

The Trump administration has rethought and reset U.S. policy toward China in important new ways. What remains now is recalibration. This means reintroducing and reinforcing the notion of U.S. engagement—both with China and with the broader international community.

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Reimagining Engagement

Elizabeth Economy

Introduction

This year, 2019, marks 40 years since the establishment of diplomatic relations between the United States and China. Bilateral trade and investment between the two countries has grown exponentially from \$2 billion in 1980 to almost \$750 billion in 2018; student exchange and tourism numbers have soared; and peace has been maintained in the Asia-Pacific. Yet in the past several years, the U.S.-China relationship has entered a new, increasingly contentious period that is marked more by overt confrontation and competition than by coordination and cooperation.

This deterioration reflects the collapse of two implicit understandings that have underpinned the bilateral relationship for the past four decades: first, that both Beijing and Washington would minimize near-term disputes around areas of conflict, such as trade, Taiwan, and human rights, to preserve a façade of accord; and second, that they would operate within a paradigm of “constructive engagement,” in which the United States would encourage China’s integration into the liberal international order, and that this process, coupled with the rise of the middle class, would accelerate the process of economic and political liberalization within China.¹

The reality of China’s politics today, however, has caused Washington to rethink this strategy. The promise of continued reform and opening up at home has been replaced by a return to greater political control and state intervention in the economy. In addition, Beijing’s foreign policy initiatives routinely challenge the values inherent in the liberal international order, as well as U.S. leadership in the Asia-Pacific and beyond. Washington is no longer willing to maintain the illusion of progress in hopes of future substantive cooperation, and China is no longer willing to be tutored by the United States on how to reform at home and engage abroad.

In Washington, the result of this new understanding is a policy characterized less by “engage, but hedge” than by “compete, counter, and contain.” It is an approach that accurately recognizes the range and seriousness of the new challenges China poses and establishes some important defensive strategies but fails to advance an effective counter-narrative and the policies to support it. What is needed now is to reimagine engagement in an era of U.S.-China competition by 1) advancing a positive and proactive U.S. message and set of policies on the global stage to counter China’s attack on the liberal international order; 2) strengthening the economic pillar of U.S. global engagement; 3) leveraging U.S. allies and partners; 4) developing the political, economic, and security resources at home to compete with China over the medium to long term; and 5) establishing new areas and approaches to common action with China to minimize the risk of spiraling into a Cold War or hot conflict.

Engagement Through the Decades²

For the United States, engaging China has been a consistent theme of the bilateral relationship since well before the establishment of diplomatic relations in 1979. And for much of that time, engaging China equated to changing China. As early as the 1950s, U.S. Secretary of State John Foster Dulles delivered a series of speeches in which he

articulated the view that the United States should work to engender a peaceful evolution in Communist countries toward democracy—through support for opposition forces, cultural subversion, and information warfare.³ Along these same lines, even before becoming president, Richard Nixon laid out his vision for China in a 1967 *Foreign Affairs* article: “We simply cannot afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten its neighbors. The world cannot be safe until China changes. Thus our aim, to the extent that we can influence events, should be to induce change.”⁴ And President Carter, while arguing that the United States and China should make their differences “sources not of fear, but of healthy curiosity; not as a source of divisiveness, but of mutual benefit,” nonetheless believed that U.S. foreign policy should be rooted in its moral values.⁵

In one form or another, U.S. administrations expressed a desire for China to reform and a belief that the United States could contribute to that process. There was a clear link between Dulles’ notion of peaceful evolution and Nixon’s commitment to bring China into the international system, which informed later administrations’ approaches to the same question. President Clinton, for example, in arguing for China’s entry into the World Trade Organization (WTO) claimed, “Of course the path that China takes to the future is a choice China will make. We cannot control that choice; we can only influence it. But we must recognize that we do have complete control over what we do. We can work to pull China in the right direction or we can turn our backs and almost certainly push it in the wrong direction. The WTO agreement will move China in the right direction. It will advance the goals America has worked for in China.”⁶

Robert Zoellick, who served as deputy secretary of state during George W. Bush’s administration, delivered perhaps the fullest articulation of engagement’s ultimate objectives in his keynote address at the National Committee on U.S.-China Relations’ 2005 gala. Zoellick outlined a set of emerging challenges posed by China’s rise—a lack of transparency in supporting bad actors on the global stage, a failure to protect foreign intellectual property, a mounting U.S.-China bilateral trade deficit, and a potential for China’s desire for “predominance of power” in Asia to cause conflict. The solution to these problems rested not only in addressing China’s behavior on the international stage but also in transforming China’s political system at home: “Our goal ... is to help others find their own voice, attain their own freedom, and make their own way. ... Closed politics cannot be a permanent feature of Chinese society. It is simply not sustainable. China needs a peaceful political transition to make its government responsible and accountable to its people.”⁷

China, for its part, participated in, and at times appeared transformed by, this process of engagement. The country’s economy flourished as it gradually opened to greater levels of foreign investment. Multinationals reinforced the importance of intellectual property rights protection and introduced practices around corporate social responsibility. Chinese civil society also expanded dramatically throughout the 1990s and 2000s, as partnerships were forged between domestic nongovernmental organizations and their foreign counterparts. By the mid-2000s, foreign NGOs and foundations provided well over half of the funding for China’s rapidly developing environmental NGO movement.⁸ And virtually every leader of a major Chinese environmental NGO had received training from a U.S. partner organization. The National Endowment for Democracy (NED) supported Chinese political activists, exposing them to the world of election campaigns and monitoring; in 2010-2011, a prominent Chinese NGO, supported by the Open Society and NED, openly educated Chinese citizens on how to run independent political campaigns. And the United States served as a source of inspiration and financial and organizational support for the Chinese labor, women’s, and LGBTQ activists: one leading Chinese blogger mentioned privately, for example, that the legal recognition of same-sex marriage in the United States had a profoundly positive impact on the LGBTQ movement in China. Most strikingly, the internet served to amplify new political voices, such as billionaire bloggers who boasted ten million followers and more, and confidently opined on sensitive topics such as the need for political reform. Internet-fueled demonstrations topped 180,000 in 2010, as Chinese people took to the streets to rally against pollution, corruption, and labor violations, among other issues.

In addition, as a number of studies have documented, in areas as wide-ranging as trade, public health, and the environment, China welcomed the international community's capacity-building efforts, sending its officials for training and modeling its domestic laws on those of the United States or other advanced economies.⁹ Partnership between the United States and China, while limited, also contributed to addressing global challenges, such as the 2014 Ebola crisis in West Africa, and breathed new life into the international climate change negotiation process in 2016.

Moreover, the Chinese government actively sought ways to reassure the United States and other countries that as its economic and military power increased, it would not pursue a path of military dominance nor seek to upend the established world order. Throughout the mid-2000s, the words of former senior Chinese Communist Party (CCP) official Zheng Bijian concerning China's peaceful rise were widely cited as evidence supporting Beijing's desire to maintain the status quo in the international system.¹⁰ Of course, there were discordant voices that questioned the utility of the peaceful rise concept. Some Chinese believed that it improperly limited Beijing's choices with regard to Taiwan; force, they argued, should not be off the table as a means of resolving the question of Taiwan's status. Others considered it "demeaning" that China would attempt to subordinate its interests to placate the United States.¹¹

At the same time, where Chinese and U.S. interests clearly diverged, the two countries often developed alternative but parallel narratives. The clearest example has been the effort by Beijing and Washington to manage their differences around the status of Taiwan. Even as President Carter abrogated diplomatic recognition of Taiwan in favor of formal ties with mainland China, he ensured that the United States and Taiwan would maintain cultural, commercial, and other "unofficial relations," and Congress passed the Taiwan Relations Act that called for the United States to provide for the adequate defense of Taiwan. And in 1984, when Ronald Reagan traveled to Beijing and met with Premier Zhao Ziyang, the official Chinese record of the visit acknowledged that President Reagan "stressed his intention to continue arms sales to Taiwan and was an ardent defender of Taiwan's independence" but nonetheless noted that the president "listened with great care to a nine point Chinese plan for absorbing the island state."¹² On the most sensitive issues, Chinese television simply deleted Reagan's references to the need for democracy and belief in God.¹³

The Game Changers

Beijing began to question the value of engagement as defined largely by the United States as early as 2008. The global financial crisis and seeming collapse of the U.S. economy marked a turning point for many Chinese, who no longer considered the United States' system as worthy of emulation. As Vice Premier Wang Qishan told U.S. Treasury Secretary Hank Paulson: "You were my teacher, but look at your system, Hank, we aren't sure we should be learning from you anymore."¹⁴ At least one leading Chinese economic official called publicly for the world to consider a new global currency to replace the dollar as the world's reserve currency.¹⁵ China's peaceful rise narrative also lost currency during this time, replaced by a more forceful set of foreign policy voices that began to envision China as the dominant player in the Asia-Pacific. In part in response to this new-found Chinese assertiveness, the Obama administration in 2011 also articulated a more forward-leaning presence in the Asia-Pacific, outlining a new U.S. strategy—the pivot or rebalance—that envisaged a greater degree of U.S. military, economic, and political engagement in the region.¹⁶ This competitive process accelerated significantly, however, with the advent of Xi Jinping as general secretary of the CCP in 2012 and the election of Donald Trump as president of the United States in 2016.

After four decades of managed conflict, Chinese President Xi Jinping and U.S. President Donald Trump have introduced a new dynamic into the U.S.-China relationship. There is little interest in papering over differences, developing parallel narratives, or subsuming conflict in the near term in the hopes of promoting cooperation over

the longer term. “Engagement” as a U.S. strategy for inducing change in Chinese behavior at home or abroad is no longer discussed seriously. And even as this new, more competitive bilateral relationship emerges, the foundations for managing it have not been established.

One of China’s leading scholars of the United States, Wang Jisi, places responsibility for the change in the U.S.-China relationship’s dynamics squarely on China. In an October 2018 interview, he commented: “For over 200 years, the United States has never changed its strategic goals for its relationship with China: free flow of goods and capital, and free flow of information and values. Chinese have always had reservations or imposed boycotts to oppose these two goals. We should criticize and have reason to criticize the United States, but we should realize that China’s own actions have changed Sino-US relations and US perception of China. ... If we are looking for the cause, it was the change in Chinese policy that led to adjustments in US policy towards China. US policy has changed because China changed.”¹⁷

Certainly Xi Jinping has transformed China’s domestic and foreign policy landscape. He has introduced regressive and repressive policies at home, consolidating power into his own hands and reasserting the Communist Party’s authority into everyday Chinese political and economic life. He has limited opportunities for the international community to influence Chinese political and economic development. Increasing numbers of foreign websites are blocked; foreign television content has been slashed; the free flow of information via the internet is increasingly constrained as Beijing widens the scope for what it considers threatening to national security; and in the wake of the January 1, 2017, Law on the Management of the Activities of Overseas Nongovernmental Organizations within Mainland China, the number of foreign NGOs operating in China has fallen from more than 7,000 to just 600. The Made in China 2025 industrialization policy constrains opportunities for multinationals to compete on a level playing field in ten areas of advanced technology. In Sichuan province, for example, the local government has passed a regulation preventing hospitals from being reimbursed for operations and procedures that use fifteen types of devices unless those devices are Chinese-manufactured.¹⁸ Political and civil liberties have diminished significantly with the introduction of a massive surveillance apparatus and the social credit system. This social control manifests itself in its most extreme form in Xinjiang Autonomous Region, where millions of Uighur Muslims are subjected to racial and ethnic profiling, denied religious and civil liberties, and forcibly interned in labor and reeducation camps.

Xi also has adopted a far more ambitious foreign policy that seeks to enhance China’s role on the global stage and to challenge traditional U.S. interests in important new ways:

- Over the past six years, Xi has moved from staking claims around sovereignty in the South China Sea, Hong Kong, and Taiwan to realizing them through coercive economic, political, and military actions. Many of these actions threaten freedom of navigation and overflight, the political and economic security of Hong Kong and Taiwan citizens, and regional stability and security.
- China’s Belt and Road Initiative (BRI), which began in 2013 primarily as an effort to export Chinese overcapacity and connect interior Chinese cities to external markets, has evolved into a far more expansive endeavor with significant implications for the future geopolitical landscape.
 - Through its deployment of both Chinese hard and digital infrastructure, Beijing is setting global standards in equipment and technology for the 21st century.
 - Beijing’s control of at least seventy-six ports in thirty-four countries provides it with new opportunities for economic coercion as well as military expansion. According to one senior military official, China plans to establish scores of overseas bases in the future.

- o Xi Jinping also has suggested that the “China model” might offer a different path for countries disenchanted with the Western model of market democracy. In 2018, Beijing conducted two- and three-week courses on censorship and surveillance for officials from dozens of BRI countries and sent officials to countries such as Uganda and Tanzania to train their counterparts on how to control the media and manage civil society. Overall, China has exported its surveillance system to eighteen countries and assisted thirty-six countries in developing the capacity to repress free speech.
- Xi Jinping has exploited the openness of other societies, including the United States, to advance PRC political and economic interests. The CCP uses Confucius Institutes, Chinese Students and Scholars Associations, and stakes in media companies to project a benign view of Chinese activities and limit dissenting views. It also actively deploys cyber tools, as well as students, scholars, and businesspeople, to engage in intellectual property theft from university labs and corporations.
- Finally, Xi Jinping has called for China to lead in reforming global governance and making international norms and institutions more directly reflect Chinese values and interests. Such reform may be positive, such as the establishment of the Asian Infrastructure Investment Bank, which operates according to existing international norms. In other arenas, however, Beijing uses international institutions to advance PRC policies, such as inserting the BRI into UN resolutions or proposing arrangements in human rights and internet governance that are antithetical to U.S. values and interests. And China’s promotion of a “community of common destiny” is at the heart a call for the end of the U.S.-led system of alliances.

Yet, the traditional understandings of U.S.-China relations did not begin to unravel fully until the election of Donald Trump. President Trump’s approach to China and his approach to the United States’ role on the global stage have undermined the relationship’s foundations. On the one hand, President Trump places little value on the U.S. role in upholding the liberal international order’s institutions. He has withdrawn the United States from the Paris Climate Accord, the International Postal Union, and the United Nations Human Rights Council, and he has threatened to withdraw from the WTO. He views multilateral institutions more as constraints on U.S. power than as vehicles for advancing U.S. interests through global cooperation. As a result, he does not seek to bring China into these or other international institutions.

At the same time, the Trump administration has rejected any pretense of papering over differences with China or maintaining alternative narratives in order to preserve stability in the relationship. It has pushed back against Chinese aggression in the South China Sea through regular Freedom of Navigation Operations, moved to address unfair Chinese trade practices by imposing tariffs on Chinese exports, called out Beijing’s poor governance practices around the BRI, sought censure in the United Nations for Chinese human rights abuses in Xinjiang, adopted legislation to protect sensitive U.S. technology, and enhanced U.S. support of Taiwan, among other measures. These policies have complicated Beijing’s efforts, and some have yielded noticeable success. Calling China out for its weak governance standards around the Belt and Road Initiative, for example, has transformed global discourse around Chinese investment practices and forced Beijing to rethink its practices. Importantly, many Chinese intellectuals and entrepreneurs privately state that they appreciate the Trump administration’s tough policies because they are the only bulwark against an ever-more ambitious and repressive Xi Jinping. And within the United States, the focus on human rights abuses in Xinjiang has prompted universities to reconsider research partnerships with Chinese companies involved in surveillance in Xinjiang and U.S. corporations to reconsider their investments in the region.

Yet, there are also significant drawbacks to the Trump administration’s approach:

- President Trump’s bilateral approach to China (notwithstanding the efforts of many in his administration to work in a more multilateral context) ignores the strength that derives from working with U.S. allies and allows China to paint a picture of the United States as weak, isolated, and attempting to contain China.

- The lack of consistency in the Trump administration’s narrative—for example, suggesting at times that it will trade out Taiwan or relax its policy on Huawei in exchange for a better trade deal—undermines U.S. credibility in China and among U.S. allies.
- Publicly badgering other countries to bar Huawei from future 5G networks contributes to nationalistic impulses in China, sets up a lose-lose proposition for allies, and makes the United States appear weak and fearful in the face of advancing Chinese technological capabilities.
- The tariffs levied by the Trump administration on Chinese exports and efforts to decouple the two economies have resulted overwhelmingly in greater hardship as opposed to benefits for U.S. companies, workers, and consumers.
- The broad-based attack on Chinese students, scholars, and researchers in the United States contributes to a McCarthy-like political atmosphere and almost certainly will result in the United States losing support from some of the world’s most talented minds.
- The failure of the Trump administration to identify areas of common purpose with China costs the United States the opportunity to support those in China most committed to a positive relationship with the United States and to advance reform in China, as well as the chance to make meaningful progress in addressing global challenges.

Engagement 2.0

The Trump administration has rethought and reset U.S. policy toward China in important new ways. What remains now is recalibration. This means reintroducing and reinforcing the notion of U.S. engagement—both with China and with the broader international community. Engagement cannot, however, simply reflect previous understandings. It must be reimagined within the context of current Chinese and American interests and capabilities. To begin with, Washington should:

1) Transform the narrative around U.S. policy toward China.

The United States should move away from the current reactive and defensive posture of “confronting and containing China” to adopt a more proactive and positive approach of “contributing to advance global prosperity and security.” China today poses significant threats to U.S. interests across all domains and at all levels of governance—global, regional, and national. It is not surprising that, at least in the first years of the Trump administration, the White House found itself in a highly reactive posture. However, President Trump’s narrower conception of when and how the United States will lead, his rejection of international institutions to manage underlying challenges in security and trade, and his “America First” rhetoric, all diminish U.S. leadership on the global stage. And when coupled with a persistently confrontational and containment-oriented approach to China, the administration appears weak and defensive. Without a positive global narrative—a U.S. vision for global prosperity and security, and policies to support that vision—Beijing’s efforts will continue to gain traction because there is no alternative.

As an important first step, President Trump should fully embrace the concept of a free and open Indo-Pacific (FOIP). In his speech before the APEC Forum CEO Summit in November 2017, he called for a free and open Indo-Pacific, rooted in a rules-based order that embodied the principles of free and fair trade, freedom of navigation and overflight, and human rights and good governance (rule of law, transparency, and official accountability).

FOIP offers several advantages: it reflects U.S. values and interests, and it provides a direct rebuttal to Beijing’s narrative of state-directed economic growth, political repression, and expansive military aspirations. Particularly important, FOIP effectively characterizes competition as not between China and the United States but instead

between two sets of values, one of which is broadly shared among the vast majority of politically stable and economically successful countries in the world. FOIP should not exclude China; it should welcome Beijing's participation on equal terms. And like China's welcoming of all countries into BRI, the United States should welcome all countries supportive of its principles into FOIP.

FOIP must also be populated with meaningful initiatives. The 2018 Asia Reassurance Initiative Act (ARIA) reflects many of the necessary building blocks of a forward-leaning and positive U.S. strategy toward China and the Indo-Pacific. These include support for projects that help build democratic institutions in the region's developing economies, that enhance the defense capabilities of U.S. partners in the region, and that promote cooperative investment, such as the U.S.-Australia-Japan-New Zealand project to electrify 70 percent of Papua New Guinea by 2030.

2) *Advance a more robust U.S. economic presence globally.*

The United States operates at a deficit relative to China because much of the Asia-Pacific region—and the world—believes that “the United States is essential for security, but China is indispensable for economic prosperity.” China's growing global economic footprint provides it with significant leverage in its pursuit of political and military influence, both within other countries and in the arena of global governance. To counteract this situation, the Trump administration needs to change both the form and substance of its global economic engagement.

To begin with, the administration should underscore the actual level and impact of U.S. investment globally. While China is the largest trading partner for most countries in the world, it is not the largest investor in any region in the world. In 2017, for example, U.S. firms invested more in Africa than China (as they do most years). Moreover, in Southeast Asia, Japan and the European Union are more significant sources of investment than China. Such facts are little known but provide an important counterpoint to the narrative that China is the only development game in town.

The administration should also launch a smart and sustainable cities initiative within the context of FOIP, beginning with the U.S.-ASEAN Smart Cities Partnership announced by Vice President Pence in November 2018 in Singapore. With the newly established U.S. International Development Finance Corporation (IDFC), the administration has the wherewithal to develop and sustain such an initiative. Under the IDFC's auspices, the Trump administration should encourage the identification and financing of five to ten high-profile smart city projects in developing Asia and Africa. These projects, likely in partnership with multinationals from other countries, would underscore the U.S.'s natural leadership in sustainable cities, while at the same time competing and/or cooperating with China based on principles of openness and transparency.

In advancing the United States as a leading generator of economic prosperity globally, Washington must also re-engage in trade negotiations with the Asia-Pacific region. The ARIA embraces U.S. bilateral and multilateral trade negotiations as a cornerstone of U.S. engagement in the Asia-Pacific. Congress should hold hearings around the potential of rejoining the Trans-Pacific Partnership, now the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and around the feasibility of a U.S.-ASEAN free trade agreement. In the meantime, Congress should ensure that any trade agreements signed are aligned with the terms of the CPTPP.

3) *Leverage U.S. allies and partners.*

One of America's greatest strengths in its relationship with China is its allies. Many countries in Europe and Asia share the United States' interest in finding an effective set of policies to manage Xi Jinping's more walled-off domestic environment and ambitious foreign policy. In spring 2018 Pew polls, a twenty-five-country median of 63

percent said they preferred a world in which the U.S. was the leading power, while only 19 percent favored China (although President Trump, himself, fared worse in the polls than Xi Jinping).

The United States should seek to coordinate and cooperate with allies and partners, whenever possible, to amplify its influence over Chinese government policy. Such partnerships will not be one-size-fits-all. Different issues will engage different countries. For example, on the security front, China's military expansionism in the South China Sea and claim to sovereignty over Taiwan pose a significant threat to peace and stability in the Asia-Pacific. In the South China Sea, France sailed through the disputed Spratly Islands and the UK joined the United States in joint drills. The United States should similarly seek such support among its Asian and European allies for upholding the basic principle of Taiwanese sovereignty and its freedom to develop without fear of Chinese coercion; one possible avenue of engagement would be supporting Taiwan's participation in FOIP capacity-building projects in Asia's developing economies.

The White House has worked with the European Union and other partners to bring pressure to bear on China on the human rights crisis in Xinjiang. Moving forward, as the White House considers application of the Global Magnitsky Act sanctions on Xinjiang's Party Secretary Chen Quanguo, as well as other targets for economic sanction, it should reach out to EU counterparts to assess their interest in adopting similar legislation.

Washington should also refrain from framing every issue in the context of a bilateral competition between the United States and China. A country's decision to join or not the Asian Infrastructure Investment Bank or BRI, for example, should not be understood as a choice between the United States or China. Instead, Washington should reserve such pressure only for the highest-stake issues while focusing on advancing its own positive narrative and ensuring that U.S.-supported institutions are robust enough to meet global needs.

4) *Strengthen U.S. political and economic resilience.*

The ability for the United States to engage and compete effectively with its allies and partners, as well as China, is rooted in the resilience of its own domestic political and economic institutions. This means investing at home to ensure competitiveness abroad.¹⁹ The United States already lags well behind China in some critical areas of hard and digital infrastructure, such as high-speed rail, mobile payments, and 5G capabilities. As the United States confronts policies such as Made in China 2025, the first line of defense must be to strengthen its own innovation capacity. As numerous organizations and reports have advised, this means the development of a medium- and long-term strategic plan; investment in innovation and the policy framework to encourage adoption of new technologies; and sound policies around workforce capabilities, including education, training, and immigration.

China's efforts to exploit U.S. openness for its own advantage, however, necessitate additional thinking around political and economic resilience. American educational institutions, think tanks, media, and corporations are all potential targets for subtle forms of inappropriate Chinese influence, such as that exerted by Confucius Institutes (CIs) on university campuses, or outright malign interference, such as intellectual property theft.

In the concern to address these potential threats as quickly as possible, however, there is the danger of adopting too blunt a set of policy tools or advancing too broad a mandate. The current debate around Confucius Institutes provides a case in point. As the Trump administration considers measures designed to force universities to close their CIs, it should weigh the potential consequences, trade-offs, and alternatives of such measures. For example, without Confucius Institute funding, fewer Americans will study Chinese, thereby placing the United States at a disadvantage in its long-term effort to understand and compete with China.

To avoid such an outcome, the administration could agree that if a university shuts down its Confucius Institute, it is guaranteed government funding for Chinese language instruction; or it could encourage universities to renegotiate their CI contracts such that the Chinese government pays for instruction, but the teachers and

curriculum are selected by the universities; or it could engage in reciprocity by insisting that the Chinese government allow similar U.S.-type language and cultural centers on Chinese university campuses. All these options avoid the worst possible outcome, which is to undermine U.S. long-term competitiveness by curtailing opportunities for Chinese language study.

In helping U.S. institutions and communities respond to the potential threats posed by China's various influence operations, the White House should begin by consulting with the relevant actors through informal consultations to ensure that both the administration and the affected communities share an understanding of the threat and appropriate response. The measures that the White House adopts around Chinese investment in U.S. technology companies, the role of Chinese students and professors in university labs, Confucius Institutes, and visas for visiting Chinese scholars, among other concerns, will be more effective if they are developed in conjunction with the people they affect most directly.

5) *Establish common ground and purpose with China.*

U.S. engagement with China is essential for addressing global challenges as well as for understanding China's strategic thinking and priorities. Particularly at a time of heightened bilateral tensions, Washington should not ignore opportunities for traditional forms of U.S.-China engagement. For example, Brookings scholar Ryan Hass has suggested reviving the practice of “no surprises”—negotiated between Washington and Beijing in 2013—to reduce the risk that either side would misinterpret the other's actions. In October 2018, American and Chinese warships came dangerously close to a collision in the South China Sea. As Hass points out, the reinvigoration of long-standing risk reduction exchanges would reduce the possibility that miscalculation would lead to rapid escalation.²⁰

The administration could also use reciprocity as a springboard to greater cooperation. Previous administrations have long viewed reciprocity as precipitating a race to the bottom. However, in the current context, it can play an important role in leveling the playing field before seeking to enhance cooperation. For example, the Trump administration has moved to withhold visas from a number of Chinese scholars on the grounds that they are advising security or military entities at home (and perhaps in retaliation for Beijing's historically capricious visa policy toward U.S. China scholars). Now that the administration has reset the terms of engagement, however, it has the opportunity to use this new leverage to pressure Beijing to reform its visa policy and open the door to freer exchange of U.S. and Chinese scholars and journalists.

The United States should also give careful consideration to cooperation when a positive initiative arises from China. In some cases, a Chinese-led effort may impose unacceptable terms: for example, Beijing's proposal for a “community of shared destiny” holds within it the dissolution of the U.S.-led alliance system. In other instances, such as that of the Chinese-led Asian Infrastructure Investment Bank, the United States should support Beijing's initiative because it reflects precisely the objective of forty years of U.S. constructive engagement: China's adherence to the norms of the liberal international order.

Conclusion

As China and the United States battle over Huawei, cyber-economic espionage, and the potential threats posed by scientific exchange, it is difficult not to be nostalgic for the moment thirty-five years ago, when President Ronald Reagan articulated a vision for U.S.-China partnership radically different from the one possible in the current context: “Today, I bring you a message from my countrymen. As China moves forward in this new path, America welcomes the opportunity to walk by your side.... The relaxing of export controls reflects my determination that China be treated as a friendly non-allied nation and that the United States be fully prepared to cooperate in your

modernization ... to share the knowledge that is America's key technology—management and science skills to develop a nation."²¹

Yet, acknowledging that the bilateral relationship is not what proponents of engagement envisioned is not the same as arguing, as some prominent U.S. analysts have, that engagement has failed.²² It is true that China is not a thriving liberal democracy nor a reliable partner for the United States. But engagement has failed only if we believe a set of mistaken assumptions: that the United States had the power to determine how China would turn out, that China and Chinese society have not been positively affected by the country's integration into the international community, and that the Xi government is the end of the road for China's political and economic evolution. Engagement is not a panacea, but it is also not a dirty word. It just needs to be reimagined to reflect a new reality.

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¹ The assumption that China would liberalize politically was advanced openly in the United States but not in China.

² This section was adapted from Elizabeth Economy, "US-China Relations at 40: Normalization Meets the New Normal," *The Diplomat* (January 1, 2019), <https://thediplomat.com/2018/12/us-china-relations-at-40/>.

³ Geremie R. Barmé, "The Harmonious Evolution of Information in China," *The China Beat*, January 29, 2010, <http://www.thechinabeat.org/?p=1422>.

⁴ Richard M. Nixon, "Asia After Viet Nam," *Foreign Affairs*, 1967.

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