breaks with past practice and publicizes US warships sailing through the Taiwan Strait several times in the past year.

Outlook—Continued US hardening—uncertain results

- The new US government hard line toward China has momentum and wide support in Congress; the media is more attuned to the harder posture than it was last year.

RWAC April Program (4/24/19) HANDOUT

- Critics of the hard Trump policy who worked for accommodation of China for sake of stable relationship and benefits of engagement remain on the defensive..
- Atrophy of US government engagement with China means US government stakeholders no longer can argue that tough measures against China risk endangering their programs with China, as those programs have declined.
- Beijing, loathe to compromise, does not give way to foreign pressure.

Nonetheless, considerable uncertainty about the continuity of current US policy.

- Avowedly unpredictable Donald Trump may accommodate China.
- Costs of Chinese retaliation could be very high. Costs of hardening US defense, internal security and economic operations could be formidable. Costs of tariffs and turmoil to US consumers, businesses and stockholders could mount. Public opinion and the media may respond negatively.
- Asian partners and allies also have consumers, businesses and stockholders impacted by US-China tensions, making their support for Trump government pressures on China less than uniform.
- China resorting to the use of force against US pressure or heavy coercion on Asian neighbors could cause them to hedge against Trump policy
- Rise in US-China tensions may lead to armed conflict. Preventing escalation may be harder to do given acute suspicion and mistrust.

What to watch for:

Will the recent US sense of urgency and angst of possible Chinese dominance subside? Unless it does, the tough American posture against the wide range of Chinese challenges seems likely to persist as the stakes are seen as high-- protecting America from pernicious Chinese dominance.

Some believe that the Chinese threat has been overblown and careful examination will reveal China in a more favorable light. Unfortunately, there are a number of areas of largely unexamined Chinese behavior that if examined thoroughly are likely to show China as a keen opponent of the US. China's relations with Putin's Russia heads this list.

The costs of the tougher US policy toward China noted above may force American policymakers to ease tensions and find common ground with China, despite ongoing US concern with Chinese dominance. American public opinion thus far has not been persuaded of the wisdom of the current hard US approach and may have little patience with elected officials stressing vigilance that they, the voters, would rather not pay for.