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China-U.S. Relations

Solving the Paradox



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Overview

Major Events in China-U.S. Relations in January

Following the meeting between the Chinese and US presidents in Bali in November 2022, China-U.S. relations have entered a phase of intense competition with limited cooperation as of January 2023, but communication remains open to avoid conflicts.

Before approaching to the complex entanglement between the two sides, TIO would like to present a set of selected developments in January we consider most significant between the two major powers as a reference for readers.

And, as China-U.S. relationship is one of the most crucial bilateral relationships for the two countries that is going through a bumpy road, we would like to keep an overview as a regular column to present to the readers where the China-U.S. relationship, and even the relationship between Global South and Global North, is heading to.

Major Bilateral Events in January

1. McCarthy takes actions against China after being elected House speaker

Kevin McCarthy was elected as House speaker on January 7. In his inaugural address, McCarthy announced a series of priority tasks, including investigating China, addressing the long-term challenge posed by the “rise of the Chinese Communist Party,” and establishing a newly-selected committee on US competition with China.

On January 10, the US House of Representatives passed a resolution creating the Select Committee on the Strategic Competition Between the U.S. and the Chinese Communist Party, which will investigate the economic, technological, and security progress of the Chinese Communist Party, as well as its competition with the U.S., and make policy recommendations.

On January 23, Punchbowl News reported that McCarthy plans to visit Taiwan this spring, and the Pentagon is making preparations for his tour. There were later reports that McCarthy may visit Taiwan on April 10, which marks the 44th anniversary of the signing of the Taiwan Relations Act. However, on February 2, when asked if he was concerned that a visit would escalate military action from China, McCarthy said that China cannot decide where he can go, although he currently has no plans to visit Taiwan.

2. Chinese Vice Premier Liu He meets with US Secretary of the Treasury Janet Yellen in Zurich

On January 18, Liu He, Vice Premier of the State Council and the Chinese leader of the U.S.-China Comprehensive Economic Dialogue, met with the US Secretary of the Treasury Yellen in Zurich, Switzerland. The two sides reached consensus on promoting communication and coordination between the two countries on macroeconomic policies to help address economic and financial challenges, deepening cooperation in macroeconomic and financial fields, and acknowledged the importance of sustainable financial cooperation. Both sides agreed to enhance bilateral and multilateral cooperation under frameworks such as the United Nations, G20, and APEC, as well as to continue supporting low-carbon development and economic transformation in emerging markets and developing countries. The Chinese side expressed concerns about the impact the US economic, trade, and technological policies towards China might have on both countries and hoped for greater attention to be paid to these effects.

3. The U.S. sanctions Chinese companies for allegedly supporting Wagner Group

On January 26, the US Treasury Department sanctioned Spacety China, a Chinese satellite manufacturer and its subsidiary in Luxembourg, for allegedly providing satellite imagery of Ukraine to Terra Tech, a Russian mapping company, to support the mercenary Wagner Group's combat operations for Russia.

The Wall Street Journal reported on February 4 that several Chinese

companies, including Poly Technologies, Fujian Baofeng Electronics Company, AVIC International, Sinno Electronics, and DJI, exported dual-use items to Russia. The report cited an analysis of Russian customs data by the Washington-based Center for Advanced Defense Studies (C4ADS).

4. Biden Administration steps up chip bans against China

According to reports from Bloomberg on January 27 and 28, the U.S., Japan, and the Netherlands reached an agreement in Washington to restrict the export of advanced chip manufacturing machines to China. In October 2022, the U.S. extended its export controls to companies based in these two allied nations, including ASML, Nikon, and Tokyo Electron. The Netherlands will expand its restrictions on ASML to prevent the sale of “at least some” of the DUV machines, and Japan will place similar restrictions on Nikon.

Major US Diplomatic Moves in Relation to China

1. The U.S.-Japan Summit and “2+2” talks emphasize strengthening security cooperation

On January 13, Japanese Prime Minister Fumio Kishida and US President Joe Biden held talks in Washington, where they issued a U.S.-Japan joint security statement, which underscores the importance of maintaining peace and stability across the Taiwan Strait. The statement reaffirmed that the Diaoyu Islands (known as the Senkaku Islands in Japan) are covered by Article VI of the Treaty of Mutual Cooperation and Security between the United States and Japan. It also states that the U.S. and Japan will expand their cooperation in the economic and security fields, including cutting-edge technologies such as chips, AI, and quantum computing.

Prior to the summit meeting, the two countries’ foreign and defense ministers held the 2023 U.S.-Japan Security Consultative Committee (“2+2”) meeting in the U.S., where they announced plans for the U.S. to deploy a new mobile Marine unit on the southern island of Okinawa, which will be reorganized into a Marine Littoral Regiment (MLR) by 2025. They also signed agreements on anti-ship missiles and space cooperation.

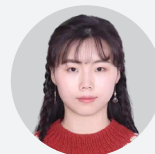
2. The U.S., Canada, and Mexico strengthen supply chain cooperation to reduce dependence on China

On January 12, Canadian Prime Minister Trudeau, US President Biden, and Mexican President López attended the North American Leaders' Summit in Mexico City and issued a joint statement announcing that the three countries will jointly promote the development of the semiconductor industry and strengthen the supply chain to avoid being overly reliant on other countries. The summit prioritized policies to develop the chip and semiconductor industry in North America, and scheduled a chip and semiconductor forum in early 2023.

3. The U.S. and the ROK expand joint military exercises to strengthen nuclear deterrence

On January 31, US Secretary of Defense Lloyd Austin and ROK Minister of National Defense Lee Jong-sup held talks in Seoul, pledging to expand joint military exercises and step up nuclear deterrence efforts against the DPRK. They emphasized that the two countries will enhance the deterrent capability of the U.S.-ROK alliance, respond to the DPRK's nuclear and missile threats, and strengthen information sharing, joint planning and execution, and alliance consultation mechanisms. They reiterated the need to make substantial progress in revising the Tailored Deterrence Strategy (TDS) before the upcoming Security Consultative Meeting this year.

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Have Sino-US Relations Eased or Soured?

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2022.4)

The U.S. dispatched a Lockheed Martin F-22 Raptor to shoot down a Chinese civilian balloon with an AIM-9 Sidewinder missile on February 4, 2023. Afterward, three other balloons drifting over the U.S. and Canada were wrecked (later confirmed to be uncorrelated with China). The shoot-down of these balloons happened within just eight days. One day before the Chinese balloon was shot down, the US Department of State announced that Secretary of State Antony J. Blinken had decided to postpone his planned trip to China due to the Chinese unmanned airship incident.

Shortly afterward, the US Department of Commerce said it added five Chinese enterprises and one research institute that were allegedly related to the balloon to its “entity list” of export control. China hit back promptly by putting Lockheed Martin Corp. and Raytheon Missiles & Defense on its unreliable entities list and imposing corresponding sanctions.

China has been putting much effort into improving the Sino-US relations in good faith. However, the U.S. misjudged and overreacted to the off-course Chinese balloon accidentally flying into the US airspace due to the overwhelming westerlies. Its reaction was nothing short of a tempest in a teapot and threw the Sino-US relations, which just showed a silver lining, into the maelstrom.

I. The Biden administration hatches multiple plots by hyping up the balloon incident

According to an American official, US military intelligence agencies had been

tracking the Chinese balloon since its launch. For around seven days that followed, there was no response from the Biden administration. In the early days of the balloon drifting across the US airspace, the Sino-US communication remained unobstructed. The U.S. perversely shot down the balloon for many reasons.

First, public opinions put excessive pressure on political decisions. The Chinese balloon was first witnessed by a passenger on a civilian flight. Then, it came under the spotlight in the U.S. after being captured and reported by a former editor of *Billings Gazette* based in Montana. With a “Chinese spy balloon” waltzing over the US airspace, there was a groundswell of anti-China sentiments among the public. The Biden administration had to show its uncompromising attitude and take drastic action.

Second, the US political parties were in the heat of internal dissension. The Republican Party took a sideswipe at the White House for its slow and flabby response to the balloon incident. Donald Trump also seized the opportunity to attack his political opponent, deriding Biden as incompetent in dealing with the incident as he is in everything else. By vilifying the Biden administration through the incident, Trump aimed to canvass public support and warm up for the 2024 presidential election. Biden, not to be outdone, radically “flexed US muscles” over China to demonstrate his determination to defend sovereignty in an attempt to give his next presidential campaign a build-up.

Third, the US government had to show national security concerns. After the Chinese balloon drew public attention, the Biden administration was said to deliberately stonewall and wait until “the tide turns.” It wanted China to be on the firing line and whereby gave its people an interactive national security lesson. Biden leveraged the “China threat theory” to divert public attention from domestic conflicts and seek political benefits. Meanwhile, the political footwork he took was to ensure the U.S. could “make the right investment in right capabilities” and “effectively avoid and, if necessary, defeat threats.”

Fourth, the U.S. was trying to “isolate” China. After bringing down the balloon, the U.S. held briefings in Washington and Beijing with foreign diplomats from 40 countries about the “balloon investigations,” in an attempt to further isolate Beijing in the international political community. It accused China of using the “surveillance balloon” to collect information on military assets in countries and regions of emerging strategic interest to China, including Japan, India, Vietnam, and the Philippines. It also alleged that China violated the sovereignty of over 40 countries across five continents by launching spy balloons. Whatever rumor

it creates about China, the U.S. aims to defame China and form a stronger international anti-China alliance.

II. China and the U.S. still have the chance to defuse the crisis through diplomacy

Thus far, the U.S. has shown no sign of relaxing its efforts to suppress China, and China will not compromise on matters of principle. There are signs that the U.S. has contrived a plan to control the escalation the situation. These days, Biden indicated his willingness to initiate a dialog with Chinese President Xi Jinping to find out the truth. But he also said that the U.S. would not apologize to China for the US fighter jet shooting down the Chinese balloon. Earlier, the US president talked about the balloon incident in his State of the Union Address but didn't hype it. He reiterated that the U.S. seeks competition with China, but not conflict, while retelling the old story of democracy and autocracy. His attitude "adds to the possibility that the diplomatic ties between the two countries could be back on the right track."

Undoubtedly, the two great powers will not fall foul of each other forever. This year, there will be at least two possible meetings between the state leaders of the two countries—the G20 Heads of State and Government Summit, which will take place in New Delhi in September, and the APEC Summit to be held in San Francisco in November. Although the current Sino-US competition pattern is unlikely to change, they could still deepen their cooperation, coordinate actions, increase understanding, and dispel mistrust in fields of mutual interest, thus paving the way for future president meetings and stable bilateral relations.

Beijing scrapped the Covid quarantine rule for inbound travelers to create the conditions for the recovery of official, civil, and business communication between China and the U.S. The two sides can cooperate in a wide range of areas, including non-proliferation of nuclear weapons, methane emissions reduction, food security, energy security, ocean pollution, global public health, infectious disease control, and many other areas of overlapping interest. They can also resume the Sino-US cooperation against new psychoactive substances, like fentanyl, and negotiate the topics such as the debt crisis in developing countries and guidelines for regulating the use of AI in warfare. They should work together to advance mutually agreed-on priorities, as well as stabilize and improve the bilateral relations.

III. Several sensitive issues influencing the Sino-US relations

Both China and the U.S. have attached great importance to the bilateral relations. China hopes to rebuild a stable, predictable, and constructive framework for the Sino-US relations. The U.S. proposes to collaboratively build a “guardrail” with China. Both propositions aim to prevent the bilateral relations from going astray. Regrettably, the balloon incident signaled that the “security guardrail” between the two countries was so vulnerable. 2023 is a critical year for the Sino-US relations. They should work together to make them right. The U.S. should be cautious about the following issues:

First, the US senior officials’ visit to Taiwan. As Taiwan will hold authority and regional legislative elections early next year, the Taiwan question remains a critical factor in Sino-US relations. At the meantime, the current situation remains grim. On February 17, Michael Chase, the US Deputy Assistant Secretary of Defense, arrived in Taiwan for an official visit. He was the most senior US defense official known to have visited Taiwan since Joe Biden took office, as well as the second senior defense official after the establishment of Sino-US diplomatic relations. If the new House speaker Kevin McCarthy insists on his future trip to Taiwan despite China’s warning, the Sino-US relations will certainly take another hit.

Second, the China policy of House of Representatives controlled by the Republicans. The new US Congress began in January with Republicans taking control of the House of Representatives, which made numerous moves against China. In February, the House of Representatives unanimously passed a resolution, condemning China’s use of a high-altitude balloon over the US territory, which added fuel to the fire of already tense relationship between the two countries. In the foreseeable future, how the newly-established Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party acts in order to win the “new cold war” against China, as well as whether the House special investigative panel will groundlessly accuse China of creating the COVID-19, may devastate the Sino-US relations.

Third, greater uncertainty created by the 2024 US presidential election. The 2024 US presidential election is approaching. Be it the Democratic Party or the Republican Party, its stance toward China will only get tougher and tougher before the election, as a rational and pragmatic approach might become its Achilles’ heel. After the balloon was shot down, the US society suffered from imaginary fears and might blame China for everything that goes wrong, thus throwing Sino-US relations into more intense turmoil.

IV. The U.S.'s three misconceptions about China

The worsening Sino-US relations are attributable to the superficial and rude attitude of the U.S. toward China. As Wang Yi, director of the Office of the Central Commission for Foreign Affairs of the Communist Party of China (CPC), puts it, the U.S. just tries to take whatever it wants away simply by force, not even bother to do so by trickery. To manage the disparities and avoid conflicts arising from prejudice and miscalculation, the U.S. should take constructive actions and break the following misconceptions:

First, the U.S. believes that China badly needs to ameliorate the Sino-US relations to enhance its international and domestic prestige, and it ready to make a concession especially before the presidents' meetings. A stable relationship between the two powers is of great significance in global politics. However, everything has its limit. If Washington, on the one hand, emphasizes that it seeks competition, not conflicts; on the other hand, it keeps challenging China's bottom line, with its power and arrogance, hoping to destroy China completely, then surely it is nonsense to hope for a change from China while the U.S. showing a total disregard for China's interests.

Second, the U.S. confuses Taiwan question with democracy and autocracy. Taiwan question is the first line that the U.S. must not cross as it is at the very center of China's core interests. National reunification is a mutual dream of all Chinese people and is bound to be against division. The Chinese people certainly do not allow the U.S. to mix reunification and ideology together. Taiwan independence is unacceptable whatever political system China has implemented. If the U.S. does not recognize this, its competition with China is very likely to veer into conflict and lead to catastrophic consequences.

Third, in setting the agenda for dialogue, the U.S. confines itself to the specific matters of its own care, totally ignoring China's overall interests. If the U.S. solely focuses on its main concerns and does not show a gesture of goodwill on other issues, China has no reason to unconditionally meet all the requirements of its biggest rival. In the Russia case, the U.S. hopes China to give up neutrality and join the Western sanctions against Russia, yet it still sees China and Russia as its biggest rivals. If Russia collapses, the U.S. would be able to concentrate more on suppressing China. Anyone with a discerning eye can easily see the fact. Besides, China is deepening its comprehensive strategic partnership with Russia and will not blindly take sides whatever the current situation is.

The Sino-US competition is strategic and the bilateral relations are teetering on the edge of a precipice. Survival or fall lies in a flash of decision. Bound by mutual distrust, the gap between China and the U.S. is unbridgeable in the short term. To avoid an open confrontation, both countries must have a political will to set clear rules for the growingly intense competition. The top priority now is to take a step back and stabilize the bilateral relations. Once the relations plateau out, both countries will be able to redress the balance and find a way to bring benefits to their people and the world.

In those days about half a century ago, the Chinese and US leaders, with their remarkable strategic insights and political mettle, turned the page of Sino-US relations by using what was known as “ping-pong diplomacy.” We believe that the new generation of leadership still has the wisdom to bridge differences, avoid miscalculations, and push the relations back on the right track. As regards which political system can outperform the other, the winner will undoubtedly be the one that can handle domestic development issues better. The U.S. has long been known as a naysayer for its strategies on all fronts so that it can keep improving. That’s how it gets stronger and stronger. Beijing should keep a watchful eye on this “US culture” to prevent the U.S. from blindsiding it.

Key Propositions for Sino-US Relations of the Future

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An alleged spy balloon compelled Secretary Antony Blinken to postpone his China visit for which Beijing had never sent an official invitation. The U.S.-China relationship, in fact, seems to erode in its strategic depth and continues to remain volatile. Blinken once remarked that the US approach to China will be “competitive when it should be, collaborative when it can be and adversarial when it must be.” This was nothing more than rhetoric. Such statements can only insufficiently address the bilateral diplomatic concerns, while also rendering the proposed strategies as fuzzy and non-pragmatic. Countries can compete and may still remain collaborative, or they can be adversarial and yet tend to compete. A Sino-US engagement of the future would thus be based on how quickly the United States is willing to embrace some key propositions. I outline them here.

First, the American narrative of China as an adversary does not work anymore

The United States supported China’s rise since 1979 and collaborated in technology, industrial production, trade, and investments. This led China to enjoy double-digit growth for close to three decades. As Barack Obama assumed the presidency in 2009, the United States was compelled to believe that China is trying to deprive it of a role in the Asia-Pacific region. A series of strategic and geo-economic measures were undertaken. From Obama’s Asia Pivot to the call for expanding the Trans-Pacific Partnership, both of them were part of the measures

to assert an American role in this region. Later, with President Donald Trump in office, the Indo-Pacific construct – that was perceived by China adversely – gained utmost prominence in geopolitical discourse. The US National Security Strategy published in December 2017 asserted that a “geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region.” The result was America’s newer realignments in the Indo-Pacific, U.S.-China trade war, revival of Quad (Quad 2.0), and then the efforts to counter China’s Belt and Road Initiative (BRI) through a G7 backed \$40-trillion infrastructure plan named as Build Back Better World (B3W). Later, in 2022, President Joe Biden launched the Indo-Pacific Economic Framework (IPEF) aiming to write new rules for the 21st century economies.

In fact, the post-COVID western narrative against China was totally uncalled for. The United States continued to show withdrawal syndrome in the Indo-Pacific region, and was no longer seen by their Asian allies as a reliable security partner. This scenario has only marginally changed after Biden assumed the presidency, though the mistrust remains. Countries in the Indo-Pacific are still refraining themselves from buying the American narratives, thus seeking not to be seen as being positioned against China. Many Asian economies continue to benefit from China both geo-economically and geo-strategically, as their trade and investments continue to reach higher trajectories.

Second, in the post-COVID scenario, supply chains were reconstructed only because of China, not the United States

The pandemic led to severe supply chain disruptions globally, and the Indo-Pacific region was no exception. Since the pandemic, there have been several efforts aligned with the American narrative that called for firms to shift their supply chains from China and to reduce dependence on Chinese supply chains.

There have been calls for supply chain resilience and initiatives like China+1. Despite Japan promising incentives to its firms to move out of China and the U.S. calling their firms to quit China, the ground realities have remained the same. Many firms that even sought to relocate their manufacturing or value chain activities faced challenges related to economies of scale and supply-side constraints elsewhere. For them, continuing in China was the only win-win situation considering costs and logistical advantages. And the ones who partially relocated, went to other Southeast Asia countries, are again with China within the

ambit of the Regional Comprehensive Economic Partnership (RCEP). Australia and Japan too had preferred to sign the RCEP in the mid of the pandemic, despite their own adverse narratives against China – perhaps China served their economic interests more than the U.S. could do at that time!

Third, China can fill the infrastructure and connectivity needs of developing countries; the United States remains clueless

Developing countries need seamless regional connectivity and have huge infrastructure financing requirements. Owing to the lack of a robust alternative mechanism that could ensure a transparent and rules-based order as the Americans possibly want, BRI potentially fills the gap. B3W's undefined roadmap for generating private-sector capital and other operational challenges have perhaps paved the way for IPEF in 2022, but the benefits that IPEF can bestow upon American allies in the Indo-Pacific still remains unclear. It is still questionable if IPEF entails a serious American effort toward region-building in the Indo-Pacific, and that how can American allies potentially benefit from it.

An important reason why BRI funding has helped low- and middle-income countries is the relative failure of the international financial institutions (IFIs) – owing to their stringent norms – to fund the huge infrastructural needs of developing countries. The failure of IFIs has also led developing countries to explore their alternative financing mechanism *viz.* New Development Bank (BRICS Development Bank) and Asian Infrastructure Investment Bank. In fact, the BRI funding streamlines smaller recipient economies at least into a regional infrastructural ecosystem. The train from Laos to China that began in December 2021 is one of the many examples of the BRI corridors. The American debt-trap narrative has few takers, while low- and middle-income countries have their financing needs for connectivity and infrastructural development – and BRI loans work for them.

Fourth, China proactively seeks to become a net security solutions provider; the US is mostly shying away

There is no doubt that the United States is losing its position of strength in global negotiations. China has started dominating the American thinking more than it

ever did. From its base in Djibouti to more strategic possibilities in the Maldives and elsewhere in the Indian Ocean, China is strategically assertive and gradually positioning itself as a net security solution provider to riparian and other smaller states. Of course, India's new initiative named Indo-Pacific Oceans' Initiative (IPOI) too is a step in the direction of ensuring maritime security, among its other pillars. Moreover, China has also called for a political settlement of the Ukraine crisis recently, through its 12-point position paper on Ukraine. The United States, however, continues to maintain a strategic ambiguity on Ukraine just like it does on the issue of Taiwan.

Therefore, considering the outlined propositions, it is crucial for the United States to work for region-building, instead of propagating an anti-China narrative and compelling its allies to do so. Not to forget, for most of the US allies, China continues to be their major trading partner. China is going to be more assertive as a power, and the United States must seek strategic depth in Sino-US relations instead of relying on rhetoric.

China-U.S. Relations: A Perspective From Latin America

Luis D. Monsalve



Former Ambassador of
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It is difficult to predict the future of relations between China and the United States in 2023 and the years ahead, as they have been plagued with ups and downs and are currently characterized by a combination of cooperation in some respects and increased trade in both directions, but at the same time, growing tensions in political and security matters.

On the one hand, high-level meetings and discussions on macroeconomic and financial issues have recently been held, suggesting a desire for more bilateral cooperation. First, presidents Xi Jinping and Joe Biden met at the G20 summit in Indonesia in November 2022, and then, there was Treasury Secretary Yellen's meeting with Vice Premier Liu He in Switzerland in January this year. On the other hand, there have been incidents such as the US high-level visits to Taiwan, the growing inclusion of Chinese companies on the US negative lists, measures regarding the production of semiconductors, and, very recently, the balloon incident which caused Secretary of State Blinken to cancel his official visit to China. All these events have generated reactions in both countries by the so-called "hawks" who seek an environment of greater confrontation.

The truth is that the increasing hostility and lack of communication channels have been generating undesirable outcomes. Despite this current hostile environment, the relationship between the United States and China, the world's No. 1 and No. 2 economies, has far-reaching impacts on global security, economy, and issues like climate change and technology.

Today, the world demands global action to overcome the effect of the pandemic, faces an economic downturn marked by inflation and disruption of supply chains,

must address the crisis of climate change that threatens our existence, and seek solutions to the war between Ukraine and Russia. Meanwhile, the two countries called upon to lead the response is in fact causing further division.

Both countries must engage in constructive dialogue marked by healthy competition rather than conflict, and work to find common ground to address the challenges facing the world today. Some of that cooperation could be seen in recent years. For example, at the COP27 on climate change at the end of 2022, the campaign aimed at achieving net zero greenhouse gas emissions by 2050 was launched. In addition, a few months ago, the COP15 on biodiversity concluded in Montreal, Canada (originally, it would be in Kunming). At that meeting, countries adopted ambitious goals to protect 30% of the planet's terrestrial and marine areas by 2030.

Regarding the relationship between the American and Chinese peoples, the limitations on mobility imposed by the COVID-19 pandemic have significantly affected tourist, cultural, and even business travels in the last three years. However, since the opening of the borders, there may be an improvement in relations between the two peoples: there is nothing that helps this purpose more than direct contact between cultures and people-to-people exchanges.

Any decision to move forward will impact the world, and Latin America is no exception. The region faces unique challenges in which the international community plays a fundamental role – first, increasing poverty and inequality rates deepened by the COVID-19 pandemic, leading to social unrest in countries such as Colombia, Peru, and Chile; second, a high political polarization and recent left-wing triumphs with high expectations of delivering immediate results; third, an economic struggle that includes inflation, decelerating economic trend and a potential decrease on commodities.

In this framework, the prospects for Latin America will also be determined by the region's own political and economic interests, as well as its relations with the U.S. and China. Until the end of the 20th century, the main investor and trading partner of most Latin American countries was by far the United States. However, this trend changed radically in the first two decades of this century, with the rapid growth of Chinese economy, which caused an increase in its demand for commodities, especially minerals and agricultural products: one of the most benefited regions has been Latin America.

Today, in much of South America, the first destination for exports is China, and in

general, for the entire region, the United States and China are the first and second markets. Similarly, Chinese investment has grown exponentially, especially in energy, mining, and infrastructure.

Given the importance of the relationships with the U.S. and China in trade, investment, and many other areas, the call from Latin American countries, and perhaps from all emerging countries, is: please don't make us choose! We need both, and we can be friends with both.

U.S.-China Relations

Waseem Ishaque

Re-Calibrating “Competition-Conflict-Cooperation” Paradox



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Significance of positive great power relations

For the Asia-Pacific region, the post-WWII presence of the United States provided stability and a secure environment for recovery and contributed enormously to infrastructure development and economic assistance. Since the 1950s, China-U.S. relations have revolved around regional peace and the destabilizing effects of confrontation. While all countries in the Asia-Pacific region felt the negative effects of conflicts when China and the U.S. engaged in the Korean and Vietnam Wars, the two countries have enjoyed relative peace and prosperity after normalizing relations since the 1970s. President Xi Jinping’s proposal of establishing a “New Type of Great Power Relations” with the U.S. was underappreciated by President Barack Obama amid differences of perspective and opinion on certain core issues.

While such initiatives aim to reduce tensions and avoid confrontation, trust-building has remained elusive. The U.S. has generally ignored China’s core national interests and positioned conflicting issues within a narrative of regional alliance obligations. Widely published in Western and US media and by think tanks is the narrative that China seeks to re-order the extant international system, replace it with its own model, and evict the U.S. from the Asia-Pacific region. Such a narrative is not conducive to trust-building or the creation of a favorable environment for positive engagement at either bilateral or multilateral forums.

Following the negative rhetoric of the Trump era and its repetition by the Biden

administration, the world held high hopes for the face-to-face meeting between President Xi Jinping and President Biden on the sidelines of the G20 Bali Summit on November 14, 2022. President Biden's announcement that US Secretary of State Antony Blinken would visit Beijing in February 2023 for follow-up sessions renewed global optimism. However, high hopes were crushed when Blinken's planned visit in February of 2023 was abruptly canceled by the U.S. The pretext for the cancellation was a violation of US air space by a so-called "spy balloon" despite timely clarifications by the Chinese Foreign Ministry that it was a meteorological balloon, which had entered US air space due to "force majeure." Rejecting the Chinese response, the US Department of State and Pentagon exploited the incident as a coercive tool and excuse to cancel Secretary of State Blinken's visit to Beijing.

In hindsight, short-term political gains and point scoring between Republicans and Democrats have hijacked the normalization process and predominant view in US policy circles that positive engagement between the U.S. and China is highly beneficial for both countries and the world at large. Reassuringly, during the State of the Union Address on February 8, 2023, President Biden repeated the statement he gave after the G20 Bali Summit that both sides "seek competition, not conflict." The balloon incident, however, has been blown out of proportion by US misrepresentations that received wide-ranging media coverage. Therefore, it is unlikely the U.S. will backtrack in the immediate to short term and once again face a lengthy stalemate in U.S.-China relations.

The issues hampering positive engagement between the U.S. and China

US policymakers are heavily influenced by academic work produced by realist social scientists. These "realists" theorize negative implications from China's peaceful development and model various high-probability conflict scenarios between a status-quo power and a rising power. John Mearsheimer's December 2021 article in *Foreign Affairs*, *The Inevitable Rivalry: America, China and the Tragedy of Great-Power Politics*, and his interview with *Nikkei Asia* on February 21, 2022, both stated that US engagement with China was a "strategic blunder" and sketched out several scenarios of conflict between the U.S. and China on various unresolved territorial disputes in the South China Sea, the Taiwan question, and other hot spot issues, especially the DPRK's nuclear and missile programs and US alliance obligations in the Asia-Pacific region. Another significant publication

Destined for War: Can America and China Escape Thucydides's Trap, written by Graham Allison. Both authors, highly respected by the US government and academia, play a significant role in US policy formulation towards China. Their writings, speeches, and conferences, which predict a hot war between the U.S. and China, stimulate pessimism and diminish pragmatism, thus undermining a positive trajectory for China-U.S. relations.

Another significant aspect of China-U.S. relations is the perspective variance on each other's core interests and continuous assertion of their respective positions. The United States invariably trumpets its alliance obligations in the region. A decade of empirical analysis of US policies towards the region reveals that former Secretary of State Hillary Clinton's Pivot to Asia was followed by a series of provocative policies aimed at expanding and strengthening US alliance network to contain China.

The US National Security Strategy (US NSS) is an overarching policy document guiding all incumbent US administrations. NSS 2018 and 2022 are particularly significant in their guidance of US policy towards China. Donald Trump's anti-China rhetoric during his 2015-2016 election campaign was assimilated into US NSS 2018, thus, altering the orientation of the previous policy of "constructive engagement" to lay the foundations of the Biden administration's policy of "extreme competition."

During Trump's term, no opportunity was lost to abuse China contrary to the diplomatic norms on interstate relations. President Biden was widely expected to moderate the tone, if not the substance, of US policy toward China. However, US NSS 2022 invoked harsher terms than US NSS 2018, diminishing the prospects for constructive engagement and improved relations. While President Biden has demonstrated softer body language than President Trump, the overall US policy towards China remains adversarial. Figure 1 shows the comparative analysis of the US NSS 2018 and 2022 policy documents for mentions of China.

US policymakers are actively

Figure 1
China in US NSS 2018 and
2022



engaged in constructing new alliances and capacity-building of old alliances to further deter China. Four prominent alliance mini-laterals are the US Indo-Pacific Strategy, Indo-Pacific Economic Framework for Prosperity, Quadrilateral Security Dialogue (Quad), and Australia-United Kingdom-United States Partnership (AUKUS). Above all, Japan, the Republic of Korea (ROK), Canada, and Australia have formally joined the US club by respectively promulgating complimentary Indo-Pacific Strategies.

While the US NSS 2022 targets extreme competition with China, the U.S. has tested its determination and China’s resolve by arranging the highly provocative visit of former US House Speaker Nancy Pelosi to Taiwan in August 2022. Her visit conveyed to the world that the US government would pursue its core national interests by ignoring China’s core national interests over Taiwan. The highly provocative and unnecessary Pelosi’s visit was accompanied by excessive US military posturing to boost the domestic vote for Democrats in the mid-term elections. The last two US elections have confirmed to US politicians that playing the China card can help win elections. Thus, the China card is also likely to shape both future election

results and the policy formulation of incoming US governments. Conversely, the coherent response of the People’s Liberation Army (PLA) demonstrated China’s capacity to exercise effective military maneuvers over the Taiwan Strait and adjacent areas, and instilled caution over the limits of US options for future adventurist episodes.



Figure 2
Prospective US Containment Policies

Significantly, China is closely monitoring these developments to craft pragmatic policy adjustments designed to avoid conflict. However, the evolving strategic landscape of China’s periphery indicates the return to “cold war” and continuation of the US policy of containment.

While China is proactively engaging with all regional countries at bilateral and multilateral forums and maintaining open lines of communication, there is a discernible degree of anxiety, both in China and regional countries, on the

evolving regional situation where the U.S.-orchestrated campaign of containment has surfaced.

US policy circles justify their approach by pointing to the CPC's 20th National Congress, granting a 3rd term to President Xi Jinping, and Taiwan reunification, which stands at the core of the rejuvenation of the Chinese nation. The U.S. also trumpets the Ukraine crisis, relating it to the likely use of force in achieving Taiwan reunification. Operating at such heightened political temperatures, the chance of miscalculation has increased exponentially and is highly detrimental to both regional and global security and stability.

The swift economic recovery of China in the post-pandemic economic order is another worrisome development for the U.S. According to the IMF, China's GDP is likely to grow by 5.4% in 2023 while the US GDP lags behind at 1.4%. As such, China's GDP may surpass US GDP before the expected 2035 target.

After the G20 Bali Summit in November 2022, the Biden administration faced strong criticism from Republicans for adopting a soft approach towards China, evidenced by President Biden's announcement of Secretary of State Blinken's follow-up visit to Beijing, and sought any opportunity to blame China and halt the US initiative. The trivial meteorological balloon incident provided US policy circles the necessary scapegoat and was immediately labeled as a "spy balloon" contrary to both the facts and a timely clarification by Chinese officials.

Strong contradictions exist between US policy staging and backstage machinations. Despite peace overtures and seemingly benign intent, no significant change is expected in US policy goals vis-à-vis China until a new National Security Strategy reprioritizes US engagement. Empirical facts support these arguments: the continuing targeting of Huawei and blacklisting of Chinese tech companies, coercing third countries to not invest in China, especially in high-tech domains, arms sales to Taiwan and other regional countries on the pretext of alliance obligations, predicting war scenarios based on spurious claims of hard-earned freedom of navigation and overflights in China's territorial waters, and, amplifying hot spot issues for calibrated destabilization. The litany of worrisome developments seriously hampers trust-building and the construction of enduring regional and global stability.

Unpacking the “competition-conflict-cooperation” paradox in China-U.S. relations

Analysis of the aforementioned empirical data reveals that neither the U.S., nor China can afford conflict. War is certainly avoidable and both responsible great powers must eventually build a “New Type of Great Power Relations” based on mutual respect and mutual trust, which gives due consideration to each other’s core national interests.

The world has already witnessed the benefits of U.S.-China cooperation on both regional and global issues, such as climate change, counter-extremism and counter-terrorism, anti-piracy operations, and tackling a host of non-traditional security threats and hot spot issues. While positive competition is expected to incentivize growth and prosperity, it should be mutually beneficial for relevant countries and the world at large, and should not lead to zero-sum results which generate geopolitical instability, or conflict scenarios that lead to unimaginable devastation.

Ideally, U.S.-China cooperation that fosters global economic development, infrastructure development, eradication of poverty, achievement of Sustainable Development Goals (SDGs), and policy coordination on regional conflictual issues, ensures, to a large extent, stability, trust-building, and avoidance of miscalculations by any party.

Assurance by President Biden that the U.S. welcomes competition, but not conflict with China, is an important and appreciated policy commitment. However, the degree and conduct of inter-state competition determines the path for establishing enduring bilateral relations and policy coordination. President Xi Jinping’s magnanimity and desire for positive and constructive engagement with the U.S. was evidenced during the G20 Bali Summit. President Xi made clear to President Biden that “China does not seek to change the existing international order or interfere in the internal affairs of the United States, and has no intention to challenge or displace the United States.” Importantly, President Xi also stressed that the Taiwan question is the fundamental red line that cannot be crossed in China-U.S. relations. The communique of the face-to-face meeting between President Xi Jinping and President Biden at the G20 Bali Summit also held a reassuring note from President Biden, which stated the “Five No’s” of US policy toward China:

- 1 Does not seek to change China’s system;

- 2 Does not seek to start a cold war with China;
- 3 Does not seek to strengthen alliances against China;
- 4 Does not support "Taiwan independence," "two Chinas," or "One China, One Taiwan," and has no intention of seeking conflict with China, and;
- 5 Does not intend to break off ties with China, impede China's economic development, or contain China.

To further the spirit of the "Five No's," the Chinese Foreign Minister Qin Gang stated on January 4, 2023, that the "planet's future depends on stable China-U.S. relations." President Biden's reassertion of seeking competition but not conflict with China during the State of the Union Address on February 8, 2023, was a positive development following the balloon controversy and excessive media hype in the U.S.

Prospects of stable U.S.-China relations

While the realist school continues to overwhelm US policymakers, previous US involvement in the conflicts in Afghanistan and the wider Middle East has put US public opinion under constant attrition. Therefore, the U.S. remains wary of any future conflict, especially between great powers. Moreover, the Ukraine war has further exposed the limits of the U.S. and imposed a discernible level of caution upon US policymakers.

China has aptly identified that the world is experiencing an era of interdependence and win-win cooperation. In the final analysis, great opportunities exist for U.S.-China cooperation and stable relations, if the relationship is managed properly. The US public exerts great influence on policymaking and China can exercise greater public diplomacy to increasingly attract US investors and businesses and further facilitate people-to-people contacts through education, tourism, and exchange programs. Such endeavors enhance China's reputation and influence, which always seek to foster enduring peace, stability and development.

The U.S. and China in 2023

On the Edge of the Hyperreal Abyss

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In *Mythologies*, Roland Barthes (Barthes, n.d.) explored how myths in popular culture generate a language that ultimately takes over reality, and becomes a reality itself. For Barthes, myth has the character of making “itself look neutral and innocent”; myth “naturalizes the concept and transforms history into nature.” In this sense, when language assumes the status of myth, reality is emptied, and a world “without depth” is created. The world of popular mythology is not just detached from reality, but rather, functions to form new discursive and cultural realities, ultimately evolving into repetitious and naturalized *simulacra*.

When it comes to questions about the People’s Republic of China (PRC), its political economy, its evolving place in the world, and its modalities of governance, we are surrounded by mounting mythologies within the West about these and related matters. As these evolve to constitute what Baudrillard calls an “order of sorcery,” the tropes less resemble reality and increasingly a self-referential network of simulated signs. The echo chamber of popular culture, mainstream media and dominant institutional discourses about China are rapidly losing their ability to remain attached to “the sacramental order,” as they descend into a hyperreal abyss.

Yet, *qua* mythology, these tropes create their own hyperreality and have the potential to perform as real “precessions of simulacra” (Jean Baudrillard), inscribing into the decisions and actions of agents the pre-ordained outcomes that are made possible by these imaginaries. The image precedes the unfolding of analogue history. Real war happens after the image of war is produced,

normalized, and disseminated. War comes when society is accepting the normality and inevitability of war. That analogue death and destruction take place only when a sovereign act against another sovereign is a by-product, an after effect, of the power of simulacra. To avoid war, or at the very least mitigate the probability of war, exposing the perfidy of these mythologies is necessary.

A global 24/7 news cycle animates a world that Byung-Chul Han describes as an infocracy. Information is mass produced and substitutes for – indeed, begins to undermine the prospects of achieving a – meaningful common truth. Information, in the form of rapid-fire, sporadic news, commentary, and speculation, is fed to the global masses as one spectacle after another. Each feeds on the previous one, as paid and unpaid commentators chime into the orgy of information production. Social media’s network effects and the simplicity of its “tap” and “swipe” interface supercharged the infocratic sphere. And, so, it is with American posture towards China and reactions to anything “Chinese.” Analysts and commentators pore over the latest utterances of leaders and images of this or that event, as the litanies of cascading self-referential signs amplify and reinforce each other. The voyeurs look for signs that can be divined, to animate the crystal ball. They fuss over “optics.” They analyze the passage of events much like commentators provide a rolling narrative of a sporting fixture.

Will relations improve? Will they “stabilize”? How will so-and-so react to this or that incident or event? Will balloons blow detente off course? The epiphenomena dominate an information landscape that rarely has time to catch breath. But the ebbs and flows of the stories of nations work in more glacial ways.

America’s posture towards the PRC is anchored in tropes that are detached from the sacramental order of reality, and increasingly resemble those of a hyperreality reinforced by the cacophony of spectacles. Spectacles feed the narratives of mythology, which ultimately assume the status of simulacra. The framing effects of this incessant beat of the rhythms of infocracy have created a febrile environment in which China is dealt with as either a threat or the enemy-to-be. Folk ponder whether relations between China and America will worsen or improve as the year unfolds, as the decade unfolds. Some observers suggest that neither nation has an incentive to allow tensions to boil over into open hostilities. For their own reasons, it is said, neither country wants war. There remains furtive talk of guard rails. One can only hope that they are right, but I am less sanguine.

There is a deep bloodlust amongst the neo-con elite and their acolytes in the American body politic, baying for an early settlement of History’s pregnant

end. Some have put a timeline on conflict: 2025. Russia is, for them, a sideshow that distracts resources from the main event. Eminent realist scholar, John Mearsheimer has been clear that America has erred in provoking hostilities with Russia – for him a declining power – when the peer competitor is in fact China. Mearsheimer’s lens points to an America that cannot allow China’s peaceful rise as this very phenomenon threatens American hegemony. Others draw eschatological inspiration from biblical imagery of “a great, fiery red dragon having seven heads and ten horns.”

The neo-cons in Washington animate Mearsheimer’s analytical conclusion. They want war, and seek to provoke war through actions that are known to be provocative and escalatory. And they will do so in the name of liberty, freedom, and democracy. If indeed there are mythologies that are mobilized to substantiated conclusions that China is a threat and enemy, then these leitmotifs are self-referential mythologies that complete the ethereal imaginary and provide ideological succour that the threat of “might” is in the pursuit of “right.”

And there is form.

American security became arguably unassailable with the dissolution of the Soviet Union in 1991. The Cold War came to an end, and some were so enchanted by the mood of the moment to call time on History. Well, History didn’t end; it barely took a breath. Meanwhile, despite – or because it was facing – a world that had no peer competitor, the U.S. proceeded to intensify its military interventions across the globe. The unipolar post-Cold War period, from 1989 through to 2019, came with a sugar high, a frisson of unprecedented levels of American military interventions here, there and everywhere. Recent research shows that during the post-Cold War period, the U.S. initiated on average 3.7 military interventions per year. That’s a total of 110 interventions in the 30-year period.¹ By way of comparison, in the period 1950-1989, the U.S. initiated 2.4 interventions annually on average. Indeed, the research shows that of all American military interventions (almost 400) since independence in 1776, half of these operations took place between 1950 and 1989, and 25% occurred in the post-Cold War period.

These interventions were increasingly undertaken in the name of some form of millenarian liberation mission; of bringing down authoritarian regimes and replacing them with democracies; of protecting and promoting a form of American liberal hegemony. Most interventions left the targeted jurisdictions and their populations worse off. Observers of American practice like John Mearsheimer and Patrick Porter have ably demonstrated that the homilies of liberalism belie a

¹ Sidita Kushi, Monica Duffy Toft. *Introducing the Military Intervention Project: A New Dataset on US Military Interventions, 1776–2019*. 2022.

reality of illiberalism; these are the effects of autoimmune responses.

American agitation *vis-à-vis* China, focused in particular on the status and future of Taiwan, draws from this line of political and philosophical reasoning. For the best part of eight decades, America has seen the Pacific Ocean as the American Lake. As for Taiwan, the American foreign policy and military establishment have long-held designs on the island as a bulwark against the tide of Asiatic communism. As far back as 1943, the State Department and the Defense Department were drawing up plans to occupy Taiwan militarily after World War Two. The debate at the time was whether it was necessary or wise to establish the occupation with a Nationalist KMT (Chinese) facade. Despite serious misgiving about the competence of the KMT, the judgement was that without the facade, legitimacy would rapidly evaporate. Until the early 1970s, America held onto the prospects of the Chinese nationalists somehow asserting its supremacy over China as a whole. The formal acknowledgement in the early 1970s of the PRC as the sole legitimate government of a single China didn't fundamentally disrupt this post-World War II posture, as increased armaments support of the regime in Taiwan continued to this day.

While American unilateralism globally was unparalleled in the post-Cold War era, things weren't so rosy on the home front. Deindustrialization, which emerged in the early 1980s, was becoming a serious problem. Ira Magaziner and Robert Reich raised alarm bells;² they weren't the only ones.^{3,4} The efficiency of Japanese manufacturing was on the march, much to America's chagrin. It was eventually brought to an abrupt halt with the Plaza Accord of 1985.

By the time China was transforming into the "world's factory" after being admitted to the WTO in 2001, the structural transformation of the American industrial employment base was well and truly locked into place. Industrial hollowing out continued unabated, with hot debates about the respective role of technology and automation on the one hand and the substitution effects of low-cost Chinese manufactures on the other. Whichever way one looked, those blue-collar jobs were long gone. Open trade with China delivered low-cost manufactures and intermediate goods for American households and enterprises; fictitious capital continued to expand its role in the American economic story culminated, ultimately, in the financial crisis of 2008. The "shape" of the American economic settlement, together with its demographic and spatial expressions, had irrevocably changed.

The scars of industrial hollowing out were visually visceral; the real effects on

2 Ira C. Magaziner, Robert B. Reich. *Minding America's Business: The Decline and Rise of the American Economy*. 1983

3 James P. Womack, Daniel T. Jones, Daniel Roos. *The Machine That Changed the World*. 2007

4 D. E. Becker, J. H. A. Crooks, K. Been, M. G. Jefferies. *Work as a criterion for determining in situ and yield stresses in clays*. 1987

individuals, households and communities have been devastating and long lasting. None of this experienced reality gelled with the promise of the American Dream. Resentment and anger were provoked, and the affective impulses that impel political activism percolated, ultimately to find expression via the politics of Trump and co. Expanded social anomie, evidenced by the rising tide of homelessness, drug addiction and gun violence, is now a quasi-normalized feature of a divided body politic. As friends of mine in the U.S. recently recounted, "America is an angry and divided nation; so angry that the idea of 'compromise' with the other side – Democrat or Republican – means killing the other side first." The "other side" represents an existential threat to the American Dream. There's even thoughtful discussion amongst serious circles about the possibilities of a civil war.

The crisis of American hegemony is as much a domestic crisis as anything else. The demons aren't found in an Orientalist rendition of the *Book of Revelation*, but in the aftermath of financialized deindustrialization and its attendant social anomie. The mythology of liberalism and the sweet-sounding rhetoric of democracy belie a reality of domestic atrophy and brutal geopolitical calculus mixed into a cocktail of millenarian self-righteousness. There are powerful forces in America that are fixing for war. Whatever the mythologies that rationalize this posture, they have formed a potentially self-fulfilling dynamic, the underlying current of which pulls strongly on American popular culture and the body politic at large. As this current intensifies, there is a distinct possibility that others will be drawn into the maelstrom of neo-con angst, feeding off the affective spirits that animate the politics of friend-foe.

The bulwark for a peaceful *modus vivendi* has two pillars. First, it lies in the revivification of mythologies, less grounded in the millenarian aspirations of American Exceptionalism, but rather, in the humbler ambitions of national rebuilding; second, an ongoing capacity from China to exercise restraint in the face of intensified infocratic spectacles. Meanwhile, China – and much of the Global South – will focus on their shared challenges of lifting people from poverty and realizing development with less environmental impact and smaller footprint.

America's enemy isn't China. As American neo-con elite mythologies take the world deeper into ethereal abyss, it's time for people across the globe to say, "Enough is enough. The unilateral hegemonic moment is well and truly over." Now is not the time for a protracted period of grief-induced denial and anger; it's time for leadership, and that calls for magnanimity and acceptance of the need to negotiate new realities.

Youth

Voices



Americans Deserve Better Than a New Cold War with China

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A Specter Haunts the Future of the Pacific.

It is the specter of Cold War-esque Manichaeism – the very kind of dangerous black-and-white paranoia that saw the world divided into two spheres for the better half of the 20th century. A growing, bipartisan consensus in America appears to paint China as an existential challenger to America – one whose values, military might, economic resilience, and fundamental model of governance are ostensibly incompatible with America’s, and thus an actor that must be constrained at any and all cost.

This sort of thinking has sadly gained increasing traction on the Capitol Hill in D.C. and amongst leading pundits in California or New York alike. Despite the attempts at restoring some semblance of normalcy to the relationship in Bali, Indonesia, last year – when President Xi Jinping and President Joe Biden held a monumental and necessary meeting to put a floor to the rapidly deteriorating relations, Sino-US relations have not, in a long while, looked as grim as they do today.

Whether it be the recently mounted proposal to ban Chinese nationals from owning land in Texas – a blatant act that reeks of McCarthyism, dressed in the disguise of national security, the ongoing efforts to clamp down on bilateral technological trade and exchange between the U.S. and China, or broader concerns that cast sweeping dispersion at ethnic Chinese academics and scientists in the country, the American political establishment has conspicuously taken a more hardened and ossified stance towards China over the past few years. That much is clear.

What is less clear, however, is the actual quality of the reasoning supplied to back up such skepticism, cynicism, if not downright vitriol. Allegations that China is purportedly engaging in IP theft, “engendering trade deficit,” or perpetrating extensive and egregious surveillance against American citizens are, despite how raucous they are, fundamentally lacking in both facts and logic. Today, we stand at the cusp of a disastrous downward spiral, of economic and trade decoupling, of unbound technological rivalry, and of progressive military escalation that could only end in disaster. Pulling back from the brink requires joint efforts from all.

Why Americans stand to gain from a stabilized Sino-US relationship?

Much ink has been spilled on why the world at large – including the 1.4 billion Chinese population – must suffer under the weight of a new Cold War. Yet this piece aims to focus on the very stakeholders that hawks in America claim to be helping: the 300 million American citizens, who, as much as any other people around the world, deserve an accountable, responsive, and pragmatic government that delivers for all of them, as opposed to the few.

First, let’s set the economic record straight. Two-way trade between the U.S. and China hit a new record in 2022, amounting to \$690 billion. American consumers have long depended upon China for a reliable source of cheap, high-quality, and efficiently delivered goods; Chinese producers, on the other hand, stand to gain from America’s substantial consumer markets. Bilateral investment has continually deepened despite attempts to restrict industrial access on grounds of “security” concerns. The charge that such trade has seen China “steal American jobs” is fundamentally misguided – it ignores the reality that given the US role as a net consumer with a potent and globally dominant currency, it is likely to bear a net current account deficit in relation to *any and all other trading partners* in the world, even with Europe! The U.S. has a trade deficit of \$219.6 billion in relation to the EU. The upshot of this is clear – the US savings deficit and spending glut render it the case that it would always be subject to vast trade deficits; uniquely, China offers *sui generis* and *unrivalled* advantages as a source of American goods. When comparing a symmetric “harm” to an asymmetric and outsized benefit, it should not take much to figure out where the balance of benefits and harms is tilted.

Second, American firms, start-ups, and universities have stood to gain

precipitously from China's rapidly burgeoning class of highly skilled and intellectually gifted migrant labor. Such labor includes both students and academics originally from China, having subsequently enrolled at and migrated to the open and hospitable environs of research and teaching in the U.S. It also includes those who have started their businesses and flourishing careers in China, and moved subsequently to the U.S. in search of a greater abundance of opportunities. With such migration has come significant talent, vision, and innovation. Such ties are built upon the premise of open-minded and unreserved exchanges, where ethnic identities and citizenships are not politicized or invoked for bartering.

Third, bilateral, cultural, and interpersonal exchanges have substantially enriched the American cultural landscape. It is imperative that we separate the diasporic Chinese experience from the experiences of those born, raised, and who live in China – yet what cannot be underestimated is the contributions by both diasporic and non-diasporic forces. The former has given rise to stellar movie leads, scripts narrating the Chinese-American experience, and genuine transformations to the American cultural zeitgeist when it comes to music, dance, martial arts, and beyond. The latter, qua Chinese citizens, has offered curious American counterparts a powerful connecting bridge with the fantastic enigma that is modern China. One way or another, Sino-US ties have improved mutual understanding, enhanced empathy, and should – if left unfettered – give rise to genuinely transformative friendships in the direction of convergence and amicable pluralism.

How these interests are being undone?

As much as narratives about great power rivalry and grand competition between China and the United States may appeal to some, I fundamentally hold a more mundane view of the causes undergirding the deteriorating relations. Even if China and America were to compete, such competition could be – in theory – mutually advantageous, clearly constrained, and coupled with robust guardrails for cooperation that are authentically adhered to. Unfortunately, this is not the case. The stated benefits of monumental significance are now being progressively undone – at the behest of a small minority of ulteriorly motivated politicians who have conveniently sought to stoke populist vehemence for political gain.

Economic gains have been besmirched by misguided allegations that ignore

basic economics 101. Joint partnerships formed through mutually binding and voluntarily agreed-upon terms and agreements are now touted as evidence of so-called IP theft. Investments into infrastructure and economic rejuvenation in the Rust Belt – which have and would have continually created jobs for workers left behind by America’s decades of gilded globalization – are now being repudiated on the most tenuous of grounds. Terms such as recoupling and friend shoring are employed as euphemisms for actions that clearly run contrary to the interests of the pockets of middle-class families in the country. The worst part of this all, is that the rationale for such moves does not even try to conceal its fundamentally anti-economic nature.

Whilst education and academic exchanges had historically remained a relatively unscathed region of bilateral cooperation, the incipient rhetoric, and unfounded accusations of “foreign interference” have induced a chilling effect on campus discourse and interactions – centering at their crux ethnic Chinese-American scholars. These scholars, many amongst whom have devoted decades of their lives to advancing the interests of ordinary Americans and the world at large through groundbreaking discoveries, must now be confronted by the daily challenge of proving their loyalty and worth to a mixture of public media, political institutions, and pundits who know little other than their names prior to commenting. At an age where geopolitical tensions and worries over academic freedom have already strained relations between university campuses in the mainland of China and in the U.S., these lamentable trends are only adding fuel to the very fire that education is supposed to put out.

Finally, both the politicization of both finance and education has contributed to a net decline in cultural and people-to-people ties, no doubt compounded by the past few years of pandemic-induced travel barriers and restrictions. Much like their countries, the peoples of China and the U.S. are increasingly talking less and less with one another – culminating at a world where miscommunication, misperception, and mistrust is more and more the norm. At an age of military tensions and confrontations, such a dearth of bilateral goodwill is not only depressing – but downright perilous.

Americans deserve better than the whims of partisan pressures and petty politicking. We deserve better than for the two greatest powers in the world today to be locked in a spiral of destruction. A new Cold War cannot and must not be the way.

How Biden's White House can chart a pragmatic path ahead?

I have written elsewhere about how China must and ought to pursue a peaceful, growth and economy-oriented rise to become one amongst a multitude of poles and great powers in the world; I shall not relitigate my case here, though this should suffice in demonstrating a balance of concerns. This article, however, is about how Americans' interests would be affected, should a failure of caution and prudence culminate at a continuous unraveling of bilateral relations.

Biden's hands are inevitably constrained by partisan politics. Yet the marks of a great political leader have always been about pushing back against the zeitgeist, rising above the fray of imbroglio, and being willing to do what is hard to stomach or tolerate for lesser politicians.

The first key step that Biden should take, is to push back actively against policies that single out and target ethnic Chinese and Chinese nationals for reasons that are – at best – whimsical and generic in ways that lack empirical proof. To assert that all Chinese investment brings deleterious effects, is to ignore the vast economic and developmental gains struggling states and cities have derived from Chinese funding, innovation, and business. The White House must have the gumption to act in accordance with their words – otherwise, no amount of pledging to oppose anti-Chinese racism would work, for such lip service would not tackle the very logic underpinning discriminatory policies targeting Chinese individuals. In any case, it would benefit the American political establishment to not alienate an increasingly sizeable and significant share of the country's population – with sweeping, unrefined statements which attach collective guilt to the Chinese people.

The second key step – and one that both China and the U.S. must explore creatively – is to identify new, hitherto unmapped areas of cooperation, where both Beijing and Washington can work together, and where the populations from both countries can materially stand to contribute and gain. These must extend beyond the important, yet perhaps over-litigated areas of climate change, public health, and macroeconomic stability. Consider, for one, finding mutually agreeable regulatory frameworks to artificial intelligence and big data; or settling upon a common paradigm of de-nuclearization and nuclear containment. It requires words and efforts from the highest levels of leadership in both Beijing and Washington for such pragmatic compromise to be sought. Elsewise, much would just be cursory, perfunctory rhetoric said for the sake of saying it.

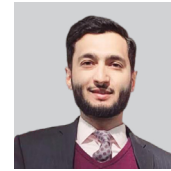
The final key step is this: China and the U.S. may well find competition necessary, on grounds of both domestic and international geopolitical considerations. Whether it be the different systems of governance and political norms, conflicting visions for the world at large, or rivalrous strategic interests in particular segments of the world, it is only understandable that Beijing and Washington do not always see eye-to-eye.

Yet competition cannot occur responsibly if it ends up contributing towards irreversible and clearly unrealistic threat perceptions – which result in hyped-up expectations and perceptions of dangers that are not there. In America’s context, this constitutes the bizarre “blowing-out-of-proportion” balloon incident, as an alleged watershed moment of unbridled Chinese surveillance. The hot air in the balloon is worth more than the hot air emitted by the plethora of politicians who framed the balloon with every possible nefarious description under the sun. Just as we should call out excessively reactionary and paranoid nationalism on both sides of the Pacific, we must also guard against the temptations of hyping up dangers in service of particular spending prerogatives and political objectives.

I firmly believe, yet, in a future where both American and Chinese citizens can come to gain from closer cooperation and engagement with one another. I eagerly await our coming around to our senses – and America to truly move on from the toxic foreign policy and national security legacy of Donald J. Trump. Americans deserve a visionary approach to diplomacy – as opposed to a Manichean and negative-sum one.

The Greatest Existential Threat to the World

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The start of the new decade has been tumultuous and ridden with deep existential crises for the world. The optimism surrounding the new technological and digital age coupled with sustainable development goals that looked set to eradicate world poverty and solve the pressing issues concerning peace and development at large and tackle the menace of climate-change catastrophes has been washed away in the wake of the pandemic at first, followed by the Russia-Ukraine conflict and the increasing hostility between the two great powers of the world – the People’s Republic of China and the United States of America. As we put the pandemic behind us, which we have so bravely fought against together, we must turn our attention to issues of a more man-made nature, such as the unnecessary geo-political rivalries that benefit no one and risk only war, bloodshed, and hatred. We must decide as a humanity whether we will worship hate or worship love. These are two very different paths.

Many of our problems stem from our international political system, which does not reflect the increasingly globalized and inter-connected world that we live in. With the advent of the internet and communication technologies that connect us all through our portable devices from all over the world, from different backgrounds and cultures, we live together in a highly intimate and cyber-connected world. State systems have been outdated, for their purposes only reflect the pre-modern era when boundaries and armies were established as a protection from the threat of the distant empire. Today, we are sending multi-national teams of astronauts into space, and we are now living in a globalized, hi-tech, and space-bearing modern civilization. Yet, we live enclosed in self-

crafted identities of modern states that don't reflect our shared humanity, ethnicity, culture, and civilizations, and employ military powers of a bygone era. Our technologies and sciences evolved so much, but why didn't our political and social life evolve in a similar way? I believe this is due to the insecurities that cling us to the power structures and identity enclosures of the past, all in the name of country, statehood, or nation-state.

If we keep this system as a final destination, we will never evolve the political reality of the times. If we stay intoxicated by the in-fighting we solemnly enjoy as a courtesy of our modern state-identity enclosures, and the typical "us vs. them" limitation of our minds, then we will continue to accrue the collateral damage resulting from constant confrontational behavior towards each other. To bridge the growing divisions and polarization in the world, we must evolve our political life with the current times. China talks about sovereign equality, directs our aim to achieve global development for all people of the world, and urges us to leave behind ideological antagonism. Politicians of all countries must look beyond self-glorified nationalism and look to the people of the world and find the best way to address their futures and concerns.

Countries and states are great administrative systems that allow us to effectively govern ourselves but they are by no means an identity in and of itself that is superior or inferior in the face of our shared humanity. It is not acceptable to charge our nationalism to the point of no return and make it into a license to kill. The world is not a playground to sow the seeds of tyranny and oppression, but a place of great wonder and divine nature. We can either add value to the lived human experience or deteriorate it further. We can choose to build harmony or to create mistrust. This is the decision that policy-makers and leaders must make.

The world will prosper only if we choose harmony between civilizations over nationalistic self-interest. China's role in the world is of high importance and it's a paragon and leader of integrity in international relations with its deep commitment to the principles and purposes of international laws and its leading role in global development.

States must play a deeper role in protecting the welfare of their citizens. States cannot run like corporations, hiring and firing at will. They are the protectors and guardians of their people. We must remind ourselves of the social contract, and the sacred duty to protect the downtrodden, weak, vulnerable, and historically underprivileged people. The Earth's natural cycles and ecosystems are critically damaged. We must declare a climate emergency together and commit to

achieving a complete revival and purification of the environment lest we incur a more disastrous pandemic. Biodiversity, the beauty and wonder of nature, if well-preserved, will bring great joy and happiness to everyone.

We often hear about the rules-based international order and the pedestal-worthy praise of the liberal international order attributed to the United States of America and its allies that preserve only their interests and privileges, and secure the material benefits they want to enjoy from the world. What is damningly clear is that these rules were created to serve an image of cooperation and inclusion, and the due process to legitimize the U.S.'s own transgressions of the very rules.

To explain, the United States of America violates the second article of the UN Charter blatantly and openly without any shame or remorse. Article 2 of the UN Charter states that "all members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations." The military positioning and basing of the United States of America, which exceeds in keeping 700+ foreign bases and numerous smaller hidden operations all over the world, violates, by all sources of evidence and interpretations of the law, this primary article that was signed in the aftermath of the second world war and led to the creation of a global governance and fair-play mechanism known as the United Nations. How has the U.S. been fooling the world and exploiting the global rules-based international order for so many decades? By what yardstick is unilateral military aggression or 800 bases in 70 countries forwardly deployed consistent with the purposes of the United Nations?

To answer this, we must look through its military transgressions that violate not just the premise of the UN Charter that holds the rules-based international relations together, but also the Rome Statute that was signed by 120 states of the world, constituting the significant majority of the world condemning military aggressions.

If this doesn't sound alarming, then consider the following scenario: by maximizing one's military scope and capabilities, well beyond what is permissible by the rules, you build a military-industrial complex that places you in a position where you hold military power over other countries to such an effect that, whether conscious or inadvertent, will influence all decisions of politics, economics, and international relations. In other words, whether you threaten another sovereign country or not, your positioning and compass serve a similar purpose to hold an axe over their necks. This is how the U.S. has created a political and economic empire by causing

sheer duress to others.

Through this coercive effect, over other countries that openly violates the UN Charter, the US dollar is virtually sustained as the top currency, not by its inherent value, but through coercion. It seems that Americans adhere to and hold a political stance traced back to Adolf Hitler, that of hyper-nationalistic, dreams of conquering, subjugating, and dictating the entire world.

If one believes that the United States of America is a country built upon liberal values, and, its economic success is a result of its productivity, it may be wise for you to keep the ground realities in mind. Its power and status are a result of its excessive violation, transgression of rules, and deception, through the rules-based international order it created in the name of peace-making.

People have started to question whether the United States of America is a “rogue” country; some people call it a “cowboy” country that loves fighting and will create an enemy for sporting purposes to fulfill its “reasonable” hobby of hunting people and countries. I use a little sarcasm to remind people of the grave trivialization they make of the loss of innocent lives, injustice, and tyranny that enshrouds the entire world by means of breaking internationally agreed upon laws, statutes and treaties.

What’s clear to me from these studies and observations is that conquering and dominating the entire world and attaining all its wealth, will hardly satisfy, or bring happiness to anyone. What it will bring is the emotional damage of all the lying and cheating that made it possible to achieve this.

What’s important to learn from this episode is that we collectively develop a good understanding of the highest human good in terms of Aristotelian ethics, questioning what of the following brings true happiness to humans. Is it world domination or sincere international relations? Is it deception or honesty? Is it fraud or is it fair play?

If we don’t take heed, we will surely repeat these mistakes like the Americans, who antagonized Russia to a war with Ukraine, destroyed the sanctity of international law and international institutions of global governance, and tried to get ahead with deception and foul play. If the United States of America, doesn’t course correct into its rightful role that of a responsible international player it would be safe to assume that it itself is the greatest existential threat to the world.

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