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## Beyond 2023: Paradigm Shifts in Current China-West Relations



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# Coexistence or Competition: China-US Relations Re-Examined

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Prior to 2023, there were hopes of a thaw in China-US relations after a fruitful meeting between the Chinese and US Presidents in Bali, Indonesia, on November 14, 2022. The two leaders showed a strong desire to put China-US relations back on track. However, initial developments in 2023 seemed to go against the expectations of most international analysts. Having witnessed ups and downs, international society, especially those concerned with global peace and development, voiced apprehensions and anxieties over whether the two countries could steer the relationship out of turbulent waters.

In the latter half of the year, the world breathed a collective sigh of relief when the Chinese President Xi Jinping and US President Joe Biden held a meeting in Woodside on November 15, 2023. According to Xinhua News Agency, the two heads of state "had a candid and in-depth exchange of views on strategic and overarching issues critical to the direction of China-US relations and major issues affecting world peace and development." The two presidents "acknowledged the efforts of their respective teams to discuss the development of principles related to China-US relations since the meeting in Bali." They "stressed the importance of nations treating each other with respect and finding a way to live alongside each other peacefully, and of maintaining open lines of communication, preventing conflict, upholding the UN Charter, cooperating in areas of shared interest, and responsibly managing competitive aspects of the relationship."<sup>1</sup>

<sup>1</sup> "Xi, Biden Talk on Strategic Issues Critical to China-US Relations, World," *Xinhua*, November 16, 2023, <https://english.news.cn/20231116/05437ba269b-c4ba498951f42f7100eb5/c.html>.

Both China and the US understand the significance of a stable bilateral relationship for their respective national interests, as well as global peace and development. However, it will take time to acknowledge and adapt to new realities in the relationship, fill the gap in mutual confidence, reach and foster joint visions for future development, and build the trust needed to assure normal and steady development.

### **A New Normal Emerged in China's Responses to US Antagonism**

The path of the China-US relationship since the ice-breaking trip to Beijing by President Nixon around 50 years ago has been overall positive, but with many twists and turns. Until recently, a "new normal" has gradually come into being in the interactions between the two countries, characterized by more "assertive" reactions from China in response to a more aggressive US foreign policy. This shift is a reaction to changing US perceptions and the corresponding policies toward China.

During the Cold War, the USSR was seen as the biggest threat by the US and the driving force behind President Nixon's trip to Beijing. China, amid tensions with the USSR, responded positively, leading to the de facto strategic relationship between China and the US. After the collapse of the USSR in the 1990s, the US was left as a unipolar superpower. The 9/11 terrorist attacks in 2001 prompted the US to refocus on international terrorism as the preeminent global threat, and to seek China's cooperation, which aligned with China's national security concerns. Common threats drove the two countries to work together.

As the US shifted focus away from the war on terror, threat perceptions changed. China became increasingly perceived as a threat. In the February 2015 "National Security Strategy" under the Obama administration, worries were voiced, but the emphasis remained on cooperation with China. "The scope of our cooperation with China is unprecedented, even as we remain alert to China's military modernization and reject any role for intimidation in resolving territorial disputes."<sup>2</sup> In December 2017, the "National Security Strategy" issued by the Trump administration characterized China and Russia as top challengers, and stated that "China and Russia challenge American power, influence, and interests, attempting to erode American security and prosperity."<sup>3</sup> This view was further emphasized in the October 2022

<sup>2</sup> White House, *National Security Strategy*, October, 2015, [https://obamawhitehouse.archives.gov/sites/default/files/docs/2015\\_national\\_security\\_strategy\\_2.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/2015_national_security_strategy_2.pdf).

<sup>3</sup> White House, *National Security Strategy*, December, 2017, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

"National Security Strategy" under the Biden administration, identifying that "The PRC is the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to advance that objective."<sup>4</sup> The gradual escalating tone in these official documents illustrates the gradual antagonistic shift of the United States' rhetoric and foreign policy towards China.

Biden has stated the US does not seek to contain China, but actions paint a different narrative. The Biden administration introduced an unambiguous China policy in its first "National Security Strategy," which stated "strategy toward the PRC is threefold: 1) to invest in the foundations of our strength at home – our competitiveness, our innovation, our resilience, our democracy, 2) to align our efforts with our network of allies and partners, acting with common purpose and in common cause, and 3) compete responsibly with the PRC to defend our interests and build our vision for the future. The first two elements – invest and align – are described in the previous section and are essential to out-competing the PRC in the technological, economic, political, military, intelligence, and global governance domains."<sup>5</sup> The document did not use the word "containment," but the explicit context describes a containment strategy.

### **The China-US Relationship Is Nuanced**

Despite tensions, maintaining a stable bilateral relationship is in the interests of both countries and the greater world. Recent developments have shown that complexities in the China-US relationship should not be evaluated with traditional major power political paradigms.

The Biden administration oft says "competition" when describing the China-US relationship, and this mindset is reflected in various official documents and speeches from senior US officials. Despite this stance, "competition" fails to depict the full context of China-US relations. Compared to any other bilateral relationship, the China-US relationship is far more significant in terms of the domains it covers, the extent of mutual interdependence that has developed in various fields, the necessity for a stable evolution for the interests of both nations, and the overall well-being of the greater world.

<sup>4</sup> White House, *National Security Strategy*, October, 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

<sup>5</sup> Ibid.

There are some sharp differences between China and the US in terms of national interests, political systems, economy, and ideology. On the other hand, the two nations share many commonalities that encourage cooperation. As two important members of the United Nations Security Council, the two nations share common responsibilities and must cooperate rather than compete to preserve global and regional peace and stability. This is extremely important considering the turbulent security situation of the contemporary world. Other pending challenges, global and regional, such as climate change and public health, remain, and require multilateral cooperation to tackle. Additionally, mutually beneficial economic interdependence between the two nations, as bilateral markets and investment sources, necessitates dialogue and cooperation.

As a mentality, "competition" may be a lens that misleads America's understanding of China's behaviors in the international system by fostering pessimistic misconceptions of intent. For example, China, Iran, and Saudi Arabia issued a trilateral joint statement in March 2023, declaring that the latter two had agreed to restore diplomatic relations, signifying the end of long-held hostility between the two countries. Yet, China's role in delivering this peace was seen pessimistically by many US observers as a move to compete for regional influence that undermined US interests.

As an approach, "competition" will not be helpful in the establishment of much needed mutual confidence. While the US sees China as a "pacing challenge," China is wary of America's policy intentions towards China, especially when the US has listed "out-competing China" at the top of its global priorities. "Competition" will only serve to enlarge this gap of confidence. As stated by He Yafei, former Chinese Vice Foreign Minister, "Strategic competition is not what China wants. That is a misjudgment based on US retrospection about bilateral relations over the years – which may not change in the near term. The crux now is how to cage the differences and arrest the free-fall, while at the same time striving for cooperation via dialogue and confidence-building measures."<sup>6</sup>

In handling disputes the two nations face, "competition" can only lead to consequences that both wish to avoid. The US has obstinately pursued some policies irrespective of China's national interests on issues vital to China's sovereignty, including the ones related to Taiwan, Hong Kong,

6 He Yafei, "China, US Should Cage Vicious Competition to Turn Around Bilateral Ties," *Caixin Global*, December 21, 2020, <https://www.caixinglobal.com/2020-12-21/he-yafei-china-us-should-cage-vicious-competition-to-turn-around-bilateral-ties-101641771.html>.

Xinjiang and Tibet. These policies have become a major stumbling block in the development of China-US relations. Inevitably, forcing "competition" will escalate China-US tensions and conflicts in a vicious cycle to the detriment of all.

At Woodside on November 15, 2023, Chinese President Xi Jinping stated, "In this respect, the number one question for us is: are we adversaries, or partners? This is the fundamental and overarching issue. The logic is quite simple. If one sees the other side as a primary competitor, the most consequential geopolitical challenge and a pacing threat, it will only lead to misinformed policy making, misguided actions, and unwanted results."<sup>7</sup> The China-US relationship has evolved beyond a reductive mindset of "competition" that fails to encapsulate a nuanced relationship which requires contextual long-term strategic vision to unpack.

### Coexistence Is the Only Way

China takes a nuanced view of the complex China-US relationship and has refused to use the word "competition" to define the relationship. At the Woodside meeting, Xi said, "We are in an era of challenges and changes. It is also an era of hope. The world needs China and the United States to work together for a better future. We, the largest developing country and the largest developed country, must handle our relations well. In a world of changes and chaos, it is ever more important for us to have the mind, assume the vision, shoulder the responsibility, and play the role that come along with our status as major countries." He later added, "China is ready to be a partner and friend of the United States. The fundamental principles that we follow in handling China-US relations are mutual respect, peaceful coexistence and win-win cooperation."<sup>8</sup>

Although the US has continued to use "competition" in its policies towards China, there seem to be some subtle changes. US Secretary of State Antony Blinken, speaking at the Council on Foreign Relations, June 28, 2023, stated that "this is more about getting to a place where we have peaceful and maybe somewhat more productive coexistence between us, because the bottom line is this: China's not going away, we're not going away, so in the first instance we have to find a way to coexist and coexist peacefully."<sup>9</sup> It is unclear whether there will

7 Xi Jinping, "Galvanizing Our Peoples into a Strong Force for the Cause of China-US Friendship," transcript of speech delivered at Woodside, California, November 15, 2023, [https://www.fmprc.gov.cn/eng/wjdt\\_665385/zyjh\\_665391/202311/t20231116\\_11181557.html](https://www.fmprc.gov.cn/eng/wjdt_665385/zyjh_665391/202311/t20231116_11181557.html).

8 Ibid.

9 Zhao Huanxin and Wang Qingyun, "Blinken: Peaceful Coexistence 'Base Line' of Ties," *China Daily*, June 30, 2023, <https://global.chinadaily.com.cn/a/202306/30/WS-649da404a310bf8a75d6c65f.html>.

be a significant shift in US policy towards China, but Blinken's point illuminates at least some common ground between the two countries.

Both China and the US have expressed desire for a steady bilateral relationship, however, this will be difficult, taking into account of past experiences. There is no easy remedy, and sincere efforts will be required to coexist and jointly tackle imminent global issues.

Regarding the China-US relationship, during the summit meeting in Woodside, the Chinese President observed that "Planet Earth is big enough for the two countries to succeed, and one country's success is an opportunity for the other."<sup>10</sup> The world should maintain logical optimism that the US and China can coexist peacefully. For the sake of China, the US, and the greater world, we must all live, let, and respect each other.

<sup>10</sup> Xinhua, "Xi calls on China, US to Find Right Way to Get Along," *China Daily*, November 16, 2023, <https://www.chinadaily.com.cn/a/202311/16/WS65556111a31090682a5ee63e.html>.

# The Mythology of US-China Insecurity: Past as Prologue?

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*"We are in the midst of a strategic competition to shape the future of the international order... The People's Republic of China harbors the intention and, increasingly, the capacity to reshape the international order in favor of one that tilts the global playing field to its benefit... Autocrats are working overtime to undermine democracy and export a model of governance marked by repression at home and coercion abroad."<sup>1</sup>*

- President Joe Biden

*"Western countries headed by the United States have contained, encircled and suppressed China in an all-round way, bringing unprecedentedly severe challenges to China's development... In the face of profound and complex changes in the international and domestic environment, we must remain calm, maintain firm resolve, pursue progress while ensuring stability, demonstrate enterprise in our work, unite as one, and have the courage to carry on our fight."<sup>2</sup>*

- President Xi Jinping

- 1 White House, *National Security Strategy*, October 12, 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.
- 2 "Xi Calls for Guiding Healthy, High-Quality Development of Private Sector," *Xinhua*, March 7, 2023, <https://english.news.cn/20230307/0544c3082cb4da2aa015ec242a844a2/c.html>.

Policy documents, leadership remarks, official statements, and Congressional testimonies recorded since Donald Trump became US President defined, refined, and articulated Washington's "great-power competition with China" grand-strategic framework.<sup>3</sup> China's responses, leavened with occasionally robust rebuttals, disparaged as "wolf-warrior diplomacy,"<sup>4</sup> illuminated contradictory beliefs in rights and righteousness. Trump's tariff/trade war "evolved into a so-called cold war."<sup>5</sup> Early in his presidency, Biden asserted his determination to prevent China from fulfilling its two-centenary goals "under my watch." Meanwhile, China's envoy in Washington affirmed, "Our goal is not to compete with or replace any other country. This is never in our national strategy."<sup>6</sup>

- 3 Director of National Intelligence, *Annual Threat Assessment*, February 6, 2023, <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2023-Unclassified-Report.pdf>.
- 4 Pete Sweeney, "China's Wolf Warriors Start 2023 in Retreat," *Reuters*, January 10, 2023, <https://www.reuters.com/breakingviews/chinas-wolf-warriors-start-2023-retreat-2023-01-10/>.
- 5 Yukon Huang, "The US-China Trade War Has Become a Cold War," *Carnegie*, September 16, 2021, <https://carnegieendowment.org/2021/09/16/u.s.-china-trade-war-has-become-cold-war-pub-85352>.
- 6 Jarrett Renshaw et al., "Biden Says China will not Surpass US as Global Leader on His Watch," *Reuters*, March 26, 2021, <https://www.reuters.com/article/idUSKBN2BH32Z/>.
- 7 John Feng, "Satellite Image Captures US-China Warship Tension Near Taiwan-Held Island," *Newsweek*, November 7, 2023, <https://www.newsweek.com/satellite-images-us-china-taiwan-itu-aba-island-south-china-sea-1841385>.
- 8 "Xi Calls on China, US to Find Right Way to Get Along," *Xinhua*, November 16, 2023, [https://english.www.gov.cn/news/202311/16/content\\_WS6555438ac6d-0868f4e8e143b.html](https://english.www.gov.cn/news/202311/16/content_WS6555438ac6d-0868f4e8e143b.html); White House, *Read out of President Joe Biden's Meeting with President Xi Jinping of the People's Republic of China*, November 14, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/11/15/readout-of-president-joe-bidens-meeting-with-president-xi-jinping-of-the-peoples-republic-of-china-2/>.

Then, amidst tensions,<sup>7</sup> in November 2023, the two leaders, Xi and Biden, met up in Woodside where both proclaimed success in restoring a measure of "normalcy." They agreed to resume military-to-military exchanges, discontinued after then-Speaker Nancy Pelosi's visit to Taiwan, including at ministerial and operational-command levels, revive economic, commercial, and scientific-technological discussions, and collaborate on reducing climate-changing carbon emissions. China agreed to prevent potential narcotic-precursor exports, while the US pledged to focus its semiconductor-related trade-restrictions on "national security concerns" whose parameters remained undefined.<sup>8</sup> The leaders appeared to receive each other with renewed warmth, spearheading agreements, seemingly placing a floor under dynamics which, left unmanaged, threatened to trigger catastrophic escalation. Optimism notwithstanding, symptoms of persistent fundamental differences dividing the two powers soon reappeared. How they got here might illustrate where they are going.

### Military Moves Ratchet Up Tensions

The tense military-edge to US-China contention continued an upward trajectory. Post-summit, US forces deployed near China resumed frequent aerial/naval operations in proximate waters and air-spaces which Beijing had historically held. Beijing challenged Washington's claims of "legality," denouncing the US "for violating Chinese sovereignty" and describing it as "the biggest threat" to peace and stability in the South China Sea (SCS). Days later, as the littoral combat ship USS Gabrielle Giffords transited the Ren'ai Reef, and "sailed into

Chinese waters without prior notification and violated Chinese law," the PLA Southern Theater Command "organized naval forces, tracked and monitored the US vessel throughout its entire course on high alert."<sup>9</sup>

The potential for inadvertent clashes between the two forces increased due to further congestion resulting from contingents planning, preparing, and training for worst-case scenarios. This congestion represents conflicting perspectives on rights, responsibilities and jurisdictions.<sup>10</sup> Concerns that incidents might spiral rapidly out of control, turning minor confrontations into deepening crises, were rife.<sup>11</sup> This tense atmosphere pervaded encounters, and given the long-term attention from various international actors on the SCS, how to deescalate incidents without creating bitterness that would taint final outcomes remained unclear.

### Contradictory Countercurrents

China's formative encounter with the West juxtaposed two mutually exclusive paradigms: firstly, a strand linking Anglo-US state-enforced opium infusion, the Opium Wars, consequent "unequal treaties," the sacking of the Summer Palace, Chinese Exclusion Acts, the Taiping Rebellion, persistent violence culminating in the Boxer Rebellion, and extirpation by the Eight-Nation Alliance, driven by tendencies illustrated by Kaiser Wilhelm's "Hun Speech" to German troops departing Bremerhaven to lift the siege of Beijing.<sup>12</sup>

Donald Trump's 2019 expression of concern that China was "getting ahead of us," former Director of Policy Planning Kiron Skinner's assertion that while the Cold War with Russia had been a "big fight within the Western family," China was "a different civilization, different culture, the first non-Caucasian" rival to US power, and US Commerce Secretary Gina Raimondo's alarmist insistence that "the threat from China is large and growing; China wants access to our most advanced semiconductors, and we cannot afford to give that access," illuminated subliminal, occasionally overt, ethno-cultural prejudices charging Sino-US perceptual dialectics.<sup>13</sup>

Still this bitterness was accompanied by remarkably amicable Sino-US official engagements. The 1868 "Burlingame-Seward Treaty" modified the 1858 Treaty of Tianjin's stern provisions. After "treaty-powers"

9 Qi Wang and Xuanzun Liu, "PLA Slams US Navy Ships for Illegally Intruding Into Water Near Ren'ai Jiao, Violating Chinese Sovereignty, Regional Stability," *Global Times*, December 4, 2023, <https://www.globaltimes.cn/page/202312/1302997.shtml>.

10 Jonathan Landay, "US must be Ready for Simultaneous Wars with China, Russia, Report Says," *Reuters*, October 13, 2023, <https://www.reuters.com/world/us-must-be-ready-simultaneous-wars-with-china-russia-report-says-2023-10-12/>.

11 Ministry of Foreign Affairs, "America's Coercive Diplomacy and Its Harm," Beijing, May 22, 2023.

12 Kevin Waite, "The Bloody History of Anti-Asian Violence in the West," *National Geographic*, last modified May 10, 2021, <https://www.nationalgeographic.com/history/article/the-bloody-history-of-anti-asian-violence-in-the-west>.

13 Emma Hurt, "President Trump Called Former President Jimmy Carter to Talk About China," *NPR*, April 15, 2019, <https://www.npr.org/2019/04/15/713495558/president-trump-called-former-president-jimmy-carter-to-talk-about-china>; Skinner K, "Remarks at Future Security Forum. DoS/New America," Washington, April 29, 2019; Raimondo to Morgan Brennan, CNBC, Simi Valley, December 4, 2023.

urged Beijing to "adopt a more Western approach to diplomacy and governance," Prince Gong, leader of the Qing Court's Office in Charge of the Affairs of All Nations (Zongli Yamen, or "总理衙门" in Chinese), invited Anson Burlingame (known as Pu Anchen, or "蒲安臣" in Chinese), then US Minister to Beijing, to accompany China's first embassy to Washington, London, Paris, and Berlin. Resigning his diplomatic station to assume the delegation's leadership, Burlingame negotiated with Secretary William Seward an unprecedented treaty premised on Sino-US equality, reciprocity, mutual respect, and shared benefit. Chinese nationals gained the same rights to travel, reside, trade, work, and access educational facilities in the US, as US nationals enjoyed in China; the decision to begin development projects or new construction in China belonged with Beijing, "not foreign powers or their representatives." Formally assuring China of its territorial and administrative integrity, the treaty tacitly inducted China into the Western international community as a peer member.<sup>14</sup>

Although short-lived, the treaty showed what enlightened statesmanship could achieve. Three decades later, US Secretary of State John Hay initiated the Open Door policy. Designed to extend the US "most-favored nation" benefits, and promote "a free, open market" offering "equal opportunity" for foreign traders in China alongside "respect for China's administrative and territorial integrity," the framework became US policy in early 20<sup>th</sup> century. Hay urged other "treaty-powers" to abandon their privileges and level the China-trade playing field via uniform tariff-impositions, to be enforced by Chinese (rather than foreign) officials. After the Qing Court endorsed the policy and other relevant countries accessed, Open Door's implementation was interrupted by the Boxer Rebellion, and foreign armies fighting to secure privileges across east China. Ironically, the contradiction between Hay's Open Door policy and Washington's determination "to close the door on Chinese immigration," exposed tensions inherent in US-China relational-dynamics.<sup>15</sup>

### **Displacement Anxiety: Systemic Explanations of Sino-US Divergences**

International relations theoretical-frameworks, e.g., liberalism, constructivism, and neorealism, partly explain processes generating China-US tensions. Constructs like balance-of-power, power-shift, and power-diffusion can supplement such examinations. Systems theory grants greater clarity.<sup>16</sup> Weeks after the Soviet Union's collapse,

14 OTH, "The Burlingame-Seward Treaty, 1868," DoS, last modified April 8, 2018, <https://history.state.gov/milestones/1866-1898/burlingame-seward-treaty>.

15 OTH, "SoS John Hay and the Open Door in China, 1899-1900," DoS, last modified April 8, 2018, <https://history.state.gov/milestones/1899-1913/hay-and-china>.

16 Eric Hamilton, "Systems Theory," in *Oxford Bibliographies in International Relations* (Oxford: Oxford University Press, 2018); Norwich University, "Key Theories of International Relations," last modified November 23, 2023, <https://online.norwich.edu/key-theories-international-relations>.

the hitherto-bipolar "systemic-core" transmuted into a singularity, and the system itself was transformed into a unipolar-structure. US national-security elites drafted analyses precipitating grand-strategic formulations designed indefinitely to extend US systemic-primacy by forcefully preventing the rise of any USSR-like rival-power anywhere, specifically Europe, the Middle East, East Asia, and Latin America.<sup>17</sup>

China-US relations were fraternal for most of the late 20<sup>th</sup> century. Politico-military hiccups occurred intermittently, the last when USAF bombers destroyed the Chinese embassy in Belgrade, triggering outraged protests. US policymakers truly focused on China in mid-1999. The Office of Net Assessment (ONA), identifying China as an emerging constant competitor, predicted it would, by applying its growing wherewithal, become willing and capable of edging into the systemic-core, thus restoring a bipolar core-and-systemic structure, in contrast to US unipolarity. India was identified as a potential destabilizer amenable to employment as a counter-China ballast.<sup>18</sup> This seminal study triggered policy-transformation with swift Congressional action.

The National Defense Authorization Act for Fiscal Year 2000 forbade all military engagements with China; the National Defense University was instructed to research PLA activities; the Defense Intelligence Agency was ordered to submit annual reports on China; and a Congressional commission was "formed to analyze security-implications of China-US trade-relations." President Clinton cultivated India and Vietnam. Barack Obama's Asian-pivot, and Trump's tariff-war were waystations on the "competition-trajectory." Washington and Beijing have a choice: will the 1868 China-US treaty be the blueprint for their future relations? That is the question.

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17 DoD, *Defense Planning Guidance, FY 1994-1999*, April 16, 1992, <https://www.archives.gov/files/declassification/isca/p/2008-003-docs1-12.pdf>.

18 Under-Secretary of Defense, *Asia 2025*, August 4, 1999, <https://archive.org/details/UnderSecretaryofDefenseUSD-Policy1999SummerStudyFinal-ReportASIA2025>.

# China-West Relations in Potential Paradigm Shift

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*"Man must evolve for all human conflict a method which rejects revenge, aggression, and retaliation."<sup>1</sup>*

*- Martin Luther King Jr.*

1 Martin Luther King Jr., "Martin Luther King Jr. Acceptance Speech," transcript of speech delivered at the University of Oslo, Oslo, December 10, 1964, <https://www.nobelprize.org/prizes/peace/1964/king/acceptance-speech/>.

2 "Xi-Biden Summit Yields Agreements on Cooperation with Xi Outlining Pillars for Ties," *Xinhua*, November 16, 2023, <https://english.news.cn/20231116/9765b-31136c64b5d9a0c-673c6154bed9/c.html>; "Chinese Premier Co-Chairs 24th China-EU Summit with EU Leaders," *Xinhua*, December 8, 2023, <https://english.news.cn/20231208/1812961539fc4a7e925ce30a81d41177c.html>.

In late 2023, two significant diplomatic events unfolded. The first took place at the China-US summit in Woodside on November 15, followed by the 24<sup>th</sup> China-EU Summit in Beijing on December 8.<sup>2</sup> Against a turbulent background in China-US and China-EU relations over last few years, these events signal a potential paradigm shift, prompting a closer examination of China-West relations.

## The Past as the Present

Reflecting on the past, we must consider the lens through which we evaluate Chinese bilateral relations with the US, EU, and the West as a whole. It seems reasonable to regard the two summits and the possible subsequent improvements in bilateral relations as outcomes of complicated strategic competition fueled by a more aggressive US

foreign policy in economic, political, and technological arenas.

A series of US de-risking policies, technological protectionism, and a trade war strained China-US relations. Puzzlingly, these policies did little to service mainstream US economic and foreign policy interests. Conversely, sanctions and blockades pushed Chinese public and private actors to seek new avenues and partners, to the detriment of the US hegemony.

Despite this negativity, there have also been recent developments towards peace and compromise. At the Filoli Estate in Woodside, California, reaffirming the five commitments he made at the Bali summit, US President Joe Biden said that the US does not seek a new Cold War, it does not seek to change China's system, it does not seek to revitalize alliances against China, it does not support "Taiwan independence," and that it has no intention to have a conflict with China.<sup>3</sup>

Later, during the China-Europe summit in Beijing, both Charles Michel, President of the European Council, and Ursula von der Leyen, President of the European Commission, conveyed optimism regarding future development of China-EU relations. Stressing the importance of these relations, they emphasized the EU's commitment to avoiding decoupling from China and expressed interest in building a long-term, stable, and sustainable relationship.<sup>4</sup>

These summits and other developments seem to indicate a thaw in China's relations with the West after years of collisions, friction, probing, and bottoming out.

## Modern Context

In the contemporary context, understanding the essence of China-West relations at this tentative new stage raises two key points. On the one hand, this phase is not a simple return to the pre-Trump era. In Western perceptions of China, two elements persist: a constant and a change. The constant is that most Western nations still view China through a static ideological lens, and hold the misconception stemming from a Cold War-era mentality that simplifies complex interactions and cultures into a binary paradigm. The change refers to China's power position. Through four decades of development, China has become a pivotal

<sup>3</sup> "Xi, Biden Talk on Strategic Issues Critical to China-U.S. Relations, World," *Xinhua*, November 16, 2023, <https://english.news.cn/20231116/05437ba269bc-4ba498951f42f7100eb5/c.html>.

<sup>4</sup> "Chinese Premier Co-Chairs 24th China-EU Summit with EU Leaders," *Xinhua*, December 8, 2023, <https://english.news.cn/20231208/1812961539fc4a7e925ce30a81d41177/c.html>.

world power, which has fueled "China threat theory" and other hawkish paradigms in pessimistic minds. Both the constant perception and the change in China's power make it increasingly challenging for Western countries to approach China with the same calm mindset they had prior to 2018.

On a more optimistic note, relations between China and Western nations post-summits stopped deteriorating and regained a semblance of stability. Current US policy seems to signal a less aggressive tone, but the duration of this shift, whether it is a temporary calm incentivized by a US presidential election year, remains unclear.

Qualms and calms aside, the reality is that China is too big a part of the multipolar world to exclude. At this juncture, attempts to contain China simply create a mutually assured loss scenario for all involved. How much longer the US will maintain a more conciliatory tone is unclear, but regardless of foreign policy, the simple reality is that China is here to stay. An interesting piece of this puzzle are the opinions of European-origin nations nominally aligned with the US, but who may seek more non-confrontational approaches with China, including Australia under new Prime Minister Anthony Albanese and France under President Emmanuel Macron.<sup>5</sup>

If we could characterize the relationship between China and the US before the two summits as the US on offense and China on defense, we could characterize the current relationship as a strategic stalemate. The upcoming 2024 US elections likely factor into this outcome. US politicians seeking office will attempt to harness anti-China sentiment, whilst simultaneously presenting themselves as both peacemakers and as economy-first candidates for the average Americans. We will likely see some turbulence, reversals, and instability in US rhetoric regarding China next year as these contradictory paradigms clash.

Considering this instability, certain predictions can be made. The US administrative authorities and Congress might take contradictory actions to disrupt China while ensuring overall control. The Biden administration is unlikely to drop technological sanctions against China. With the restoration of military communications between China and the US as a safety net, there may even be an increase in frictions in the waters surrounding China. In a word, China-US relations are at a strategic

<sup>5</sup> "Xi holds talks with French president," *Xinhua*, April 6, 2023, <https://english.news.cn/20230406/0f-de3f8283764ae6ab-ce325b91741705/c.html>; "China, Australia embark on right path of improving ties: Xi," *Xinhua*, November 7, 2023, <https://english.news.cn/20231107/4f6e806eb-f684b53957d4714d7e59a1e/c.html>.

stalemate, with no significant or substantial improvements expected in the next year as the US prepares for a volatile 2024 presidential election.

### Eyes on the Future

Looking ahead, it is essential to clarify certain major stances to chart a way forward for China-West relations.

Firstly, the US-led Western bloc must formulate their policies towards China based on the undeniable reality of economic interdependence among the countries, which has also been supported by theories including "division of labor" and "market economy." Attempts to divide the world into binary factions reflect a cynical Cold War mentality, a paradigm which does a disservice to the entire world with narrowed supply chains and increased transaction cost. More and more people have recognized China's pivotal position in the world, and realized that decoupling with China is not a feasible option, economically or geopolitically.

Secondly, while competition between China and the West is inevitable, it is crucial to distinguish between constructive and destructive competition. Examples of constructive competition include enhancing educational facilities, optimizing industrial structures, and creating innovative technology, all of which provide existential value. Destructive competition, on the other hand, includes disruption of global supply chain, engaging in protectionism, initiating proxy wars, and other "net negative" actions that seek to jam competitors for shortsighted gains. In the long run, pursuit of destructive competitive tactics will backfire not only on the initiator, but on the entire world.

Lastly, the supposition of de-risking stands on two false premises. The first is that international industrial dependence may lead to coercion or intimidation. The second is that there may be wars between China and Western nations in the future. The nuanced reality is that neither of these is true, and that economic coercion always has a negative boomerang effect. For example, the weaponization of the SWIFT system against Russia created uncertainty in the inherent system and potentially triggered global de-dollarization.<sup>6</sup> It is time to acknowledge that de-risking policies, ostensibly claiming to avoid conflict, may have become self-fulfilling prophecies, manifesting what they claimed to guard against.

<sup>6</sup> Liao Zhengrong, "De-Dollarization Is General Trend, but 'De-Weaponization of the Dollar' Is More Urgent," *Global Times*, April 21, 2023, <https://www.globaltimes.cn/page/202304/1289549.shtml>.

# China-US Relations Post-Woodside – Rhetoric and Reality

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Chinese President Xi Jinping and his US counterpart Joe Biden met in Woodside, to the south of San Francisco on November 15, on the sidelines of APEC 2023.

This historic summit demarcated the first in-person exchange held between the two leaders since their meeting in Bali in November 2022, and the subsequent weather balloon incident that occurred earlier this year. At this critical juncture in the bilateral relationship, the two leaders' four-hour discussion surveyed a wide range of areas over which the two preeminent powers of the world agree, disagree, compete, and cooperate. Both positives and negatives were thoroughly examined in, as Biden stated, "some of the most constructive and productive discussions we've had."

Much ink has been spilled on the significance of this meeting to the China-US bilateral relationship. Yet to grasp the full context, we must first unpack the structural forces that have remained largely intact in Sino-American relations before considering present and future incidental forces influencing the short- to medium-term. Only then may we finally return to the question at hand: how should those advocating better relations between the two powers continue to take up the mantle as we head into 2024?

## The structural fundamentals remain the same.

Mere weeks after the Woodside meeting, the Biden administration introduced a slew of technological export bans, blockades, and targeted sanctions – coupled with declarative statements issued by US Commerce Secretary Gina Raimondo that "We cannot let China get these chips. Period."<sup>1</sup> The two leaders did not expressly rule out technological competition in their talks; yet one could be forgiven for thinking that the rapprochement in China-US relations, to the extent it is sincere, would give US politicians and lawmakers pause over advancing measures aimed at curbing China's technological developments.

We must not neglect a fundamental fact that has not changed since the Woodside meeting. Given China's status as a theoretical contender to American supremacy and hegemony across geo-strategic, military, technological, and economic fronts, there exists an innate urge within the American political establishment to "keep China down." It is evident – and ideal – that in recent years, Beijing has adopted a pragmatic and results-oriented approach to handling the doctrinaire sense of American entitlement and resisted pressures to lash out irresponsibly. It is also clear that Biden and his closest aides and advisors on foreign policy have sought to define and abide by certain boundaries. These boundaries are aimed at managing the level to which the existential angst in the American establishment would inflame tensions over the Taiwan Strait and the South China Sea. After all, the US can ill afford to be embroiled in further military conflicts today.

Yet the undergirding logic of great power rivalry has not been altered by the two leaders' meeting – a vast majority of the lobbyists, think-tank strategists, and politicians in Washington have yet to accept an ascendant Beijing. Beijing, on the other hand, remains deeply alarmed by the avowed intentions of many in the US Congress, especially Republicans, who portray China as a threat to American interests and have sought to justify "containment" measures directed against China in the name of US interests. Mutual skepticism persists between the political establishments on both sides of the Pacific.

Such perceptions arise from discomfort with China's economic rise. Few countries in the world's history have accomplished what China has managed to do with its economy through the dexterity, ingenuity,

<sup>1</sup> Ari Hawkins, "Raimondo chides Congress on China tech threat," *Politico*, April 12, 2023, <https://www.politico.com/newsletters/weekly-trade/2023/12/04/raimondo-chides-congress-on-china-tech-threat-00129841>

and collective solidarity it displayed throughout the past forty years of reform and opening-up efforts. In 1980, China's nominal GDP was 6.7% of the US (191 billion USD to 2.86 trillion USD).<sup>2</sup> As of 2020, the ratio was close to 70% (14.69 trillion USD to 21.06 trillion USD). For comparison, US scholars and commentators began sounding the alarm over the ostensible threat posed by Japan's prowess as a manufacturing giant and rival to the US in the early 1980s; in 1980, Japan's nominal GDP was no more than 39% of the US GDP.

For a power that has grown so accustomed to de facto unipolarity since the late 1980s, America's elite came to feel fundamentally anxious about the preeminence of a country that appears to be so different, institutionally, and culturally, from itself. Presidents Donald Trump and Joe Biden did not see eye-to-eye over many issues, yet both men agreed on the ostensible need for America to constrain and limit China's technological and economic ascent – the former pursued a reckless, unilateralist "trade war"; the latter sought to strengthen existing multilateral frameworks and weaponize legally ambiguous sanctions to target Chinese exports. Consequently, Beijing's suspicions towards the US are by no means unwarranted.

We should also remember that the US today remains deeply divided and unequal. The beneficiaries from globalization – which was hypothesized to eventually lift all boats – never saw the imperative to redress the suffering and plight of the "losers." The Rust Belt is a case in point: workers displaced by an amalgamation of automation and globalization have found themselves unable to transition to new, gainful employment. Since the late 1970s, inflation-adjusted pay for most US workers has remained largely stagnant, whilst the country's highest earners have experienced an astronomical increase in wages.<sup>3</sup> The American middle class is hollowed out by a US consumption glut, dearth of industrial diversification, and fundamental inability to out-compete more promising, capable rival manufacturing powers in the Global South. The sense of loss, the innate status anxiety, and the resultant mistrust of the political establishment thus gave rise to the emergence of populist candidates such as Trump – whose return to White House in 2024 is looking increasingly likely. Whilst Biden's "Inflation Reduction Act" has gone some way in creating new employment opportunities, America remains rife with socioeconomic inequalities and cultural-identitarian divides.<sup>4</sup> In face of such divisions, it is tempting – and politically

2 "GDP (Current US\$) - United States," World Bank, accessed December 20, 2023, <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=US>.

3 David Cooper and Lawrence Mishel, "America's Vast Pay Inequality is a Story of Unequal Power," *ABA*, January 6, 2023, [https://www.americanbar.org/groups/crsj/publications/human\\_rights\\_magazine\\_home/wealth-disparities-in-civil-rights/americas-vast-pay-inequality-is-a-story-of-unequal-power/](https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/wealth-disparities-in-civil-rights/americas-vast-pay-inequality-is-a-story-of-unequal-power/).

4 "The Inflation Reduction Act," House Budget Committee Democrats, last modified August 15, 2023, <https://democrats-budget.house.gov/legislation/InflationReductionAct>.

convenient – for politicians to paint China as the bogeyman, which creates an echo chamber and self-reinforcing cycle of demonization.

**Yet there were many reasons for the Woodside meeting to take place.**

Whilst the structural forces have not changed, they can be temporarily restrained and outweighed by more salient considerations – this is a fact missed by most simplistic structural deterministic accounts. President Biden is entering into an election year where his closest – and greatest – rival is currently leading him in polls across key states, despite being indicted and embroiled in ignominy over his role in instigating the January 6 riots in 2021. He is fighting hard to preserve his legacy in relation to Ukraine, which NATO has viewed and maintained to be a key linchpin in the NATO-Russia struggle. Yet he is also trying to push for increased American aid to Israel, a long-standing geopolitical partner in the Middle East region, where Washington is increasingly isolated. As it stands, Biden does not possess the legislative bandwidth or political capital to prosecute a war – directly or via proxies – over the Taiwan Strait and the South China Sea. Any further kinetic wars would prove disastrous for US grand strategy.

Furthermore, despite the tentative successes his administration has had in reining in inflation, concerns remain that the renewable transition and the possibility of regionalization of the conflict in Gaza could yield serious supply-side inflationary pressures that require the Federal Reserve to delay the slashing of rates. This could exert significant downward pressure on the economy, especially as American importers and consumers are forced to bear the brunt of the costly supply chain "re-shoring" and "friend-shoring" measures touted as necessary in mitigating against geopolitical risks. Biden needs to avoid conflicts with Beijing to raise his chances of re-election. As such, whilst the Democratic ticket will indubitably deploy harsh, bellicose rhetoric concerning China going into 2024 to mollify domestic voters, Biden is unlikely to rock the boat when it comes to rolling out substantive policy departures on "red-line" issues, such as the Taiwan question and the South China Sea. More outbound investment and export bans, as well as sanctions, should nevertheless be expected, as both parties in Congress maintain their intransigent antagonism towards China.

Symmetrically, the Chinese leadership remains committed to the notion of peaceful coexistence, as a proposal that reconciles the interests of the American people, the Democratic (and more moderate Republican) establishment, with the continued rise of China as an economic powerhouse. Beijing is keen to signal to the world that China remains a safe, open, and fundamentally stable power that does not, and will not engage in the adventurist revisionism that some have accused it of intending. Territorial and national sovereignty issues are non-negotiable, yet this does not imply that China is cavalier concerning the deployment of military force. The Woodside meeting, and the Chinese President's subsequent speech at the CEO banquet, went a long way in assuaging the exaggerated fears of many in the US business community concerning China's openness to foreign capital, willingness to collaborate with the West over core issues of international importance, and attitudes towards the US.

#### **The future of China-US relations rests with their people.**

Whether it be the new panda "envoys" that the Chinese President may send to the US, or the "50,000 American students" that the leader expressed potential interest in attracting to China, it is apparent that concrete steps were undertaken in Woodside to enhance the level of people-to-people exchanges between China and the US. This is a necessary, crucial, and most reassuring step: the future of China-US relations rests with the ability of their people to develop deep, meaningful, and transformative ties, like ties between the Chinese President and the Iowa community that hosted him in 1985.

People-to-people diplomacy must be permitted to thrive on its own, and of its own accord. Unlike politicians, individual citizens can be free of political encumbrances and partisanship, which often hinders sincere and frank exchanges. They also bring their own unique perspectives, as academics, journalists, scientists, or cultural practitioners and industry professionals. Compared with the interest-based transactions between diplomats, or the riven posturing and bluffing between governments and politicians, the default engagement mode between citizens remains more benign, more open-minded, and dynamic.

Recent efforts aimed at cooling the heat in the bilateral relationship seem to have made tentative progress. A Morning Consult poll revealed

that whilst in April 2022, over 80% of Chinese respondents saw the US as an enemy, that number had fallen to less than 50% in October 2023.<sup>5</sup> To maintain the easing momentum in China-US relations, both governments must step up efforts in facilitating people-to-people dialogue. More conferences, discussions, keynote lectures, and addresses concerning topics of mutual interests should take place. No topic should be deemed off-limits behind closed doors, and track-two meetings should take place over a wide range of areas, from climate change, to AI cooperation, and anthropological and sociological study of China through non-Westernized lenses. We must encourage individuals who see value and potential in China-US relations to contribute to deepening mutual understanding, trust, and sharing of insights and information. Only then may we make headway in preventing systemic misunderstandings and misconceptions between the two peoples.

A key cornerstone is the youth of both countries. Whilst a Pew Research survey suggested that over half of US adults aged 50 and above hold unfavorable views of China, those percentages are much lower for individuals aged 18-29 (29%) and 30-49 (37%). 23% of those aged under 30 hold net favorable views towards China, as compared with 8% for 65+.<sup>6</sup> Time could be on the side of China-US friendship, so long as China continues to open itself up for foreign visitors and travel, attract entrepreneurs and investors from the West, and double down on making international education and cultural exchanges more accessible and attractive for youth across the Pacific.

Symmetrically, American universities and educators must guard against the growing tides of neo-McCarthyism across college campuses, and put an end to initiatives that have intimidated Chinese scholars and students alike, eschewing benign and mutually constructive collaboration. The best means for youth of any country to see the virtues and merits of other countries is for them to travel abroad, learn from their fellow peers, and to develop a deeper and more multi-dimensional understanding of the world at large. The US must not forget and jettison a virtue that made it a great power in the first place – the embrace of intellectual pluralism.

The world is large enough to accommodate two great powers. Hope for realizing that vision lies with the peoples – especially the youth – of China and the US.

5 Scott Moskowitz, "The State of U.S.-China Relations: H2 2023 Report," *Morning Consult*, November, 2023, <https://pro.morningconsult.com/analyst-reports/china-us-relations-2023-report>.

6 Laura Silver et al., "Americans Are Critical of China's Global Role and Relationship with Russia," *Pew Research Center*, April 12, 2023, <https://www.pewresearch.org/global/2023/04/12/americans-are-critical-of-chinas-global-role-as-well-as-its-relationship-with-russia/>.

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# In the Wake of Recent Summit: A New Status Quo for China-US Relations

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As unipolarity melts, countries are compelled to face with sober senses, their real position in the international system. The most sensational relationship by far must be between China and the US. In the foreseeable future, China and the US will join hands to shape the world we live in. From their interaction, a brand-new world order will emerge.

## Ruling and Rising Power Syndromes

When assessing China-US relations, we often analyze them within the framework of power transition theory or Thucydides's Trap. In his seminal work, *Destined for War*, Graham Allison identifies the inherent tension between newly emerging powers and existent powers as a potential source of structural stress.<sup>1</sup>

Ruling power syndrome is characterized by an established power's heightened sense of insecurity and fear in response to the ascent of emerging powers. On the other hand, rising power syndrome underscores the desire of the ascendant power to gain recognition and respect in terms of international status.

The interactions between China and the US can be partially observed through this lens. The pivotal shift in US grand strategy occurred abruptly during the second decade of the 21<sup>st</sup> century. Upon recognizing the rapid ascent of China, Washington swiftly redirected its foreign

<sup>1</sup> Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* (London: Scribe Publications, 2017).

policy agenda, attempting to reallocate resources back to the Asia-Pacific region. James Steinberg, who served as the Deputy Secretary of State to Hillary Clinton, argued that this strategic pivot in the second term of the Obama administration was "premature," as articulated in his book.<sup>2</sup> The political environment inside the Beltway constrained the options for those advocating a more dovish approach, and the engagement policy was convicted as a significant mistake in China-US relations. James Steinberg and his concept of strategic reassurance were set aside, even when the Democrats returned to office. Rhetoric preceded and dominated actions. Panic ensued, ultimately giving rise to the phenomenon of Trump.

China also encountered challenges, whether driven by the top-down evolution of its grand strategy, shaped by the bottom-up demands of economic growth, or simply shocked by the sudden hawkish shift in US foreign policy – or perhaps a combination of these factors. China found itself dealing with an existent power that became increasingly threatening and unfriendly. The accrual of influence naturally created increased visibility of China's rising heft, amplifying US criticisms. Ultimately, as Joseph Nye warned, the "China threat theory" has become a self-fulfilling prophecy.<sup>3</sup>

### The Recovery and New Evaluation of Reality

In 2023, we are witnessing a recovery for both China and the US from years of comprehensive and tit-for-tat strategic competition. As Ryan Hass stated, Beijing is neither on the cusp of peaking nor on the road to unipolar hegemony.<sup>4</sup> Even so, Michael Beckley from Tufts University warned that great power conflicts could arise if a rising power was given no alternative.<sup>5</sup>

While we can't rule out this possibility, China's current state suggests stability. Indeed, China acknowledges its competitors and admits to facing some challenges. However, China maintains sufficient confidence in its growth potential, institutional advantages, and developmental experience. This confidence solidifies further after observing the Western world dispersing its limited resources due to various conflicts. It is interesting to note that while both China and the US have recovered from ruling and rising power syndromes, they have both started believing that "time is on my side." This mindset might be

2 James Steinberg and Michael E O'Hanlon, *Strategic Reassurance and Resolve: U.S.-China Relations in the Twenty-First Century* (Princeton: Princeton University Press, 2015).

3 William Callahan, "How to Understand China: The Dangers and Opportunities of Being a Rising Power," *Review of International Studies* 31, no. 4 (October 2005): 701–14, <https://doi.org/10.1017/s0260210505006716>, 712.

4 Ryan Hass, "What America Wants from China," *Foreign Affairs*, October 24, 2023, <https://www.foreignaffairs.com/united-states/what-america-wants-china-hass>.

5 Michael Beckley, "The Peril of Peaking Powers: Economic Slowdowns and Implications for China's Next Decade," *International Security*, 48.1 (2023): 7-46.

a misperception, but sometimes, misperceptions bring peace to the system.

### Sustainable Competition as a New Status Quo

With the return of rationality, it is evident that both sides have reached some consensus at a structural level in the past year. The more frequent high-level bilateral leadership meetings and the recent summit between the Chinese and US leaders in Woodside are clear manifestations of this. Three lines of consensus are worthy of mention below as these agreements shed light on the new phase of more stable China-US relations.

Firstly, a new Cold War is undesirable for all. On the Chinese side, Beijing has refrained from using terms like "new Cold War" to describe China-US relations. China also avoids publicly characterizing the bilateral relationship as "strategic competition." The US may also have begun warming to this sentiment. During the 76<sup>th</sup> UN General Assembly, President Biden assured world leaders that although the US is "confronting China" in terms of military and economic matters, it is "not seeking a new Cold War."<sup>6</sup>

Secondly, decoupling is plainly impossible. Beijing consistently criticizes the term "decoupling" and the Biden administration has shifted its narrative from "decoupling" to "de-risking." Although there are no distinct differences between these two terms, the change in rhetoric signifies a potential update in Washington's mindset. During her visit to China, US Secretary of the Treasury Janet L. Yellen argued that the US is not seeking to decouple from China. At a press conference, Yellen emphasized that considering the bilateral interdependence and global implications, the decoupling of the two largest economies in the world is "virtually impossible to undertake."<sup>7</sup>

Thirdly, based on the assessment of the current scenario in context of a years-long trade war, both sides have realized that the relationship between China and the US will be an organic long-term conversation, given the scale and scope of strength on both sides. Both Chinese and US capabilities simultaneously exhibit great resilience. This implies that neither side can resort to all means for a comprehensive offensive. Even if one side gains overwhelming advantages in specific areas, the other

6 Olivier Knox, "Analysis | Biden to China: We Do Not Want 'a New Cold War,'" *Washington Post*, September 21, 2021, <https://www.washingtonpost.com/politics/2021/09/21/biden-china-we-do-not-want-new-cold-war/>.

7 "Remarks by Secretary of the Treasury Janet L. Yellen at Press Conference in Beijing, the People's Republic of China," U.S. Department of the Treasury, July 28, 2023, <https://home.treasury.gov/news/press-releases/jy1603>.

can restore the balance quickly, as demonstrated in the battle over semiconductors.

In a nutshell, both sides are aware of, and have accepted reality; they will coexist for a considerable period in the future. This "coexistence" doesn't merely depict the physical presence of both on Earth. It implies that both China and the US will coexist within one functioning international regime, engage with each other in an occasionally uncomfortable manner, and collaborate on a series of agendas that cannot be unilaterally resolved. Simultaneously, they will intermittently compete while being cautious about crossing certain lines.

### **Tao Guang Yang Hui (Keep a Low Profile) 2.0**

If the US wishes to cultivate competition, China must respond. The question for Beijing is, what kind of principles should it pursue in shaping its strategies?

China frames its current relations with the US clearly: there is no middle ground in collaboration, and antagonism is not a viable framework for resilient bilateral relations.<sup>8</sup> The United States is more willing to selectively apply hawkish tactics, but also shares some of China's hesitancy to escalate. The overall situation incentivizes the US towards less hawkish paradigms.

Secondly, China must utilize an updated "Keep a Low Profile" principle. Indeed, China is a gigantic force that exerts significant influence in the system, however, China should project these capabilities with selective pragmatism to strategically reserve power in agenda-setting. Additionally, China must reassure other actors in the system, such as the EU and ASEAN countries, to deter the US from engaging in offshore balancing and other competitive practices.

As Jessica Weiss recently argued, deterrence is effective only if accompanied by implicit assurance.<sup>9</sup> To exert pressure on the opposite side and enhance the credibility of deterrence, we need spaces for policy implementation back and forth. Reassurance can provide us with these spaces, increasing the potential flexibility of strategies.

8 Carla Freeman et al., "Biden and Xi at APEC: Averting Further Crisis in U.S.-China Relations," *United States Institute of Peace*, November 16, 2023, <https://www.usip.org/publications/2023/11/biden-and-xi-apec-averting-further-crisis-us-china-relations>.

9 Bonnie S. Glaser, Jessica Chen Weiss, and Thomas J. Christensen, "Taiwan and the True Sources of Deterrence," *Foreign Affairs*, November 30, 2023, <https://www.foreignaffairs.com/taiwan/taiwan-china-true-sources-deterrence>.

## Final Discussion

Many instances have demonstrated that a series of rational and ex-ante decisions can lead to unintentional chaos. What we can learn from history is that instead of scrutinizing current policies in search of menial gains, we should also aspire to long-term constructive development. Assessing and discussing current policies is undoubtedly necessary, but we must maintain a broader picture and have a vision, especially when contemplating the China-US relationship and its global implications. We aspire to a world that is peaceful, stable, and prosperous in the next 30 years. We must take this vision as a starting point whenever we think about the current China-US relationship.

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