



CTRL+ALT+DELETE

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Xi Jinping has remade Chinese policy—both foreign and domestic—and now assertively exploits the American people and, in effect, the U.S.-led order.¹ Given this increased assertiveness and Xi's newfound ability to rule China without end,² the Biden administration must wholly remake the U.S.-China relationship if realizing a foreign policy for the American people is the administration's goal. But, the present approach defined by competition, collaboration, and adversarial relations is only a partial remaking and necessarily doomed to the same ill results of Biden's predecessors.^{3,4} These three words hold out hope that the U.S. and China can cooperate. This hope is not warranted any longer.

The Biden administration must end China's post-Cold War era of exploitation and expansionism, which has reached a pinnacle under Xi, to realize a foreign policy for the American people. Doing so will be diplomatically and economically challenging. But it is feasible if pursued through gradual decoupling that provides opportunities for Xi to reevaluate his present policies—unlikely as doing so may be—and opportunities for Japan, Australia, and other hesitant U.S. partners to likewise decouple in coordination. In short, the Biden administration must fully reset the U.S.-China relationship behind a different combination of words, CTRL+ALT+DELETE, and empower its partners and allies to do the same.

Neither scholarly treatments of cooperation nor U.S.-China relations under Xi support investing any further hope towards working with China. Robert Axelrod's *The Evolution of Cooperation*⁵ is among the most well-read in international relations on cooperation. Axelrod explains self-interested actors realize the best outcomes when using a “tit-for-tat” strategy. Tit-for-tat is simple. In a repeated bilateral engagement, Player A offers cooperation to Player B until Player B decides against cooperation. That is, to defect. Player A then reciprocates Player B's prior decisions. If Player B continues defecting, so does Player A. If Player B returns to cooperating, so does Player A. In the context of U.S.-China relations under Xi, neither practices tit-for-tat, nor is switching to tit-for-tat feasible for domestic reasons.

In Axelrod's language, Xi uses a “revised downing” strategy. Revised downing assumes one's counterpart is responsive to defections initially. In subsequent engagements, revised downing predicts whether one's counterpart is paying attention, or we would say is resolved to punish cheating, and chooses cooperation or defection accordingly. Suppose the U.S. fails to punish Xi's defections—e.g., stealing intellectual property⁶ or contravening WTO rules⁷—because it believes doing so will further U.S.-China interdependence and one day align China's interests behind those of the U.S. In that case, revised downing has Xi continue defecting. But, only for as long as Xi thinks the U.S. will continue overlooking his defections.

That Xi would use revised downing is unsurprising. Revised downing is consistent with a core Sun Tzuian principle: know the enemy and know yourself; in a hundred battles, you will never be defeated.⁸ Until the Trump and now Biden administration, the U.S. has not used a strategy that meaningfully punishes defections, let alone one identified by Axelrod. If any, the U.S. used a strategy best described in Axelrod-ian language as “always cooperate.” In no shocker, the results have not been good for the U.S.

In recent examples, Xi's commitments to halting intellectual property theft, curbing climate change, and uncovering COVID-19's origins all demonstrate the revised downing strategy in action. Initially, allegedly beneficial cooperative commitments to action under careful, resolved U.S. scrutiny are present in each example. So, too, is self-serving defection that has gone largely unchallenged by the U.S. or only feebly checked until the Trump administration.

Under then-President Obama, Xi committed to combating intellectual property theft in 2015.^{9,10} Since that time, China remains the world's principal infringer of intellectual property,¹¹ and Chinese actors have repeatedly made headlines for as much.¹² Also, under Obama, Xi agreed to limit China's carbon dioxide emissions in 2014 and joined the

Paris Agreement in 2015—China’s first such commitments. Unfortunately, China again defected, notably by censoring and obscuring data on Chinese pollution,¹³ failing to produce a national plan for emissions,¹⁴ and building new highly polluting coal-fired power plants in China and abroad.¹⁵ All the while, senior Chinese leadership espoused the “right to emit...is a basic human right.”¹⁶ Recent efforts to uncover the origins of the COVID-19 virus may already be unfolding similarly, but only time will tell. Xi committed to the initial World Health Organization investigation into COVID-19’s origins,¹⁷ but China subsequently defected from a proposed follow-up phase in response to criticisms of the first.¹⁸ Not to mention, Xi moved quickly to economically coerce Australia after calling for an international inquiry into the virus’s origins. At this point, faulting Xi is difficult; his defections are a product of his environment. The Obama administration seldom, if ever, confronted Xi as Axelrod’s discussion of revised downing would prescribe. The Trump administration began to do so but largely plateaued. Now, the Biden administration risks similar mistakes.

The question is what to do next if realizing a foreign policy for the American people is the Biden administration’s goal. U.S.-China destiny is not cooperation under Xi. Cooperation requires follow-through on commitments and reciprocity. Rather than cooperation, Xi exploits the rules-based order where doing so enriches, empowers, and entrenches China at others’ expense. This suggestion is not to say the two are destined for war either—much as the absence of frequent cooperation did not destine the U.S. and the Soviet Union for war as history has revealed. To continue hoping otherwise will result in a foreign policy sure to fail the American people. Avoiding this outcome will require a complete reset of U.S. policy towards China behind three lines of effort that challenge Xi’s exploitative, non-cooperative tendencies. The first is controlling the narrative surrounding China’s position in world affairs. The second is providing alternatives to China’s economic overtures. Lastly, the third is deleting interdependence with China.

Xi fancies China an inevitable power.¹⁹ The U.S. must make greater efforts to counter this narrative. Least of all, because waging a strategic competition requires doing so, but most of all, failing to do so risks leaving the American population to believe China is inevitable. In reality, the U.S. was simultaneously unable to integrate China into the liberal order, yet enabled China’s meteoric rise. As such, China’s continued rise is not inevitable, and the U.S. may stymie Xi by using the order’s enforcement mechanisms to punish his deviance or even working to exclude China from that order. To this effect, the Biden administration must make forceful public statements to foster the perception the U.S. empowers. Still, the U.S. also adapts—and the U.S. will be adapting to expose China’s narrative, counter its patterns of exploitation and breach of commitments, and restore Americans’ confidence that U.S. foreign policy, and the liberal order, serve U.S. interests.

Controlling the narrative should be divided into two steps: words and actions. The Biden administration must begin broadcasting the words as soon as possible via diplomatic and media engagements. The actions, though, must be coordinated given hesitant domestic and foreign audiences and implemented gradually. Doing so gradually has two benefits: the Biden administration avoids inadvertently isolating the U.S. rather than China, and the U.S. provides Xi an off-ramp to act in a verifiable capacity on issues of global, regional, or partner-specific importance—even if Xi is unlikely to take such an off-ramp. Still, the Biden administration would demonstrate its actions are about more than U.S.-China interactions even if the U.S. stands to benefit significantly.

Stymieing Xi will require empowering others to do so, and others will require alternative goods and services from the U.S. if they are to shun China. Nowhere is this more imperative for the U.S. to appreciate than as it concerns the Belt and Road Initiative (BRI). Xi has chosen to exploit the developing world by funding and investing through the BRI where and how the West has quit, most notably in developing controversial infrastructure projects such as the Lower Sesan 2 Dam in Cambodia, Hambantota Port in Sri Lanka, Ethiopia’s Addis Ababa-Djibouti Railway, or Gwadar Port inside U.S. partner Pakistan. The 2019 creation of the U.S. International Development Finance Corporation is a start towards providing an alternative to the BRI. However, it only requested \$1.7 billion in programming funds for the 2022 fiscal year.²⁰ Likewise, the G-7’s Build Back Better World initiative is also an alternative to the BRI but is only conceptual. What the Biden administration must remember is Xi has already spent an estimated \$3.7 trillion on the BRI,²¹ and any alternative to it must work for the American people somehow through conditionality—a common if economically maligned, but politically expedient practice in development aid.

Providing alternative goods and services is necessary to enable the U.S. and partners to delete interdependence with Xi's China, sometimes called "decoupling." Xi has smartly realized one of the fastest ways to exploit and unwind the liberal order is to leverage the desirability of accessing China's domestic market and low production costs. By tightly controlling the terms on which foreign corporations access Chinese consumers and workers, Xi can bind others to China's values and interests—turning U.S.-based and other foreign organizations into de facto instruments of the Chinese Communist Party (CCP).²² A foreign policy for the American people must sever these binds, albeit gradually and strategically.

Conflicting surveys question the American people's appetite for as much, yet do not rule out the appeal of doing so. The Chicago Council on Global Affairs found a plurality of support for increasing tariffs on Chinese imports (55 percent) and reducing U.S.-China trade (54 percent).²³ Likewise, a 2020 Pew Research poll found that 73 percent of Americans viewed China negatively.²⁴ The Center for Strategic & International Studies meanwhile found 20 percent of Americans wish to "end substantially" U.S.-China trade relations, and an equivalent 20 percent of U.S., European, and Asian "thought leaders" were in favor of doing just that.²⁵ To bring support along, the Biden administration should prioritize aggressively selling the benefits of doing so to domestic and foreign audiences jointly, first, in sectors where more support already exists and, second, by pursuing initiatives to offset losses incurred by the negatively affected. To mitigate these disruptions, the U.S. must seek to offset the burden of decoupling by otherwise incentivizing a turn away from China and toward areas within the U.S. needing revitalization, at best, or towards other members of the liberal order, at minimum. In effect, the Biden administration should incentivize each corporation's departure from China and turn exits from China into the next "Amazon HQ" competition. Third, the Biden administration should cautiously share the dangers of failing to do so where recent supply chain bottlenecks evidence the minimum risk. The maximum risk is Xi's unchecked exploitation continues feeding unchecked economic and military assertiveness leading to open conflict. In that case, hurried and unplanned separation would play out either on Xi's terms amidst economic coercion or amidst violence over Taiwan, the South China Sea, or any number of disputed territorial claims in Asia. Deleting interdependence will undoubtedly result in near-term economic disruptions. But mitigating these costs is not impossible, and decoupling is necessary to free states and organizations from the CCP's grasp.²⁶

The Biden administration is right to recast the U.S.-China relationship to pursue a foreign policy for the American people. However, the current effort does not go far enough. It is necessarily doomed to disappoint unless the U.S. abandons any pretense that it can realize mutually beneficial cooperation with China under Xi. Such an outcome is neither academically probable, nor probable based upon U.S.-China relations since Xi's rise to power. Moving forward, the U.S. ought to pursue a complete, not partial, reset of its relationship with China. Closing out the relationship with China will necessarily be difficult in the near term, but hitting ALT + F4 is nonetheless doable if the U.S. acts smartly to control the narrative, provide alternatives, and delete interdependence.

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- ³ Indeed, the George W. Bush administration used the phrase "cooperative, constructive, and candid" to describe its China policy and the Obama administration used the phrase "comprehensive, constructive, and positive." See, Paulsen, Henry M., "Remarks by Secretary Paulson on Managing Complexity and Establishing New Habits of Cooperation in U.S.-China Economic Relations at the 2007 George Bush China-U.S. Relations Conference." Speech, Washington, DC, October 23, 2007. U.S. Department of the Treasury. <https://home.treasury.gov/news/press-releases/hp633> or The White House Office of the Press Secretary. *U.S. & China: Building a Positive, Cooperative, and Comprehensive Relationship. Summary*, Washington, DC, January 19, 2011. The White House. <https://obamawhitehouse.archives.gov/the-press-office/2011/01/19/us-china-building-positive-cooperative-and-comprehensive-relationship>.
- ⁴ Blinken, Antony, "A Foreign Policy for the American People." Speech, Washington, DC, March 3, 2021. U.S. Department of State. <https://www.state.gov/a-foreign-policy-for-the-american-people/>
- ⁵ Axelrod, Robert, *The Evolution of Cooperation*. New York: Basic Books, 1984.
- ⁶ For example, U.S. Library of Congress. Congressional Research Service. *Intellectual Property Violations and China: Legal Remedies*, by Kevin J. Hickey, Nina M. Hart, Brandon J. Murrill, and Kevin T. Richards, R46532 (2020), 5-24.
- ⁷ For example, U.S. Trade Representative. *2020 Report to Congress on China's WTO Compliance* (2020), 6-8.
- ⁸ Hanzhang, Tao, *Sun Tzu's Art of War: The Modern Chinese Interpretation*, trans. Yuan Shibing (New York: Sterling Innovation, 2007), 36.
- ⁹ Obama, Barack. "Remarks by President Obama and President Xi of the People's Republic of China in Joint Press Conference." *The White House*, September 25, 2015. Accessed October 20, 2021. <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>.
- ¹⁰ That Xi's predecessor Hu Jintao had similarly done so in 2011 suggests the REVISED DOWNING strategy may pre-date Xi even if it is more prominent under Xi. See, for example, Obama, Barack. "Press Conference with President Obama and President Hu of the People's Republic of China." *The White House*, January 19, 2011. Accessed September 1, 2021. <https://obamawhitehouse.archives.gov/the-press-office/2011/01/19/press-conference-president-obama-and-president-hu-peoples-republic-china>.
- ¹¹ U.S. Federal Bureau of Investigation. *China: The Risk to Corporate America* (2019), 1.
- ¹² See, for example, Hongjin Tan's billion-dollar theft of trade secrets from Phillips 66 in 2018 or Sinovel's theft of proprietary wind turbine technology from American Superconductor Inc.
- ¹³ Grant, Madeline. "Chinese Pollution Data Censored During Climate Change Summit." *Newsweek*. November 12, 2014 (accessed September 1, 2021).
- ¹⁴ Harvey, Fiona. "Biden's Pledge to Slash US Emissions Turns Spotlight on China." *The Guardian*. April 23, 2021 (accessed September 1, 2021).
- ¹⁵ Harvey.
- ¹⁶ Quoted in: Global Times. "Thunberg Mocked as 'Double-standard environmentalist,' 'Puppet of Western Politicians' for Targeting China on Annual Emissions." May 9, 2021 (accessed September 1, 2021).
- ¹⁷ Albeit reluctantly and not without levying significant economic coercion towards Australia for suggesting such an investigation. See, for example: Kassam, Natasha. "Great Expectations: The Unraveling of the Australia-China Relationship." The Brookings Institution. July 20, 2020. <https://www.brookings.edu/articles/great-expectations-the-unraveling-of-the-australia-china-relationship/> (accessed September 1, 2021).
- ¹⁸ See, for example: Crossley, Gabriel. "China Rejects WHO Plan for Study of COVID-19 Origin." Reuters. July 22, 2021. <https://www.reuters.com/world/china/china-will-not-follow-whos-suggested-plan-2nd-phase-covid-19-origins-study-2021-07-22/> (accessed September 1, 2021).
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- ²⁰ U.S. International Development Finance Corporation. *DFC Budget Request: Fiscal Year 2022*. Washington, D.C.: U.S. Development Finance Corporation (2020), 1.
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- ²² But one prominent example being Apple, see: Nicas, Jack, Zhong, Raymond, & Wakabayashi, Daisuke. "Censorship, Surveillance and Profits: A Hard Bargain for Apple in China." *The New York Times*. May 17, 2021 (accessed September 1, 2021).
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- ²⁴ See, Silver, Laura, Devlin, Kat, and Huang, Christine. "Unfavorable Views of China Reach Historic Highs in Many Countries." Pew Research Center. October 6, 2020. <https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/> (accessed October 25, 2021).
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- ²⁶ U.S. Chamber of Commerce China Center. *Understanding U.S.-China Decoupling: Macro Trends and Industry Impacts*. Washington, D.C.: U.S. Chamber of Commerce, 2021. Accessed September 1, 2021. https://www.uschamber.com/sites/default/files/024001_us_china_decoupling_report_fin.pdf.