

## Has U.S. China Policy Failed?

The United States is now immersed in its most intense debate over China policy in decades—certainly since the Tiananmen Crisis of 1989, and possibly since the first serious discussion of normalizing relations with China in the mid-1960s.<sup>1</sup> Some aspects of the debate are even reminiscent of the first great debate over U.S. strategy toward China—the “who lost China” controversy of the early 1950s. So far, the current debate has been conducted relatively quietly, primarily among analysts of China, scholars of international politics, and specialists on U.S. foreign policy. However, with the presidential election campaign of 2016 ramping up, one or more of the candidates will almost certainly seize the issue. Depending on what positions the candidates take and which of them wins the election, the possibility exists for significant changes in U.S. policy toward China in the next administration. Present policy is widely believed to have failed, and strong arguments are being presented for a tougher U.S. policy toward Beijing. If those arguments dominate the debate, U.S.–China relations will deteriorate significantly.

The debate revolves around several fundamental questions: the evolution of China’s international ambitions, the definition of U.S. national interests in the Asia–Pacific region, the future of China’s economic and political system, and

**Significant U.S. policy changes toward China are possible in the next administration.**

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the shifting balance of power between China and the United States. I will address some of these larger questions further in the conclusion to this article. However, the body will focus mainly on three more specific questions that have animated the debate so far:

- Why is the United States disappointed by Beijing's domestic and international conduct over the past several years? Is the United States' frustration justified?
- To what extent has U.S. policy been responsible, either in implementation or in design, for this disappointment with China? Does the responsibility lie with Washington, Beijing, or both?
- If U.S. policy has failed, should it be changed? If so, toward greater opposition to China's domestic and international practices that the United States finds objectionable, or toward greater accommodation of legitimate Chinese concerns and objectives? Alternatively, if the problem lies in implementation of a strategy that was largely correct, can the United States better execute that policy to achieve more satisfying outcomes?

So far, there is little consensus on the answers to any of these questions, and the debate will probably remain inconclusive for some time. But with the stakes increasing as China's power and reach continue to grow, the debate may become increasingly heated, particularly if Chinese domestic and international behavior continues to disappoint. Moreover, the chances that China policy will play a role in the upcoming U.S. presidential election campaign will increase as well.

### **Disappointment with China**

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The immediate stimulus for the current debate over U.S. China policy is a growing and widespread dissatisfaction with China's evolution both domestically and internationally, especially after the end of the global financial crisis and the emergence of Xi Jinping as China's president and Party general secretary. A number of observers

have analyzed the sources of the increasing U.S. displeasure with China, as well as the grounds for China's corresponding unhappiness with the United States.<sup>2</sup> Both are important—what the United States regards as disappointing Chinese behavior, Beijing and some Western analysts portray as a response to provocative conduct by the United States or its allies. However one assigns responsibility for the problem, the sense of mutual frustration has led to increasing mutual mistrust, at both the elite and popular levels.<sup>3</sup> In the

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United States, the displeasure with China has reached the point that an avalanche of books, reports, and essays has appeared, all of them challenging some aspects of present U.S. China policy and proposing change. Many, although not all, of those analyses demand a tougher stand toward Beijing. Even at this relatively early stage in the debate, therefore, some analysts believe that the two countries may be reaching a tipping point at which their relationship will assume a fundamentally competitive character, even turning into an outright strategic rivalry.<sup>4</sup>

One source of U.S. disappointment is China's domestic political evolution over the last several years, especially since the selection of Xi Jinping as Communist Party leader in 2012. Not only has Beijing failed to liberalize its political system, as many observers hoped would come about as the eventual result of the 1989 Tiananmen Crisis and China's increasing prosperity, but it has actually tightened government and Party control over Chinese society, particularly over the press, social media, universities, and non-governmental organizations. What appeared to be promising trends in the past—such as the emergence of an active and lively cyberspace, the creation of non-governmental organizations to provide social services and promote better governance, and the emergence of lawyers and activists dedicated to combating violations of civil and political rights—have been suppressed or reversed. Of particular concern is a draft law on non-governmental organizations, released in the spring of 2015, that would place both domestic and foreign NGOs under the supervision of the domestic security apparatus, and place greater restrictions on their activities in China.

Second, while achieving some welcome rebalancing of the Chinese economy—away from its previous dependence on exports, investment, and state-owned enterprises—the government and the party retain significant control and substantial ownership in core sectors of the Chinese economy. Small and medium enterprises still have difficulty raising capital from the state banking system, and Chinese citizens have few profitable vehicles in which to invest their savings. Chinese equity markets, which were presented as the solution to some of these problems, have experienced a severe stock bubble that, when it recently burst, triggered a round of extensive state intervention that has worried and disappointed those who had been hoping for further reform of the country's financial sector. Many in the business community are also concerned that current Chinese policy is further restricting, rather than expanding, the opportunities for foreign businesses in China, including those from the United States.

While the two countries continue negotiations over a bilateral investment treaty that may further facilitate U.S. investment in China, U.S. complaints about violations of intellectual property rights, the promotion of “indigenous innovation”<sup>5</sup> and “national champions”,<sup>6</sup> and the seemingly selective targeting of foreign ventures in the implementation of anti-monopoly and product safety regulations have not abated. The most recent survey conducted by the United States

China Business Council has concluded that member companies “have seen little tangible impact from China’s economic reforms and report little improvement in any of the top 10 issues over the past year.”<sup>7</sup> Similarly, the American Chamber of Commerce in Beijing has concluded that “challenges in China are on the rise, with a significant increase in the number of companies reporting that the quality of China’s investment environment is deteriorating.”<sup>8</sup>

These concerns about China’s domestic politics and the Chinese economic environment are long-standing. When we turn to China’s behavior abroad however, we see the rapid emergence of a newer set of disappointments. Critics of Chinese foreign policy, including some U.S. former and even present government officials, have expressed their frustration that China has failed to become the “responsible stakeholder” in the international system for which Americans had hoped. The first complaint along these lines was that China is doing too little, acting as a “burden-shifter” rather than a “burden-sharer,”<sup>9</sup> or as a “free-rider”<sup>10</sup> or “cheap-rider”<sup>11</sup> on the public goods provided by the United States and U.S.-led institutions. China was accused of failing to pull its weight on issues where it has both significant influence and major stakes such as climate change and nuclear proliferation. Citing Napoleon’s description of nineteenth-century China as a sleeping giant that when waked would “shake the world,” Princeton professor and former deputy assistant secretary of State Thomas Christensen portrays China as “napping in the early twentieth-first century,” rather than fulfilling its international obligations.<sup>12</sup>

More recently, the problem has become just the opposite: China has awakened, but is still not turning itself into a responsible stakeholder in the existing regional and global system. Instead, China is viewed as increasingly challenging that system, in part by disparaging some of its major components, particularly the U.S. alliance structure in Asia, and also by sponsoring or endorsing new institutions intended to serve as alternatives or even competitors to existing organizations such as the World Bank, the World Trade Organization (WTO), and the International Monetary Fund (IMF). These include the Asian Infrastructure Development Bank (AIIB), the New Development Bank (more commonly known as the BRICS Bank), and the trade grouping known as the Regional Comprehensive Economic Partnership for the Asia–Pacific Region (or RCEP). Some of these new institutions, in turn, will help finance Beijing’s new regional infrastructure project—the “One Belt, One Road” that will build a system of railroads, pipelines, roads, and ports linking China more closely to Southeast Asia, South Asia, Central Asia, the Middle East, and Europe. Given China’s large domestic market and huge foreign exchange reserves, these new institutions and infrastructure projects have the potential to build a network of economic partners, strategic allies, and international organizations that may rival what the United States created in the decades after World War II. So far, it is unclear

what conditions, if any, Beijing will place on the financing provided by these new financial organizations.

Most important to many analysts, China is increasingly posing a security challenge to its neighbors in the Western Pacific, and thus to the United States as well. In the absence of what those analysts regard as any clear threat to its own interests, China is developing a variety of military capabilities—most particularly a blue-water navy—aimed at deterring Taiwanese independence and compelling Taiwan’s unification with China, denying U.S. and allied forces unfettered access to the Western Pacific, and controlling sea lanes of communications in the region. These capabilities include aircraft carriers, advanced surface ships and submarines, tactical and strategic missiles, and also a variety of asymmetrical weapons systems intended to negate U.S. technological advantages such as anti-satellite weapons, multiple-reentry warheads, and cyber warfare techniques which can both engage in espionage and disrupt critical infrastructure.

More recently, Beijing has used some of these capabilities to take unilateral actions to reinforce its claims to disputed reefs and islands in the South China and East China Sea, engaging in “land reclamation” projects to build up small islets and reefs that it controls, building runways and other facilities on those artificial islands, sending oil rigs to explore for oil and gas reserves in parts of the sea bed claimed by China, and conducting more aggressive sea and air patrols in areas claimed by others. It has announced an expanded air defense identification zone in the East China Sea. Moreover, an increasing number of cyber intrusions against U.S. government and private institutions have allegedly originated in China.

All this is widely viewed as part of a general shift toward greater assertiveness in Chinese foreign policy after the global financial crisis and the U.S. withdrawals from Afghanistan and Iraq, when the country’s leaders perceived that the international balance of power between China and the United States had shifted in Beijing’s favor, allowing it to challenge aspects of its international environment that it previously had been forced to tolerate.

While few of these facts are in dispute, much debate exists over the degree to which they all represent improper or unacceptable Chinese behavior, let alone major concerns to the United States. A more favorable interpretation of China holds that these concerns are only part of a larger and more positive story. In that assessment, China has been gradually adopting positions more in line with those of the United States and the rest of the international community, including a growing willingness to cap its carbon emissions by the year 2030, clearer expressions of its displeasure with North Korea’s development and testing of weapons of mass destruction, and cooperation with the United States and the rest of the P5+1 in the negotiations to limit Iran’s nuclear enrichment and weapons programs. Xi Jinping’s emphasis on bolstering the rule of law, restructuring the economy, and fighting

corruption can also be seen as beneficial domestic developments, despite the fact that they have been accompanied by the strengthening of political controls over much of society. And the two countries appear to be making progress on a bilateral investment treaty and have agreed to provide each other's citizens with long-term multiple-entry visas, greatly facilitating travel between them.

This more benign assessment would also assert that many critics in the U.S. downplay areas of progress in U.S.-China relations.<sup>13</sup> This echoes the Chinese position that U.S. critics are placing too much emphasis on secondary issues where the two countries differ, such as the South China Sea, and are paying insufficient attention to the more important global matters on which China and the United States are demonstrating an increasing ability to work together, such as climate change and counterterrorism.<sup>14</sup>

A second relatively positive assessment of China's recent international conduct is that Beijing has been more reactive than assertive. It is responding to provocative behavior by others, to gaps in the existing international order, and to the limits that others have placed on Beijing's role in international financial institutions.<sup>15</sup> In this account, the development of military capabilities to deter Taiwanese independence and to obstruct U.S. participation in the defense of Taiwan is an understandable response to the steady rise of a Taiwanese national identity and to the prospect that the traditionally pro-independence Democratic Progressive Party (DPP) is favored to win the 2016 Taiwanese presidential election. Similarly, China's creation of new financial institutions like the AIIB and the BRICS bank reflects its reasonable disappointment with the U.S. Congress denying it greater voting rights in the IMF, and its accurate perception that neither the World Bank nor the Asian Development Bank can meet Asia's growing needs for infrastructure investment. In addition, China's support of the RCEP was a response to the creation of regional trading blocs elsewhere in the world, and especially to the U.S. decision that China should be excluded from the negotiations over the Trans-Pacific Partnership (or TPP). In this interpretation, China's offshore exploration and its construction of artificial islands in the South China Sea were also reactions to similar activities, albeit on a smaller scale, by other claimants.

No matter how an objective observer would portray these developments, the fact that the two societies interpret them so differently has led the relationship between them to take a turn for the worse. Despite each government's repeated pledges to seek a stable and collaborative relationship, and despite the numerous bilateral dialogues convened

to clarify intentions, provide reassurance, and build trust, mutual suspicion has continued to increase. While not everyone would agree with U.S. Naval War

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College professor Lyle Goldstein's assessment that the relationship is near "the brink of disaster,"<sup>16</sup> the consensus is that the relationship between the two countries has been deteriorating and that the chances of conflict, although still low, have been increasing. This feeds the growing perception that the United States' China policy has failed and thus requires reconsideration and perhaps significant modification.

## **Evolving U.S. China Policy**

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Before examining the possibility that U.S. policy toward China has failed, and considering potential alternatives, one naturally asks what that policy has involved in the past. Before the 1972 Nixon visit to China and the 1978 normalization of relations under Jimmy Carter, U.S. policy toward China had been a combination of containment and isolation—a policy of building alliances and military deployments that could deter or defend against Chinese aggression and subversion, coupled with isolating China diplomatically and economically. With the establishment of diplomatic relations between the United States and China, and with China's inauguration of economic reform and adoption of a more moderate foreign policy, the United States' previous China policy was replaced by a dramatically different multi-dimensional strategy of engagement, integration, and assistance.

The U.S. government began an early version of engagement with China shortly after normalization, when the Carter administration undertook a variety of programs to link virtually every U.S. government agency with its Chinese counterpart, coupled with frequent summit meetings between Chinese and U.S. leaders. The 1989 Tiananmen Crisis disrupted this policy by leading the United States to cancel collaborative activities between the two countries' defense establishments as well as suspend most high-level official exchanges. However, the 1995–96 Taiwan Strait crisis, which resulted from the Chinese military exercises aimed at influencing the Taiwanese presidential elections, illustrated the risks inherent in a policy of limited contact with China. The Clinton administration therefore announced a policy of "comprehensive engagement" with China to resume and expand discussion of the bilateral and multilateral issues at stake in the relationship. This culminated with the inauguration of the Strategic Economic Dialogue in 2005 on bilateral economic issues, and then its relabeling as the Strategic and Economic Dialogue in 2009 with a mandate to discuss security questions as well.

As the Clinton administration reengaged with its Chinese counterparts, it soon became evident that many of the economic issues under consideration were similar to those that were being addressed with other countries through successive rounds of multilateral trade negotiations under the General Agreement on Tariffs and

Trade, or GATT. By encouraging China's inclusion in GATT's successor, the World Trade Organization (WTO), many of the economic issues between the United States and China could be discussed in a multilateral rather than a purely bilateral setting, with greater opportunities for mutual trade-offs and a better chance of success. The policy of comprehensive bilateral engagement therefore expanded to include integrating China into a full range of international regimes and institutions.

With the successful admission of China to the WTO in 2001, and Beijing's accession to a variety of additional undertakings in the areas of nonproliferation and human rights, the process of integrating China into the existing international system seemed complete. The focus of U.S. policy then shifted from the extent of China's integration into the international order to the quality of Chinese participation within it. In a speech subtitled "from Membership to Responsibility" in 2005, then-Deputy Secretary of State Robert Zoellick called on Beijing to become a "responsible stakeholder" in international institutions, actively upholding the norms of those institutions, enforcing their decisions, and providing the political and financial resources to ensure their success rather than remaining a relatively passive beneficiary.<sup>17</sup>

A third strand of U.S. policy toward China, not always adequately understood or appreciated by either side, has been the provision of technical and financial assistance to China's program of economic reform and development. This has not taken the form of official U.S. developmental aid to China—in fact, anything so categorized was generally banned after the 1989 Tiananmen Crisis on human rights grounds—but rather through a large number of technical assistance and training programs for Chinese government agencies provided by their U.S. counterparts or by U.S. foundations. One could also view the extensive financial support provided to Chinese students and scholars to study in U.S. universities as part of this aspect of U.S. China policy, as one could similarly view U.S. support for the technical advice to China by the IMF and the World Bank on a broad range of domestic social and economic issues as well as the assistance on improving governance offered by many U.S. foundations and NGOs. In this regard, it is telling that Thomas Christensen's first-hand account of the origins of the Strategic Economic Dialogue describes its purpose not so much as a way of addressing bilateral economic issues as it is customarily understood, but rather as a means for discussing how to resolve the structural problems in each country that were producing those issues, and thereby to demonstrate that the aim of the U.S. government was "to help, rather than hinder, China's economic development."<sup>18</sup>

Beyond technical assistance programs and fellowships, the most important way in which the United States assisted China's development was simply relaxing restrictions on technology transfers to China and opening its markets to Chinese imports, first by providing Most-Favored Nation (MFN) treatment to

China on an annual basis and then extending “permanent normal trade relations” (i.e., permanent MFN) to China when it became a member of the WTO. Indeed, it was the U.S. acceptance of an imbalanced trade relationship with China—the result of the structural imbalances that were the topic of discussion at the Strategic Economic Dialogue—that led to China’s massive accumulation of foreign exchange reserves, eventually enabling it to finance the new international financial institutions it has created in recent years, as well as to support an increasing outflow of Chinese foreign direct investment and overseas development assistance.

Finally, the fourth and most recent strand to be added to the United States’ China policy has been a response to the sustained rise of what the Chinese call their “comprehensive national power.”<sup>19</sup> China’s increasing military expenditures and deployments, and then the more recent initiation of what so many have seen as a more assertive and even aggressive Chinese foreign policy, have been viewed as threats by the United States and many of its partners in Asia. Starting in the Obama administration, therefore, the United States began to hedge against the risks created by the very economic success that it had helped promote and that many had assumed would eventually produce a more democratic and “responsible” China. The Obama administration refocused U.S. foreign policy to reemphasize the Asia–Pacific region relative to Southwest Asia and the Middle East, a process first described as a “pivot” and then recast as a “rebalance” of its portfolio of policy priorities in order to recognize the United States’ growing stakes in Asia.

Together, these four strands of policy were intended to “shape” Chinese behavior at home and abroad in directions that were believed to be mutually beneficial.<sup>20</sup> To borrow a phrase frequently used by the Chinese themselves, they might be called the elements of the U.S. “win-win” policy toward China. A string of various adjectives became attached to this policy to describe the China that the United States hoped would emerge: they included “prosperous,” “secure,” “stable,” “confident,” “peaceful,” and occasionally “humanely governed,” or even “democratic.”<sup>21</sup> On that basis, the related objective was to build a relationship with China that could be characterized (and again the adjectives changed somewhat over time) as “cooperative,” “positive,” “constructive,” or “comprehensive.”<sup>22</sup> The most ambitious vision for the future U.S.–China relationship was the Clinton administration’s agreement in 1997 to “build toward a constructive strategic partnership” between the two countries—a vision never realized, and that has subsequently been abandoned.

## Assessing U.S. Policy

How does the current debate over U.S. policy toward China assess the evolving combination of engagement, integration, assistance, and rebalancing? Is this

U.S. strategy—or the ways in which it was implemented—responsible for the United States’ failure to achieve its goals?

Some analysts believe that U.S. policy was simply irrelevant—or at most a secondary variable—in determining China’s trajectory at home and abroad. Many realists would argue that Beijing’s assertiveness is typical of a major rising power, and is reinforced in China’s case by the prevailing national narrative that the country is destined again to become the preeminent country in the region (Asia’s Middle Kingdom) because of its long history and advanced civilization.

Princeton’s Aaron Friedberg goes even further when he writes, “China’s current rulers do not seek preponderance solely because they are the leaders of a rising great power or simply because they are Chinese. Their desire for dominance and control is in large measure a by-product of the type of political system over which they preside.”<sup>23</sup> In his analysis, China’s recent assertiveness was produced by a number of powerful domestic and external factors and is linked to China’s lack of domestic political reform. Thus China’s disappointing behavior was therefore not the fault of any failure of U.S. policy, and should have come as no surprise. The only issue is how the United States should now respond to the predictable consequences of China’s rise.

**Most hold that U.S. strategy toward China policy has made a difference, but share no consensus how.**

This is, however, a minority U.S. view. Most participants in the current debate hold that U.S. strategy toward China policy has made a difference, but share no consensus as to how. The more positive assessments believe that U.S. policy toward China has been well conceived but poorly implemented. In this interpretation, both the George W. Bush and early Obama administrations were distracted by problems in the Middle East, Southwest Asia, Ukraine, and elsewhere—and by the Obama administration’s ambitious socioeconomic objec-

tives at home—and therefore paid insufficient attention to China or the Asia-Pacific region as a whole. When it did pay attention to China, its policy was poorly coordinated. Moreover, the United States showed weakness and indecisiveness in its policy toward various hotspots, including Ukraine, Syria, Iraq, Iran, and North Korea, thus encouraging Chinese assertiveness. Not only that, though it responded to the global financial crisis with a large and relatively successful stimulus package, it has not devoted energy to a more fundamental restructuring and long-term revitalization of the U.S. economy. Because of this poor prioritization of U.S. interests, in this view, U.S. soft power, economic power, and military power have all eroded, and U.S. policy toward China has not been backed up by sufficient resources to be effective.

A related argument comes from those who say that the United States did not find the right match between words and deeds in dealing with China. In *Strategic Reassurance and Resolve*, former Brookings colleagues James Steinberg and Michael O'Hanlon suggest that the United States failed to reassure China of its benign intentions. In some cases, this was because instances of restraint were not explicitly described as such, out of concern that they would be criticized domestically as "unilateral concessions,"<sup>24</sup> while in other cases, U.S. verbal reassurances did not include concrete action that would make them more credible. Referring to the evolving strings of adjectives used to portray a benign China and the ideal U.S.–China relationship, former Australian Prime Minister Kevin Rudd, now at the Asia Society in New York, has also argued that Washington often placed too much emphasis on "discovering some magical declaratory statement" setting out a vision for the relationship, rather than promoting successful cooperation on specific issues.<sup>25</sup>

A similar but tougher criticism is that, while the four elements in U.S. China policy have been appropriate, the balance among them was not well struck. According to Robert Blackwill and Ashley Tellis in their report for the Council on Foreign Relations, the United States focused for too long on engagement, integration, and assistance, and paid too little attention to securing more responsible Chinese behavior or balancing the steady rise of Chinese power.<sup>26</sup> In this account, the United States was simply too slow to acknowledge that China had become more successful and less cooperative than had been anticipated, and delayed too long in adapting its policy to this new and dangerous development. To return to Thomas Christensen's Napoleonic metaphor, this analysis implied that it was the United States and not China that was "napping" in the early 21st century.

On the other hand, some analysts take the opposite tack, saying that the United States was not as accommodating to China as its rhetoric of integration and assistance suggested, and that this has been a major cause of the problematic relationship between the two countries. In this account, the United States engaged China in a sustained discussion of bilateral and international issues, but it used those channels to persuade China to accept U.S. positions rather than to find compromise solutions. The United States said it wanted to integrate China into the international system, but it was not eager to grant Beijing a greater say in those institutions as its power and influence increased, and was simultaneously unwilling to see China create new institutions of its own. Nor did the United States welcome China's membership in the new organizations Washington was establishing, such as the TPP, on the allegation that China would not be willing or able to liberalize its trade and investment policies sufficiently to meet the high standards the United States had set for membership. In addition, Washington rebuffed Beijing's attempts to define a positive framework for the relationship, especially by refusing to endorse its proposals to create a "new type of major power relationship" between

a rising power and an established power, on the grounds that the concept would have required the United States to defer to whatever China defined as its “core interests.”<sup>27</sup>

An even sharper critique of U.S. policy is that its underlying analytic assumptions were fundamentally flawed, reflecting what some critics would characterize as liberal naiveté. The United States assumed that U.S. support for China’s economic development would be acknowledged and appreciated, and would greatly reduce Chinese mistrust of the United States. A more prosperous China would gradually democratize; a China that was integrated into the international community would behave peacefully; a successful China would act responsibly. Some of these assumptions were described as “soothing scenarios” in James Mann’s book, *China Fantasy*,<sup>28</sup> and in some ways were reminiscent of far earlier hopes that the United States would be able to remake China in its own image.<sup>29</sup> They also reflected the faith, as Stanford political scientist Robert Packenham put it many years ago, that as emerging countries develop under U.S. assistance and tutelage, “all good things go together.”<sup>30</sup> In other words, they reflected the expectation that Chinese economic development, democratization, a peaceful foreign policy, and thus a positive U.S. relationship would all go hand in hand.

Moreover, in their report for the Council on Foreign Relations, Blackwill and Tellis argue that the United States made a crucial strategic error at the end of the Cold War: Washington optimistically concluded that a new world order based on liberal norms and institutions was feasible and that China would join it to gain the benefits it offered, even if that meant accepting U.S. global leadership. China’s rise would therefore not destabilize the international system, but instead would contribute to its stability and success. Based on these assumptions, Blackwill and Tellis assert, Washington eschewed the more realistic policy of maintaining U.S. strategic dominance both regionally and globally, and was initially indifferent to the rapid increases in China’s economic and military power that should have been more alarming.<sup>31</sup>

Compounding these mistaken judgments, the attempts to build mutual trust through various official and unofficial bilateral dialogues were well-intentioned but ill-designed. At best, such dialogues can build trust only among the individuals who directly participate in them, but not the far larger groups that also shape foreign policy including the public, the media, and the military.<sup>32</sup> Moreover, the dialogues were often based on the assumption that mistrust was primarily the result of simple ignorance, misunderstanding, or ideological bias; once these factors were removed, the U.S.–China relationship could improve without fundamental changes of policy on either side. In fact, verbal reassurances, increased transparency, and building personal relationships will prove ineffective unless both parties engage in more costly concrete measures to reverse the actions and repudiate the statements that produced the mistrust in the first place.<sup>33</sup>

The harshest criticism of all is that U.S. policymakers not only deluded themselves but also were systematically and deliberately misled by China. That is the main thesis of former Defense Department official Michael Pillsbury's *The Hundred Year Marathon*, which charges that Chinese officials and policy analysts tricked their U.S. counterparts, including Pillsbury himself, into believing that Chinese leaders had no grand strategy, that they acknowledged China's weaknesses relative to the United States, and that China's international ambitions would therefore be limited and its rise would be peaceful.<sup>34</sup> In fact, Pillsbury argues, China did have a grand strategy: it would keep a low profile and follow Deng Xiaoping's advice to "hide our capabilities and bide our time," accept the assistance that the international community offered, and wait until China gained a strong enough position to assert its preeminence in Asia. Deception was a major part of that strategy, as has traditionally been the case in Chinese strategic culture. Pillsbury believes that Beijing originally had a century-long timetable for attaining that position—from the establishment of the People's Republic in 1949 to its hundredth anniversary in 2049, and hence the title of his book—but its rapid economic and military development will enable it to realize its goal far ahead of schedule.

With such divergent assessments of past U.S. policy toward China, it is not surprising that no consensus exists on whether that policy should be changed at all, much less in what direction. There are now numerous proposals for revising U.S. policy, but they can be grouped into three broad categories: "stay the course" (continue engagement and integration), "toughen up" (balance the rise of Chinese power), or "strike a deal" (accommodate China either through one "grand bargain" or through multiple smaller bargains). The remedies generally stem logically from the diagnosis. Those who think the policy was well conceived but poorly implemented focus on staying the course but improving the implementation. Those who believe the policy ignored the dangers posed by the rise of China propose greater efforts to balance it, or "toughen up." Those who think the policy was insufficiently sensitive to Chinese concerns favor greater accommodation, or "striking a deal." To be sure, these are broad generalizations, as many analysts propose policies that draw elements from more than one of these categories, making the differences among their proposals less stark than may initially appear. Yet these categories help us understand the outlines of the quickly evolving debate and foresee the possible directions U.S. policy may soon take.

**T**here is no consensus on past U.S. policy toward China, much less whether it should be changed.

### “Stay the Course”

**Even “stay the course” strategies now emphasize engagement more than integration or assistance.**

Some who acknowledge the disappointing results of U.S. policy still argue that the best option is to stay the course. Advising patience and persistence, these analysts believe that the current policy, if better implemented, can become more effective over time and, equally important, will carry far fewer costs and risks than any of the proposed alternatives. Interestingly, however, of the various elements of present policy, the proposals that fall into this category place the greatest emphasis on continued engagement, far less on integration, and virtually none on continued assistance to China.

One group of observers, largely from the financial world, believe that the rebalancing now underway in both economies will naturally alleviate many of the problems that bedevil the U.S.–China relationship: China will invest more in job-creating projects in the United States, the mutually beneficial relationship between the two economies will deepen, the trade imbalance will decline, and China’s economic growth (and military buildup) will slow. This position has been expressed by two former bankers who served as Secretaries of the Treasury, Robert Rubin and Henry Paulson,<sup>35</sup> as well as by another former banker, Stephen Roach, who was chief economist for Morgan Stanley.<sup>36</sup> Roach is somewhat more guarded than Rubin and Paulson, since he predicts that China will rebalance more successfully than the United States and that the gap between the two economies will continue to narrow, thereby adding to some of the tensions in the relationship. Despite these differences in tone, all three support continuing the policies with which many of them were personally associated, believing the key is to ensure that each country gets its own house in order and succeeds economically. In so doing, as Paulson and Rubin put it, “China and the United States would simultaneously improve their own economies, remove irritants to their relationship, and foster trust.”<sup>37</sup>

Other analysts believe that engagement with China can stabilize the relationship if implemented more thoughtfully. Steinberg and O’Hanlon propose a systematic process of “mutual reassurance” as a better way of reducing mistrust than the ineffective strategies applied so far. This program would entail a series of “deliberate policies designed to address the security dilemma that besets the relationship between a rising and an established power.”<sup>38</sup> For the United States, these steps would include explicit reassurances to China in several areas of security policy where the risks of conflict are greatest—including military budgets, force modernization, crisis stability, nuclear weapons, the military use of space, cyber warfare, and deployments and operations—all backed up by specific

actions that demonstrate U.S. sincerity. This approach is similar to the strategy for international confidence building that University of Wisconsin professor Andrew H. Kydd has called “costly reassurance,” based on the premise that verbal assertions of good intentions are insufficient if they are not accompanied by concrete actions involving some meaningful sacrifice by those who make them.<sup>39</sup>

While similar in some ways to the “bargains” proposed by others and discussed below, the approach advocated by Steinberg and O’Hanlon focuses more on mutual reassurance than mutual concession, and more on reducing mistrust than on the more ambitious objective of building cooperation. Moreover, as the title of their book suggests, Steinberg and O’Hanlon also assert that mutual reassurance must be complemented by indications of resolve including developing the economic, military, and diplomatic resources as well as the domestic institutional resilience necessary to make U.S. commitments credible. While they place the greatest weight on engagement to resolve issues and build trust, there is an element of balancing in their strategy as well, as when they endorse the Obama administration’s “rebalancing policy” as an “important signal of resolve to support U.S. security commitments.”<sup>40</sup> This is a good example of the point underscored earlier: although the broad categories presented here are a useful way of highlighting the differences among competing policy options, many of those proposals do not necessarily fall neatly into any of them.

While most of the analysts who propose staying the course continue to focus on the need for engagement with Beijing to find solutions to specific issues, both Thomas Christensen and Kevin Rudd place even greater emphasis on persisting in the policy of integrating China into the global and regional communities. Christensen, for example, asserts that the main goal of U.S. policy should still be to encourage Beijing to “accept the challenge,” originally presented by Robert Zoellick, of becoming a responsible stakeholder in the international system. But where the original concept implied integrating China into the existing international community, Rudd’s vision is that China should be integrated into an evolving international community system that acknowledges China’s growing power and accommodates its interests. Rudd hopes this dual process of integration and reform can become a “common strategic narrative,” replacing the older narratives of Chinese humiliation and U.S. preeminence.<sup>41</sup>

**It remains uncertain whether Beijing has truly accepted the concept of an institutionalized world order.**

This is, of course, a profoundly liberal view of the importance and effectiveness of international order. It is familiar (although by no means universally accepted) in the United States, but far less so in China, where realist paradigms of international

politics that are highly skeptical about the effectiveness and impartiality of international organizations are far more prevalent. Although China has joined the international organizations that it once denounced as products of U.S. hegemonism, it remains uncertain whether Beijing has truly accepted either their specific structure and norms, or the broader concept of an institutionalized world order. The question that Harvard's Alastair Iain Johnston posed several years ago—whether China has been truly “learning” international norms through a process of socialization, as liberal scholars anticipated, or is merely “adapting” to those norms, using them tactically to advance its own interests, as realists suspect—remains highly pertinent.<sup>42</sup>

Rudd suggests that Chinese leaders can be more easily persuaded to accept the ideal of an international order if its rationale is not grounded in the Western liberal faith in rules and institutions, but is instead presented as a way of addressing traditional Chinese concerns about the danger of disorder and chaos, in this case in the international arena.<sup>43</sup> However, even if China departs from its realist strategic traditions and truly accepts this new strategic narrative, will it endorse the existing norms and institutions associated with the U.S.-led world order or, more likely, insist on establishing new norms and institutions that better reflect Chinese values (such as non-intervention in other countries' internal affairs) and that fulfill Beijing's interest in gaining a more influential place in the international system? If, so, the issue then becomes how much “reform” of the international system will be necessary to bring China on board and how acceptable those reforms will be to the United States, especially if they entail a significant reduction in U.S. power and influence in established organizations and the creation of new institutions led by China.

While engagement and integration still have their proponents, one strand of current policy has mostly disappeared from proposals to stay the course: assisting China in its reform and development. Of course, there are proposals for joint research and development projects in areas such as alternative sources of energy, but these are no longer described as forms of “assistance.” Indeed, some critics of China's recent international behavior believe that any form of assistance should be eliminated, or at least subjected to skeptical monitoring, because a stronger China poses growing threats to U.S. interests.<sup>44</sup> Others simply believe that China's success implies less need for technical or economic assistance from the United States.

### **“Strike a Deal”**

While staying the course may involve some degree of bargaining, a second broad option entails a much greater inclination to make major accommodations with China. Lyle Goldstein describes this process as “meeting China halfway.”<sup>45</sup> He proposes a series of ten “cooperation spirals” on issues ranging from the Taiwan

Strait to the South China Sea to the Middle East, through which “trust and confidence are built over time through incremental and reciprocal steps that gradually lead to larger and more significant compromises.”<sup>46</sup>

Although he analyzes these spirals separately, he also suggests that accommodations made on one issue by one party could be reciprocated by concessions on another issue by the other party.

What is most controversial about Goldstein’s proposal is less its general design and more its implementation. In line with China’s historical narrative of “national humiliation,” he argues that, despite U.S. support of China’s rapid economic development over the last 35 years, the United States still shoulders some residual culpability for the “Western expansion into China” in the 19th and early 20th centuries. “After all,” Goldstein writes, “it was U.S. ships that patrolled the Yangtze River for nearly a century after 1854 and not Chinese ships patrolling the Mississippi River.”<sup>47</sup> Therefore, he believes that the United States has the obligation to “create the appropriate conditions for cooperation spirals and also, crucially, make the first moves,”<sup>48</sup> and that it should be willing to make more accommodations with China than Beijing will offer in return.

Beyond this provocative conclusion, Goldstein’s approach, like other proposals to manage the U.S.–China relationship through bargaining or mutual reassurance, begs difficult questions about how to design and enforce the agreements reached. How can Washington reach agreements with Beijing given the present levels of mistrust between the two countries? Promoting cooperation in a competitive situation is one of the great challenges in game theory, not only when there is inadequate communication between the parties in question, as in the classic prisoner’s dilemma, but especially when the relationship is complicated by mutual mistrust, as in the current U.S.–China relationship. Each bargain will be difficult to strike, as each side will be suspicious about the other’s reliability and skeptical about the relative distribution of gains. Even if a deal is reached, each side will be quick to accuse the other of renegeing on its commitments. Cycles of cooperation and mutual reassurance are intended to build trust, but the mistrust that exists at the beginning of the process will make it difficult to do so.

Furthermore, how can the United States enforce the agreements that it has reached with Beijing if it believes China has violated them? If Beijing denies its transgressions, as it does for the current accusations of cyberattacks on the United States for example, will Washington be able to marshal convincing evidence that China has violated its agreements? And then should Washington engage in linkage, imposing sanctions in one area in retaliation for unacceptable

**A second broad option entails a much greater inclination to make major accommodations with China.**

behavior in another? Or should it try to insulate some areas of cooperation from difficulties in others? And no matter what strategy the United States adopts, can a country with a democratic political system and a liberal market economy effectively deal with a country with an authoritarian political system and a mercantilist economy? In other words, will the United States be able to punish violations of Chinese commitments as effectively as China will be able to sanction what it regards as U.S. transgressions? If not, the political support for such agreements on the U.S. side will decline if not collapse.

Whereas Goldstein envisions a series of small bargains, forming a network of reinforcing “cooperation spirals,” other analysts propose a single “grand bargain” in which the United States accommodates China on one key issue while China accommodates the United States on another. For example, Charles Glaser, a professor in GWU’s Elliott School of International Affairs, advocates a bargain in which the United States “ends its commitment to defend Taiwan against Chinese aggression” in exchange for a peaceful resolution of China’s maritime and land disputes in the South China and East China Seas.<sup>49</sup> Glaser asserts that continuing the U.S. security commitment to Taiwan will prove extremely risky given the shifting balance of power in the Taiwan Strait and the intensity of Beijing’s desire to unify Taiwan with the rest of China. He also believes that the conditionality (or “strategic ambiguity”) with which the United States has expressed its commitment is highly dangerous: by implying that the United States would come to Taiwan’s defense only if a Chinese attack were “unprovoked,” this raises the question of how Washington would react to a Chinese claim that an action taken by Taiwan—from declaring *de jure* independence to refusing to start negotiations over unification—represented an unacceptable provocation that would justify a forceful Chinese response. Conversely, Glaser also believes that since Taiwan is the most important single problem in U.S.–China relations, removing that issue would increase the probability of cooperation on others.

Although Glaser is certainly correct in saying that resolving the bilateral aspects of the Taiwan issue would yield great benefit to the U.S.–China relationship, the specific bargain he proposes is curiously asymmetrical and ambiguous: the United States would terminate its conditional commitment to defend Taiwan but would not gain any reassurances about a peaceful future for Taiwan. Instead, in addition to peacefully resolving its territorial and maritime disputes with its Asian neighbors on terms that Glaser does not specify, China would officially accept the United States’ long-term military security role in East Asia.<sup>50</sup> The problem is that China has already said that it accepts a “constructive” U.S. role in Asia, while presumably reserving the right to challenge U.S. positions and actions that it does not regard as “constructive.”<sup>51</sup> It is unlikely that Beijing would ever provide the blanket endorsement of a continuing U.S. security role in the region that Glaser appears to propose.

Although he does not use the term, The Carnegie Endowment's Michael Swaine also proposes a grand bargain, but a different one.<sup>52</sup> He envisions a comprehensive "mutual accommodation" in which the United States explicitly abandons any intention to preserve its strategic preeminence in the Western Pacific and adopts a new policy of maintaining a balance of power in Asia. In exchange, China would also forswear any attempt to establish dominance in the region. On that basis, the two countries would work out limitations on defense spending and deployments and would reach understandings on the specific issues where their policies collide.

This is a more balanced and symmetrical bargain than the one proposed by Glaser. But once again, working out the details will remain difficult, such as what level of spending and deployments would be acceptable especially when the United States has a wider range of global commitments and a very different geostrategic position than China. Moreover, the alternative goal that Swaine sees as more appropriate for China, and presumably for the United States as well: "deference to its interests," or at least its most important ones, can still be interpreted or portrayed as a provocative effort to establish a preeminent position or to bully its neighbors. The line between securing deference and achieving dominance is a fine one indeed.

Swaine believes that this proposal will be mutually acceptable because, like Glaser, in the end he is confident that both China and the United States will act rationally with regard to both ends and means. Each will realize the costs, risks, and ultimate futility of seeking to maintain or achieve dominance in the Asia-Pacific region, and will thus be willing to strike the grand bargains both he and Glaser envision. This optimistic assumption downplays the importance of non-rational factors in international politics: the power of competing national historical narratives, the pressures from skeptical domestic publics, the controversies that surround the calculation of a shifting balance of power, and the uncertainties inherent in interpreting the actions of another and in redefining interests as new problems arise. The assessment of relative gains and losses will be extremely difficult and therefore will prove highly controversial both within and between the two countries. Deals that strike some as entirely reasonable, others will regard as "premature appeasement," as The East-West Center's Denny Roy has put it.<sup>53</sup>

### **"Toughen Up"**

Under the final set of proposals, whose proponents include strategists like Aaron Friedberg, University of Chicago's John Mearsheimer, and Blackwill and Tellis, the United States would give up any illusions that China will become a friendly and cooperative partner, whether those illusions stem from naïve liberal assumptions by Americans or misleading reassurances by Chinese. Instead, the United

States should strengthen its military and diplomatic position in Asia and then, together with its friends and allies, increase the pressure on Beijing to moderate its ambitions and take more responsible positions on global and regional issues. Few, except perhaps for Mearsheimer, say that they are proposing

to return to a policy of containing China.<sup>54</sup>

Instead, they insist they are continuing most of the aspects of current policy, but placing a greater emphasis on balancing China in the Asia-Pacific region in a responsible but determined manner. Some go further, however: Blackwill and Tellis propose that the U.S. “rebalancing” should extend into the “Indo-Pacific” as well, and also advocate that the United States should develop offensive as well as defensive military capabilities to deal with the threats posed by China.<sup>55</sup>

**The final set of proposals places a greater emphasis on balancing China in the Asia-Pacific.**

Some of those who advocate a tougher posture toward China suggest additional modifications of present U.S. policy as part of “toughening up.” As already noted, both Blackwill and Tellis as well as Pillsbury argue for a careful cataloguing, and then a reduction or termination, of the various government programs that provide technical assistance to China, although not, presumably, those offered by U.S. NGOs. They also advocate strict controls over technology transfer to that country, and Blackwill and Tellis would even consider across-the-board tariff increases on U.S. imports from China, all aimed at restricting China’s growth. They also favor the indefinite exclusion of China from the Trans-Pacific Partnership and would presumably oppose Beijing’s creation of new international institutions that might further facilitate or legitimate China’s rise.

The obvious questions about a policy of balancing China are whether the United States can afford its financial costs and geopolitical risks, as well as the extent to which U.S. allies would follow such an initiative. Both of these issues would presumably become greater if China’s military and economic power relative to the United States continues to grow, and if the importance of commercial relations with China to U.S. allies continues to increase. Here, the classic dilemma inherent in alliances may become ever more salient: no country wants to face abandonment by its ally in light of a major security threat, but neither does it want to become drawn into an ally’s conflict with a country that it does not regard as threatening. Many Asian countries take what might be called the “Goldilocks view” of U.S.–China relations, in that they want a relationship that is “not too hot, not too cold, but just right.” Pushing rebalancing too soon and too far would likely be seen as turning the relationship too cold, just as excessive accommodation would be seen as turning it too hot. How can Washington

prevent Beijing from securing the defection of U.S. allies from its balancing strategy, if they face increasing costs and risks from following the U.S. lead?

Beyond this, even if the United States decides to balance China militarily, how can it deal effectively with the challenges presented by China's military modernization program? As China grows stronger, will the United States continue to rely on costly symmetrical strategies, or can it develop asymmetrical strategies of its own? If Beijing employs deniable methods to engage in espionage or disruption, particularly in the cyber realm, should the United States engage in similarly stealthy tactics in retaliation?

### **Promoting Political Reform: the Absent Dimension**

Despite the tightening of domestic political controls in China over the last several years, most participants in the current debate place far less emphasis on promoting human rights and political liberalization in China than there was in the past. None of the proposals summarized so far argues for an extensive U.S. effort to democratize China. Some explicitly say that it was always futile, provocative, and even hypocritical for the United States to give human rights so prominent a place on the bilateral agenda with China. Lyle Goldstein says flatly that “human rights should not be a major issue in U.S.–China relations,” and cites Australian analyst Hugh White, Henry Kissinger, and Michael Swaine as believing that democratization should not be the main goal of U.S. China policy. Instead, he suggests that a “hands-off approach” will make it more difficult for Chinese leaders to discredit domestic demands for political reform as being directed by the United States.<sup>56</sup> The paradoxical conclusion, then, is the less effort the United States expends, the greater its chances of success in seeing eventual political liberalization in China may be.

**The current debate places far less emphasis on human rights and political liberalization in China.**

Similarly, although recommending a fundamentally different strategy toward China than Goldstein, Blackwill and Tellis also believe that pressing for human rights through high-level discussions was a waste of time and should be dropped from future bilateral dialogues.<sup>57</sup> And while Steinberg and O'Hanlon offer a balanced summary of the debate over the role of human rights in U.S. policy toward China, they also appear sympathetic to those who call for a “non-confrontational approach” and who propose instead to continue “dialogues on human rights and the rule of law to make progress.” They conclude that “there is no

support in any camp for an active regime change strategy, given China's growing power and its economic importance to the United States.<sup>58</sup>

To be sure, there are some exceptions to this generalization. Michael Pillsbury argues that the United States should "protect the political dissidents in China" and criticizes the Obama administration for downplaying human rights and failing to link China's human rights record to "issues Beijing cares about, such as trade relations."<sup>59</sup> Dan Blumenthal of the American Enterprise Institute and William Inboden of the University of Texas, while saying that the United States should continue its policies of engagement and hedging, propose that a "measured yet persistent push for a free and democratic China" should become the "third prong" of U.S. strategy toward China. This can be done, they argue, by supporting the "latent democrats" in China, including entrepreneurs, lawyers, and Christians, through the extension of both official and unofficial dialogue to include them and through expanded "information and counter-propaganda campaigns."<sup>60</sup> Nevertheless, the issue remains whether the Chinese government would permit these efforts to go forward, whether they can proceed if the Chinese government blocks them, and whether their effectiveness would warrant the costs and risks to other U.S. objectives.

## Revisiting Key Assumptions

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In addition to the debate about the future course of U.S. policy, considerable controversy exists on some of the underlying assumptions on which that policy should be based. One such set of assumptions concerns China's domestic future. The early post-Tiananmen assumption that China was on the verge of either democratization or collapse, presented in such books as Gordon Chang's *The Coming Collapse of China*,<sup>61</sup> has been challenged by a reluctant appreciation of the dynamism of the Chinese economy and the resilience of its political system.<sup>62</sup> The analysis of declining Party control presented by GWU China expert David Shambaugh in his widely read but

highly controversial op-ed in the *Wall Street Journal*, "The Coming Chinese Crack-up," is far more a minority opinion than it was ten years ago.<sup>63</sup> Most of the analysts surveyed here anticipate continued growth in China's comprehensive national power, with little more than "a modest Chinese stumble" along the way.<sup>64</sup>

As Kevin Rudd has summed up the new conventional wisdom: "Sorry, but on balance the Chinese economic model is sustainable. It would be

**Is the recent Chinese economic slowdown a stumble or something more fundamental?**

imprudent in the extreme for America's China policy to be based on an ... assumption that China will either economically stagnate or politically implode because of underlying contradictions in its overall political economy. This would amount to a triumph of hope over reason."<sup>65</sup> Others disagree, however. In addition to Shambaugh, Dan Blumenthal and William Inboden also believe that "China is more brittle than many imagine."<sup>66</sup> And it remains to be seen whether the recent slowdown in the Chinese economy and the sharp decline in the Chinese stock markets should be interpreted simply as another stumble or as something more fundamental.

The question of China's domestic future is closely related to the evolving balance of power between the United States and China. Some analysts are confident that the balance will remain in the U.S. favor for the near future, even decidedly so, because of either Chinese economic weaknesses or U.S. technological strengths. But others believe that China will narrow the economic and technological gap with the United States, perhaps dramatically, because of its large size, dynamic economy, and effective governance. Importantly, however, analysts who hold the same judgments can still draw quite different conclusions from them. Some of those who forecast a continued balance in the U.S. favor believe that this gives the United States the ability to pursue a policy of strategic preeminence in Asia, or else to engage Beijing more assertively without making excessive concessions.<sup>67</sup> Others, in contrast, hold that Washington should take its position of strength as the basis for initiating a process of mutual accommodation and be confident of its ability to make more concessions to China than it receives in return.<sup>68</sup> In essence, this latter group believes that the United States holds a winning hand for now, but should play it to accommodate China, not to preserve its regional dominance.

Whatever the assessments of the evolving balance of power, there appears to be a growing consensus that the future of the U.S.–China relationship will be determined as much by the domestic situation in the U.S. economy as by China's. There is thus increasing awareness of the importance of reinvigorating the U.S. economy in managing the economic relationship constructively, as well as revitalizing the U.S. political system. This is a theme that runs through many of the analyses surveyed here, even those that reach quite different conclusions about the best U.S. strategy toward China. Accomplishing these two things will prove essential for both international and domestic reasons: internationally to maximize U.S. comprehensive national power, and domestically to counter the growing perception among the U.S. public that the United States' best years are behind it.

For years, U.S. officials and analysts have written that the United States should welcome a successful and confident China because it would be less likely to perceive a threat from the United States. One could now say the same about the United States: a more successful and confident United States would regard the

rise of China with greater equanimity. Richard Haass, president of the Council on Foreign Relations, has wisely written that “foreign policy begins at home,” and consensus is growing that this applies specifically to U.S. policy toward China as well as to its overall relations with the rest of the world.<sup>69</sup> Even some of those who believe that the United States has a comfortable lead over China today also assert that the United States should work hard to stay ahead.<sup>70</sup> In his 2011 State of the Union address, Barack Obama said that the rise of China presented the United States with a “Sputnik moment” that required greater investment in research, education, and infrastructure if the United States was to “win the future.” While other domestic priorities, plus the conflict with Congress, prevented the Obama administration from responding effectively to that challenge, it may well be a major theme in the 2016 presidential election.

### Whither the Debate?

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In the elegant model developed by the University of Virginia’s Jeffrey Legro to explain the evolution of great power strategies, foreign policies change when there is both a broad agreement that the old policies have failed and a working consensus on which alternative can achieve better results.<sup>71</sup> The growing debate over U.S. policy toward China has reached far greater consensus on the first point than the second. Few are satisfied with the present state of U.S.–China relations, but there is a wide range of opinion on whether U.S. expectations of China have been reasonable, whether U.S. judgments of China have been balanced, and above all whether recent U.S. policy toward China has been responsible for these disappointments. Not surprisingly, therefore, little agreement exists

on whether U.S. strategy to China should be altered and, if so, in which direction.

One of the reasons for this disagreement is that none of the options is perfect; each carries costs and risks, and none can guarantee success. In addition, the participants in the debate include scholars of international affairs from both realist and liberal perspectives, who have very different views of the likely effectiveness of the major options under consideration, as well as specialists on China who also disagree among themselves.

This broad range of participants enriches the debate, but does not help bring it to consensus.

Although the debate over U.S. China policy therefore remains inconclusive, on balance there is now far more pessimism about the future of U.S.–China

**T**here is no consensus policy shift but far more pessimism about the future of U.S.–China relations.

relations than in earlier years. The alternatives that are attracting the most attention are the tougher ones, and the base of support in the academy, the business, and the policy community for more accommodative alternatives has declined. There is no longer any talk of building a “constructive strategic partnership,” less inclination to accept Xi Jinping’s concept of a “new type of major power relationship,” far less anticipation that the relationship will become essentially cooperative, and far more concern that it will reach a turning point at which it will become essentially competitive or even degenerate into open rivalry. The discussion above has shown, however, that hope still exists, at least in some quarters, that the spiraling deterioration in the relationship can be halted while areas of collaboration can be cultivated, and that competition can either be limited to those areas where it is healthy (such as economic performance and the quality of governance) or regulated by agreed-upon rules in areas where unfettered competition is more costly (such as trade) or even dangerous (such as military deployments). And there is even greater confidence that war can be prevented, given the power of mutual deterrence and the assumption of rationality on both sides.

The question is not only whether the United States will sustain a China policy that embodies that hope, but also whether China can make positive adjustments in its own domestic and foreign policies that can dissuade the United States from abandoning it. Otherwise, it may be future generations of Chinese scholars who will be asking, “Who lost America?”

## Notes

1. Some of the most important of these will be summarized below. Those that best represent the main positions in the debate so far are Lyle J. Goldstein, *Meeting China Halfway: How to Defuse the Emerging US-China Rivalry* (Washington, DC: Georgetown University Press, 2015); James Steinberg and Michael E. O’Hanlon, *Strategic Reassurance and Resolve: U.S.-China Relations in the Twenty-First Century* (Princeton: Princeton University Press, 2014); and Robert D. Blackwill and Ashley J. Tellis, *Revising U.S. Grand Strategy Toward China*, Council Special Report no. 72 (New York: Council on Foreign Relations, March 2015). For earlier analyses of the debate, see Aaron L. Friedberg, “The Debate Over U.S. China Strategy,” *Survival* 57, no. 3 (June-July 2015), 89–11; and Robert A. Manning, “America’s China Consensus Implodes,” *The National Interest*, May 21, 2015.
2. Particularly good, balanced overviews of the factors producing mutual dissatisfaction and mutual mistrust can be found in Steinberg and O’Hanlon, *Strategic Reassurance and Resolve*; and Kenneth Lieberthal and Wang Jisi, *Addressing U.S.-China Strategic Mistrust*, Thornton China Center Monograph Series No. 4 (Washington DC: Brookings Institution, March 2012).
3. Lieberthal and Wang, *Addressing U.S.-China Strategic Mistrust*.
4. David M. Lampton, “A Tipping Point in U.S.-China Relations is Upon Us,” *US-China Perception Monitor*, May 11, 2015.

5. James Mc Gregor, "China's Drive for 'Indigenous Innovation: A Web of Industrial Policies'" (Washington, DC: U.S. Chamber of Commerce, n.d.)
6. Thomas A. Hemphill and George O. White, "China's National Champions: The Evolution of a National Industrial Policy—Or a New Era of Economic Protectionism?" *Thunderbird International Business Review* 55, no. 2 (March-April 2013), 193–212.
7. "USBC 2014 China Business Climate Survey Results," (New York: U.S.–China Business Council, 2014), Executive Summary.
8. "China Business Climate Survey Report" (Beijing: American Chamber of Commerce, 2015), Summary.
9. Blackwill and Tellis, *Revising U.S. Grand Strategy Toward China*, 15.
10. The term "free-rider" was applied to China by President Obama. See "Obama on the World," *New York Times*, August 8, 2014.
11. The term "cheap-rider," implying the tendency not to ride for free but to pay as little as possible, comes from Robert Sutter, "Global Responsibility or Free Riding: The Implications of the 'Win-Win' Principle for China's Approach to Foreign Crises and International Affairs," paper presented to the panel "Managing Global Crises: China's Approaches and Perspectives," Annual Meeting of the American Political Science Association, Washington DC, September 2010.
12. Thomas J. Christensen, *The China Challenge: Shaping the Choices of a Rising Power* (New York: W.W. Norton, 2015), 7.
13. Goldstein, *Meeting China Halfway*.
14. Cui Tiankai, "China & America: Stay Focused on What Really Matters," *The National Interest*, August 26, 2015, <http://www.nationalinterest.org/feature/china-america-stay-focused-what-really-matters-13704>.
15. The debate over whether China's recent "assertiveness" is more proactive or reactive is concisely summarized in Yasuhiro Matsuda, "How to Understand China's Assertiveness since 2009: Hypotheses and Policy Implications," Center for Strategic and International Studies, April 2014.
16. Goldstein, *Meeting China Halfway*, 2.
17. Robert Zoellick, "Whither China: From Membership to Responsibility?" remarks to the National Committee on U.S.–China Relations, New York, September 21, 2005.
18. Christensen, *The China Challenge*, Prologue.
19. Michael Pillsbury, *China Debates the Future Security Environment* (Washington, TC: National Defense University Press, 2000), ch. 5
20. The subtitle of Christensen, *The China Challenge*, is "Shaping the Choices of a Rising Power." The same phrase was used in: U.S. Department of Defense, "Military and Security Developments Involving the People's Republic of China: Annual Report to Congress," 2011.
21. The joint statement resulting from Obama's 2009 visit to China, for example, included the words "strong, prosperous, and successful, but interestingly did not include "peaceful" or any reference to China's domestic political system. Office of the Press Secretary, The White House, "U.S.–China Joint Statement," November 17, 2009, <https://www.whitehouse.gov/the-press-office/us-china-joint-statement>.
22. For example, see the statement issued by the White House at the end of Hu Jintao's visit to the United States in 2011: Office of the Press Secretary, The White House, "U.S. & China: Building a Positive, Cooperative, and Comprehensive Relationship," January 19, 2011, <https://www.whitehouse.gov/the-press-office/2011/01/19/us-china-building-positive-cooperative-and-comprehensive-relationship>.

23. Friedberg, "Hegemony with Chinese Characteristics," *National Interest*, 114 (July-August 2011), 25.
24. Steinberg and O'Hanlon, *Strategic Reassurance and Resolve*, 7. They believe this has been a dilemma for both sides in their efforts to engage in strategic reassurance.
25. Kevin Rudd, *U.S.-China 21: Toward a New Framework of Constructive Realism for a Common Purpose* (Cambridge, MA: Belfer Center for Science and International Affairs, Harvard Kennedy School, April 2015), 15.
26. Robert D. Blackwill and Tellis, *Revising U.S. Grand Strategy Toward China*.
27. David M. Lampton, "A New Type of Major-Power Relationship: Seeking a Durable Foundation of U.S.-China Ties," *Asia Policy* 16 (July 2013), 51–68.
28. James Mann, *The China Fantasy: How Our Leaders Explain Away Chinese Repression* (New York: Viking, 2007).
29. Jonathan Spence, *To Change China: Western Advisers in China* (Boston: Little Brown, 1969).
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