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### A SMARTER U.S. STRATEGY FOR CHINA IN FOUR STEPS

By  
Michael D. Swaine

The Trump administration has been pushing an exceedingly tough stance on China for some time, painting Beijing as a revisionist, authoritarian power hell-bent on subverting the U.S.-led liberal global order. There is no doubt that the United States must respond more effectively to China's domestic repression and disruptive international behavior. But the administration's simplistic, hostile rhetoric and policies have thus far produced very limited returns. Indeed, in some ways they have undermined U.S. interests.

Domestic and foreign criticisms of current U.S.-China policy have recently led senior U.S. officials to moderate their harsh rhetoric, by denying that Washington seeks to contain China or decouple it from the global economy. But the Trump administration's still largely antagonistic approach (backed by many in Congress) contradicts this new rhetoric, which seems more designed to mollify critics than give credible signals of policy change.

U.S. President Donald Trump's failings on China should give his Democratic challengers an opening. Yet, despite grumbling about Trump's corrosive tactics, the Democratic field has seemingly bought into how he has portrayed China. The American people and U.S. partners abroad deserve better: a more realistic, effective way to juggle competition and cooperation with Beijing that actually reflects what China is, where the relationship stands, and where it should go.

Here are four steps to a more effective approach to China.

## **First, Restore The Homefield Advantage**

Breathless American complaints about China ignore that the fate of the United States depends far more on Washington than Beijing. The most productive way of dealing with China is to double down on existing U.S. strengths and break the logjam in U.S. politics. As tech entrepreneur and presidential candidate Andrew Yang said, “An ascendant China isn’t a direct threat to the United States, as long as we are strong at home.” Similarly, fellow presidential hopeful Pete Buttigieg stated, “The biggest thing we have to do is invest in our own domestic competitiveness.”

Instead, Trump has worsened economic inequality with tax cuts for the wealthy and has underfunded infrastructure, education, R&D, and job training. Stoking fear is no substitute for investing in a broad-based vision of the future. Such a vision must recognize that government can play a critical role in building American competitiveness.

## **Second, Be Tough Yet Smart**

The United States also must strongly but prudently discourage objectionable Chinese economic behavior and human rights violations. On the economic front, Trump’s crude tariffs have hurt American manufacturers, consumers, and farmers as much or more than they pressure Beijing. What is more, the tariffs have not reduced the U.S. trade deficit at all, as Trump claimed they would. As Senator Elizabeth Warren observed, “[Trump’s] . . . trade policies toward China are hardly stopping Chinese economic malfeasance.”

To dial up the pressure, the United States should coordinate better with like-minded European and Asian partners and more effectively redress China’s trade barriers and commercial espionage. The United States must protect its most advanced and sensitive U.S. technologies by building a “high fence around a small yard,” as Senator Chris Coons has suggested, not by trying to break off economic and technological links with China altogether.

Meanwhile, Trump too often has looked the other way when China represses its own citizens. He has further undermined the rule of law by inviting Beijing to find dirt on former vice president Joe Biden. And he has also sent confusing messages to his own government, the American public, and foreign observers by allowing his administration to demonize China while praising Chinese Communist Party (CCP) Chairman Xi Jinping.

Washington should work with its partners to jointly criticize Beijing for violating its own laws by wrongfully imprisoning and oppressing countless Uighurs. On Hong Kong, Trump should personally decry

violence by all sides while calling for a fully representative reform commission to push for greater democracy and address economic inequality and excessive police tactics. Closer to home, Washington can vigilantly prevent espionage and illicit influence operations without resorting to racial profiling or wrongfully smearing Chinese Americans and Chinese nationals.

### **Third, Understand What You're Dealing With: A Rival Like No Other**

The United States has never confronted a rival like China. Much more so than the Soviet Union, China has embraced some elements of the international order while ignoring or undermining others to suit its own interests. That's why Washington's focus on China's rampant authoritarianism highlights only part of a much more complicated story. China is a deeply embedded cog in the global economy. It has contributed to growth and jobs worldwide, made sweeping investments in global infrastructure, and is helping to tackle massive shared security threats like climate change, pandemics, and the proliferation of weapons of mass destruction.

In addition, China remains a country of contradictions and transitions that defies the simplistic narrative of a restive Chinese populace yearning to throw off the yoke of communism. Nearly four decades of reforms and greater openness have unleashed tremendous uncertainty and instability within Chinese society, a pretext that Xi has used to strengthen the CCP's political and ideological controls.

Yet despite such instability and repression, millions of ordinary Chinese citizens are also intensely proud of their nation's accomplishments during this period and strongly oppose any U.S. effort to weaken China. Indeed, many Chinese people interpret Washington's supposed efforts to correct Chinese misbehavior as aimed more at weakening the nation overall than on compelling the CCP to move in a more liberal direction. Any U.S. policies that do not account for this reality will weaken the influence of those many Chinese who recognize that stifling information flows, clamping down on contact with the West, and increasing party controls all damage China's capacity to excel and compete.

In short, China is a major force in the world, for better or worse. It cannot simply be boxed in as an implacable opponent of U.S. or Western interests. And Beijing's autocratic policies conceal a more complex and dynamic social reality. Thus, a sensible U.S. policy must simultaneously blunt Beijing's worst behavior while recognizing Chinese pride, developing more constructive Chinese engagement, and

encouraging those forces within China that seek more openness and cooperation. So far, the Trump administration has done little of this.

#### **Fourth, Get On The Same Sheet Of Music**

The Trump administration's portrayal of China is out of step with how important constituencies, both domestic and overseas, view Beijing. A unified coalition is more important now than ever, and no consensus has been reached with the broader U.S. public or partners abroad.

Many Americans tire of yet more simplistic calls to man the barricades, especially against a potential foe that offers an unprecedented mix of benefits alongside undeniable risks. For instance, despite deplorable job losses in key sectors, many U.S. states have gained significantly from trade with China. This ambivalence shows up in polling data. One 2019 survey found that, while concern over China is growing, only 42 percent of Americans saw China as a "critical threat," just a few more than in 1990. And nearly 70 percent of Americans say that Washington should undertake "friendly cooperation and engagement with China." Although most U.S. citizens certainly want Beijing to compete more fairly in the economic arena, they aren't spoiling for a fight.

U.S. partners and allies abroad are equally perplexed by the Trump administration's distorted and confusing view of China. Few want to take part in a polarizing Cold War with Beijing. For example, both India and Japan have rejected outright hostility with China, seeking instead to maintain somewhat productive relations. And even fewer countries are willing to pretend that climate change and other global threats can be solved without Beijing's help.

Economically, Trump eschews multilateralism with friends and allies like France, Germany, India, Japan, South Korea, and the UK. As Senator Michael Bennet critiqued, "putting tariffs on our allies, putting tariffs on even the Chinese that are actually taxes on American[s] . . . [is] completely the wrong way of doing this." Washington would be better off cooperating with its partners to renew common trade, investment, and technology rules, and revamp the World Trade Organization's dispute mechanism.

What is more, Trump has discarded multilateral trade deals like the revised Trans-Pacific Partnership that could pressure and entice China to act more responsibly. If properly structured, such agreements could boost growth and protect U.S. workers. Similarly, Washington is ineptly striving to shutter economic and technological exchanges with China and "decouple" the two nations, despite Vice President Mike

Pence's recent words to the contrary. This would only strengthen China's ties to other countries, while isolating the United States. If the United States does not work with its partners, they will likely move ahead without Washington.

Finally, to keep the United States secure, Washington should avoid bluster, ballooning defense budgets, and the facile assumption that America can and should retain a clearly dominant military position across the globe.

A more sensible approach would be better coordination with friends and allies, and a more realistic and steady approach to power relations, especially in Asia. The United States needs to replace its long-standing stress on a military-led dominance in foreign affairs with more effective diplomacy, backed by strength. It also must work with its allies to create a stable military balance and set of understandings with China on potential sources of conflict in the Western Pacific, such as Taiwan. In order to do this, Washington also needs to ensure that the U.S. defense budget is spent sensibly. As Senator Coons recently observed, "Spending \$15 billion on an aircraft carrier that is vulnerable to a \$10 million anti-ship missile is simply unwise."

### **The Goal: A Balanced China Policy With Broad Buy-In**

Past U.S. engagement has failed to prevent China from adopting many dubious practices. But Trump, his Democratic rivals and many in Congress all must recognize the folly of simply declaring engagement a failure, while replacing it with a flawed, rigidly adversarial approach.

Washington must strengthen U.S. competitiveness at home, deter China's most threatening actions, and coordinate better with friends and allies. At the same time, it needs to appeal to more moderate elements of Chinese society and cooperate with Beijing where necessary and prudent. As Senator Coons put it, "We must strive to co-exist, compete, and cooperate with China—and all three are possible."

The first step is for the U.S. government to drop simplistic rhetoric and extreme solutions. It must get down to the serious work of strengthening America and building common agendas overseas, both with and without China.

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