

Chance for U.S. to Improve Relations with China

Doug Bandow

Jan 19, 2023

Zhao Lijian spent three years as one of China's most prominent officials. As foreign ministry spokesman, he was an unofficial practitioner of "wolf warrior diplomacy," aggressively presenting Beijing's case to the world and sharply criticizing the United States along the way.

In early January he was abruptly transferred to become deputy director of the Department of Boundary and Ocean Affairs. For reference, this would be a bit like the White House sending presidential Press Secretary Karine Jean-Pierre off to the Juneau, Alaska office of the Department of Commerce's National Oceanic and Atmospheric Administration. Not a bad job, perhaps, but one in which she would never be heard in public again.

Around the same time, Xi Jinping promoted China's ambassador to the U.S., Qin Gang, to become foreign minister. Qin wrote of his positive memories and declared: "My posting in the United States will provide unflinching strength for me as a diplomat. Going forward, the development of China-U.S. relations will remain an important mission of mine in my new position."

It's undoubtedly a sign that Xi Jinping wants to improve relations with Washington. However, skeptics warn against believing that the policy of the People's Republic of China has changed fundamentally. For instance, Shaomin Li of Old Dominion University warned: "When China's wolf warriors turn into cute rabbits, be ready for a bloody fight."

More measured in tone but no less skeptical was Foreign Policy's James Palmer: "Although it may be easy to convince Europeans who desperately want it that China is back to being a good business partner, this line will face more resistance in Washington, where officials see China as the grand strategic opponent. Also, Chinese domestic media continues to exhibit an anti-U.S. stance. Chinese officials seem to forget that their U.S. counterparts can easily watch Chinese TV and read Chinese newspapers."

No doubt, recent controversies have highlighted the significant differences between the two nations. Their visions of the future international order vary dramatically. However, it is in neither government's interest to allow such differences to turn into economic war and military conflict. Indeed, Qin spoke an important truth as he left to take up his duties in Beijing: "the door to China-U.S. relations will remain open and cannot be closed."

In America the argument has taken hold that engagement between the two countries was a failure. Yet recent trends do not discredit a policy that goes back a half century.

The China that welcomed Richard Nixon in 1972 was vastly different than the PRC today. Within a decade of Mao Zedong's death in 1976, Beijing was implementing serious economic reforms. There were many advocates of political reform as well. Although that path was closed after the Tiananmen Square crackdown, China continued to liberalize economically. Personal autonomy rapidly expanded as well. It is unlikely that these transformations would have occurred but for engagement with the West.

Although Beijing has reversed course over the last decade, the PRC remains less restrictive than in 1972. And the future is not set. Xi, or more likely his successors, could make equally dramatic changes in a more liberal direction.

However, there is a more important point that was captured by Qin's comment. America and China have no choice but to engage each other. They are too large, too important, and too powerful to be estranged. The nature of their future relationship might be uncertain, but will inevitably be close even if difficult.

First, full-scale forced commercial decoupling would be extraordinarily expensive and offer little benefit to either side. The economic advantages of the PRC's entry into the international trading system have been enormous. Most trade is nonstrategic and Americans, especially of lower incomes, benefit from cheaper products. Nor are China's perceived advantages permanent. For instance, rising pay in the PRC has caused lower-wage Chinese jobs to flee to Southeast Asia.

Second, while complaints over allegedly unfair trade practices continue, especially on the U.S. side, negotiation remains the best means to resolve them. The Trump administration's tactics—a plethora of self-destructive tariffs costing American jobs, for instance—reflected Donald Trump's hostility to free trade in any form. A more balanced approach would help create an economic relationship that is both profitable and sustainable for both sides.

Third, though both governments are working to protect supply chains and seek technological advantage, cooperation could help limit the process to essentials and minimize the immediate economic losses. Steadily escalating controls and restrictions risk hurting the assumed winner as much as the presumed loser. To the extent that America and China end up at economic war, limiting the battlefield and restricting escalation would help minimize collateral damage.

Fourth, reestablishing personal contacts after three years of COVID separation is important. Even the closest friendships among peoples cannot overcome serious policy divides between governments. However, frequent contacts help both sides understand the other's respective positions and red lines. The current debate in Washington suggests that U.S. policymakers, at least, live in a bubble, uncomprehending about the importance of issues such as Taiwan to Beijing and, equally important, to the Chinese people.

Fifth, there are still areas where cooperation could prove fruitful. Almost everyone mentions climate change, but development in the Global South is another. Instead of competing to finance sometimes dubious projects across Africa and Asia, in particular, America, Europe, and China could develop common standards and cooperate in lending. This could maximize benefits for qualified borrowers and limit losses for development institutions.

Sixth, Beijing and Washington should work to foreclose war as an option. In Washington war fever is far advanced, with articles, speeches, webinars, and war games abounding about the possibility of conflict over Taiwan, the need for ever increasing U.S. military outlays, and the

ease of deterring the PRC. After all, declare some American officials, if we just tell Beijing what we want, “China’s not going to do that.” More conversations might help Americans and Chinese alike realize that both sides are serious and prepared to risk war.

Indeed, the promise of the Bali summit between Xi and Biden was not just one meeting. Rather, it committed to a continuing consultative process to try to peacefully work through disagreements. Biden explained that the two leaders met to discuss “what each of our red lines are;” where their nations’ respective interests “conflict with one another;” and when the latter, “how to resolve it and how to work it out.” The latter will require a series of regular contacts. However, this process will work only if both governments commit to systematic consultation and senior staff attention.

It is important not to sugarcoat what lies ahead for both America and China. Washington wants to retain and Beijing hopes to attain position atop the world’s leadership pyramid. Hard-nosed competition is assured, irrespective of what office Zhao Lijian works in. However, victory will matter only if both nations realize that the ultimate objective should be to dominate in order to cooperate. Otherwise, victory is likely to be almost as costly as defeat.

Doug Bandow is a senior fellow at the Cato Institute.