EXECUTIVE SUMMARY

To navigate the current perilous and complicated situation in U.S.-China relations, the new administration will need to move beyond disputes over COVID-19 and partisan politics with the objective of establishing a long-term, well-grounded strategy toward China, rather than adopting shortsighted and sensational tactics spawned by an unbalanced and fatalistic outlook. This paper argues that the three prevailing policy objectives of the Trump administration — 1) the rhetorical separation of the PRC from the CCP, 2) calls for overthrowing the Communist regime, and 3) containment of China’s “whole-of-society threat” — are conceptually contradictory, empirically misguided, and strategically self-deceiving and dangerous. The new administration should avoid these traps. Instead, Washington should prudently reassess the capacity and constraints of both China and the United States, review the costs and risks involved in all-encompassing decoupling with Beijing, and reaffirm the longstanding American foreign policy objective of promoting soft-power influence and people-to-people diplomacy.

THE PROBLEM

Three policy objectives that reflect the Trump administration’s assessment of the China threat have recently surfaced to challenge the decades-long engagement approach of the United States with Beijing. These three new objectives include: 1) the rhetorical separation of the Chinese state from the Chinese Communist Party (CCP), 2) calls for overthrowing the Communist regime, and 3) containment of China’s rise by treating it as a “whole-of-society threat.” In the eyes of some officials in the Trump administration, Communist China is an “existential threat” that requires “all-encompassing decoupling.” These new and radical initiatives have laid the ideological and political foundation for decoupling. Some components of the initiatives have received bipartisan support. Although American decision-makers and analysts have by no means reached consensus that the United States should end engagement with the People’s Republic of China (PRC), the prevailing view in Washington is that a new and more resolute strategy is needed.

Proponents of decoupling in Washington have raised legitimate concerns about — and valid criticism of — the CCP leadership’s merciless crackdown on Uighur Muslims and political dissidents, unfair practices in the economic and technological domains, and aggressive behavior in the Asia-Pacific region. China has taken advantage of the openness of America’s economy, universities, and research institutions, especially in terms of entrepreneurial and technological innovation. Some recent U.S. actions to decouple with the PRC can be seen as counterbalances to Beijing’s long-standing policy practices and ideological doctrines. China’s adoption of a foreign NGO law, for example, has greatly restrained the activities of American academic institutions and other organizations in the country.

A new administration should, however, subject these three radical policy initiatives to serious scrutiny. Implementation of these policies can potentially undermine American interests, causing tremendous damage to the power, influence, and leverage of the United States. This paper highlights the major flaws and inherent contradictions within these three radical policy objectives to explain why the new administration should avoid these traps. Any sound strategic approach should not “inevitably” lead the United States — by design or by default — to a fundamentally antagonistic or adversarial relationship with China resulting in a catastrophic war with no winner.
AVOIDING THREE TRAPS IN CONFRONTING CHINA’S PARTY-STATE

Trap one: Separating the Chinese state from the Chinese Communist Party

China is certainly not monolithic. Neither the Chinese leadership nor Chinese society should be viewed as a homogenous entity. Greater attention needs to be directed to the complicated and ever-changing relationship between the state and society in China. However, the way in which hawks in the Trump administration divide the CCP and China is highly problematic. Richard Haass has insightfully pointed out that Secretary Michael Pompeo “doesn’t speak of China but of the Chinese Communist Party as if there were a China apart from the party. This is meant to antagonize and make diplomacy impossible.”

The defining feature of the Chinese political system is the party-state, in which the CCP has the power to command and control the government, the military, the legal system, and the media, and to make the state’s most important personnel and policy decisions. By design, the CCP is unequivocally in charge at all levels of leadership, and the state operates merely as the executor of decisions made by the party. Although some high-ranking Chinese leaders have sporadically called for greater separation of party and state, the overwhelming trend of the last three decades, especially under the leadership of Xi Jinping, has been to consolidate party rule and revitalize the party rather than change the party-state system.

The reach of CCP power within both the Chinese state and society has risen to a new level in recent years, as private companies, foreign firms, and joint ventures have been ordered to establish party branches. Observers both in China and abroad have criticized these developments. Critics of the Chinese party-state system can certainly challenge its authoritarian nature and political legitimacy, given that there are no open and competitive elections in the country. But it is one thing to condemn the omnipresence of the CCP in the country; it is quite another thing to separate, both conceptually and practically, this indivisible political structure. Ironically, the way in which American hawks separate the party from the state, or the party from society, may unintentionally enhance the authority and popularity of the CCP in the country.

From a personal perspective, let me be clear that I am not a fan of the Communist party-state; I am a survivor of Mao’s totalitarian regime. I spent most of my childhood fleeing the “red terror” of the Cultural Revolution. My father, labeled “a capitalist” and a “class enemy” for owning two textile factories in Shanghai, and my mother, a Roman Catholic, both came under attack as the Cultural Revolution began in 1966, when I was 10 years old. I was not able to go to school for three years, because if I stepped out of my home, I would be beaten by my neighbors — not only by my peers, but by adults, as well. Yet, in my family, I was the lucky one. At least I was spared the fate of my elder brother, a graduate of Fudan University, who was caught listening to the Voice of America, then known as the “anti-China broadcasting of the foreign enemy.” Maoist radicals beat him to death and then moved his body to the railroad tracks, claiming that he committed suicide.

Despite the serious problems that persist in today’s China, the doctrine, composition, work, and policies of the CCP have all profoundly changed throughout the reform era. Totalitarianism has made way for authoritarianism. The Communist party-state is no longer able to exert absolute control over Chinese society, which has become increasingly pluralistic, vigorous, self-reliant, and connected with the outside world.

Senior leaders in the Trump administration, most notably Secretary Pompeo, have referred to Xi Jinping as the party general secretary instead of the state president. This was preceded in November 2019 by a bipartisan commission convened by the U.S. Congress claiming that Xi Jinping should be known by his party title, general secretary, rather than as president of the PRC. But as long as U.S. government officials continue to meet with CCP leaders, the change of Chinese official titles by the U.S. government will convey to the world nothing but self-deception and incapacity to deal with China and its leadership.

Similarly, the proposal by the Trump administration to ban travel to the United States by CCP members and their families reaffirms its objective to target the ruling party. But this policy move also reveals an inadequate understanding of present-day China. China watchers in the United States have strongly criticized this effort, which, if adopted, would affect 92 million CCP members and over 200 million family members. Given the size of China’s population, it
would be virtually impossible to enforce this ban, as there is no way to effectively determine the party membership or political background of Chinese visitors. But an unintended consequence is that such an excessive and radical policy, as it has been described by Chinese opinion leaders, “has designated at least 300 million — or more likely 1.4 billion — Chinese people as enemies of the United States.”

**Trap two: Calling for regime change in China**

One intention of the hawks in the Trump administration in drawing a line between the CCP and China is to pursue regime change. In recent official speeches and legislation, they have tended to demonize the CCP regime as an evil nemesis. They have implicitly urged the Chinese people to overthrow CCP rule. From the perspective of the hawks, this seems logical – given that the U.S.-China conflict is perceived to be primarily the result of Communist ideology and Xi Jinping’s ambition for China to replace the United States and dominate the world, the only long-term solution for the United States in this zero-sum competition is to overthrow the CCP regime.

In addition to the flawed and fatalistic assessments of both the intentions and capacity of CCP leadership, the advocacy for regime change has additional defects: it is based on the assumption that there is widespread dissatisfaction among the Chinese people with CCP leadership. There are indeed serious tensions between the Chinese authorities and society in present-day China. Demands from the Chinese people for environmental protection, food and drug safety, social justice, information transparency, privacy protection, and government accountability are on the rise. The decision by Xi Jinping to abolish presidential term limits and the slow response by CCP authorities to contain the coronavirus in the early weeks of the Wuhan outbreak fomented strong criticism among public intellectuals, the middle class, and Chinese society at large.

But it would be hyperbolic to assume that a Chinese color revolution is on the horizon. State-society relations in present-day China are not fixed and are subject to changing domestic and international circumstances. The public support for the CCP that has been generated by Xi Jinping’s anti-corruption campaign, military reforms, and other populist (and nationalist) policy measures should not be underestimated. The widespread perception among the Chinese people of rising racism and McCarthyism targeted at PRC scholars and students by some members of the Trump administration — paired with U.S. efforts to contain China’s rise — will not inspire them to challenge the authoritarian CCP leadership. Instead, these moves by hawks will alienate the Chinese people and push them to embrace anti-American nationalism.

Several recent opinion surveys in China conducted by American scholars all show a high degree of public satisfaction with the Chinese government. A longitudinal survey conducted by scholars at the Harvard Kennedy School found that the satisfaction of Chinese citizens with the government (township, county, provincial, and central) has increased virtually across the board. According to this study, as a result of policy measures in the areas of economic well-being, poverty reduction, environmental protection, and public health, Chinese citizens rate the government as more capable and effective than ever before. This is particularly evident in public opinion of the central government, where satisfaction has been consistently high: 86% in 2003, 81% in 2005, 92% in 2007, 96% in 2009, 92% in 2011, and 93% in both 2015 and 2016.

Another recent opinion survey conducted by scholars of the University of California at San Diego reveals similar findings. A comprehensive and cross-country comparative report written in early 2020 by Andrew Nathan, a renowned China expert, also echoed this observation.

Both strategically and ideologically, the regime change approach has been driven by the conviction that the United States should pursue and try to win a new Cold War with China in much the same way it won the Cold War with the Soviet Union. As William J. Burns keenly observes, the hawks’ “contest with China is not another Cold War to avoid, but one to fight with confidence and win.” Notably, Secretary Pompeo made comments pointing to the similarities between the former Soviet Union and today’s China. But the reliance on past precedent is greatly misguided in the present circumstances. The Soviet Union was largely a closed society, while China has been integrated into the global community. China has shown more adaptability than the Soviet Union in both its domestic appeals and international outreach.
Most importantly, it would be a mistake for American policy makers to assume that a new Cold War would have a similar outcome. As Prime Minister of Singapore Lee Hsien Loong recently wrote in Foreign Affairs Magazine, “[any] confrontation between these two great powers is unlikely to end as the Cold War did, in one country’s peaceful collapse.”

The technological revolution and its implications for asymmetrical warfare has further complicated military competition, making the prevention of hot wars even more difficult.

Many crucial questions should be addressed before the United States decides to pursue a consistent and effective policy for regime change. With what Chinese group(s) can the United States expect to replace the current Communist regime? Is there an inclusive and potentially well-organized opposition party emerging in the country? Will regime change necessarily be in the American interest, given that it will almost certainly be very disruptive, severely impairing global economic development and regional security in the Asia-Pacific? Would a post-Communist regime necessarily be pro-U.S.? Could it potentially be even more revolutionary, militant, and xenophobic? Based on the narratives pushed by the Trump administration, no serious consideration has been given to any of these questions. It could be reasonably argued that the call for regime change in China comes with no plausible grand strategy, no political leverage, no game plan, and no road map.

**Trap three: Treating the China challenge as a “whole-of-society threat”**

While the hawks of the Trump administration hope that a push for regime change will win broader public support in China, they simultaneously perceive a “whole-of-society” threat coming from that same Chinese public. In 2018, FBI director Christopher Wray bluntly asserted that “[One] of the things we’re trying to do is view the China threat as not just a whole-of-government threat, ...but a whole-of-society threat.” More recently, in July 2020, Wray claimed that “[of] the nearly 5,000 active FBI counterintelligence cases currently underway across the country, almost half are related to China,” and that “the FBI is opening a new China-related counterintelligence case about every 10 hours.” Some American policy makers believe that Beijing is “weaponizing” the large number of Chinese students enrolled in U.S. universities, accusing these students of pilfering intellectual property and stealing advanced technology.

For the first time in U.S. history, the Department of Justice has established an initiative focusing on a specific country (and ethnic group) called the “China Initiative.” Some of the China-related cases are characterized by an odd new term, “academic espionage.” In 2018, the NIH and FBI jointly launched an investigation into the relationship between researchers in the biomedical field and China. The suspect list included 399 people, most of whom were ethnic Chinese. Along with the proposed travel ban on 300 million Chinese citizens, these efforts would likely result in the ethnic profiling of all Chinese citizens and some Chinese Americans and could even become the 21st century version of the notorious Chinese Exclusion Act of 1882. While national security and intellectual property rights should be vigorously protected in the United States, racial profiling of PRC-born scientists and Chinese American researchers will hurt U.S. interests in three important ways.

First, a 2020 study by the Paulson Institute shows that the United States is home to 60% of the world’s top researchers in the field of artificial intelligence (AI). But of those researchers who work in the United States, native American researchers account for 31% and PRC-born researchers account for 27%. The recent decision of the U.S. government to limit or even ban Chinese graduate students from majoring in STEM fields (sciences, technology, engineering, and mathematics) at U.S. universities and to prevent PRC scholars from conducting research in the United States on sensitive subjects is expected to result in a drastic reduction of Chinese scholars and students studying these fields in the United States in the near future. As reporters for the New York Times have observed: “If the U.S. no longer welcomed these top researchers, Beijing would welcome them back with open arms.”

Second, both the notion of the “whole-of-society threat” from China and the new form of McCarthyism targeting Chinese scholars and students have not only put pro-U.S., liberal Chinese intellectuals in the PRC in a terrible situation, but they have also helped hardliners in the CCP leadership consolidate power. The moves by the Trump administration to close the U.S. Consulate General in Chengdu, cancel the Peace Corps and Fulbright Programs...
in the PRC, and restrict academic exchanges will significantly diminish America’s access to China and opportunities to better understand this complicated country. At a time when it is imperative that the U.S. know more about China, decision makers want to cut off most channels for learning.

Third, if policy makers in Washington continue to employ an all-encompassing decoupling approach and hold onto the perception of a “whole-of-society threat” from China, they will likely negate any influence they could otherwise exert on broad constituencies in the PRC. Furthermore, if Washington disengages from China in the areas of economic and financial stability, public health cooperation, environmental protection, energy security, and cultural and educational exchanges, then there is little the United States can do to sway the opinions of China’s middle class, the most dynamic force in Chinese society, and other important socioeconomic groups. The United States should not fall into the trap of adopting a strategy that attempts to isolate China yet only further isolates itself.

**RECOMMENDATIONS**

Effective foreign policy begins at home with a resilient democracy, strong economy, inclusive society, pluralistic culture, and healthy living environment. The United States needs to embark on its own domestic renewal. In international competition with China, the United States will not score well by engaging in a geopolitical race to the bottom. Rather, Washington should compete to hold higher standards and should continue to leverage the advantages of American soft (and smart) power. The new administration should more explicitly articulate to Chinese elites and the public both the longstanding goodwill that the United States has toward China and America’s firm commitment to democracy and diplomacy.

The following eight policy moves can be launched as the new administration embarks upon a more effective, vigorous, and forward-looking approach towards China.

- Regain moral high ground and diplomatic leverage by reconciling ethnic conflicts and addressing systemic racism at home.
- Resume the human rights dialogue with China and exert pressure on the Chinese authorities to implement concrete policy changes to address political repression in Xinjiang, Tibet, and Hong Kong.
- Condemn all forms of racism, violence, and anti-Asian sentiment in the United States; prevent unlawful racial profiling; and abolish the FBI “China Initiative.”
- Work with the Chinese government to reopen the U.S. Consulate General in Chengdu and the PRC Consulate General in Houston.
- Resume the Peace Corps and the Fulbright programs in China and Hong Kong.
- Welcome law-abiding PRC students and scholars to American universities and laboratories.
- Establish risk management mechanisms with the Chinese government, especially in the areas of greatest risk, such as the Taiwan Strait and South China Sea.
- Launch collaborations with China to address climate change and to facilitate COVID-19 vaccine distribution and future pandemic prevention.
REFERENCES


2. See the Q&A session in Pompeo, “Communist China and the Free World’s Future.”

3. To learn more about my family’s tragic experiences during the Cultural Revolution and my 1993-1995 adventure when I returned to live and work in my native Shanghai as a fellow of the U.S.-based Institute of Current World Affairs, see Cheng Li, Rediscovering China: Dynamics and Dilemmas of Reform (Lanham, Maryland: Rowman & Littlefield Publishers, 1997).


9. Ibid.


24 Burns, “The United States Needs a New Foreign Policy.”

25 For more detailed policy recommendations for both Washington and Beijing to put arguably the world’s most important bilateral relationship back on the right track, see Cheng Li, Middle Class Shanghai: Reshaping U.S.-China Engagement (Washington DC.: Brookings Institution Press, forthcoming).