

China and U.S. Should Keep Competition Peaceful

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Bilateral relations between the U.S. and China got off to a rocky start in Anchorage. What amounted to a diplomatic food fight illustrates the challenge to come. Even if the diplomats were posturing for home audiences, the fact they felt the need to do so demonstrated the widespread suspicion and hostility on both sides.

However, President Joe Biden pointed to a way forward at his first press conference, when he warned of “stiff competition with China.” He observed: “China has an overall goal, and I don’t criticize them for the goal, but they have an overall goal to become the leading country in the world, the wealthiest country in the world and the most powerful country in the world. That’s not going to happen on my watch, because the United States is going to continue to grow and expand.”

He offered a specific challenge, but one that is both peaceful and positive. He recognized that Beijing’s most important objectives, influence and wealth, are commonplace and not inherently objectionable. Moreover, he suggested that the U.S. can meet China’s challenge by bettering America rather than harming the People’s Republic of China.

Of course, the president made these comments without addressing other, more troubling aspects of the bilateral relationship. Tensions are rising sharply over Taiwan. The U.S. recently reaffirmed its willingness to go to war to back Japan’s claim over the contested Diaoyu/Senkaku Islands. Washington and Beijing are sanctioning officials in both nations over human rights. The U.S. is challenging the PRC’s use of economic pressure against allied states. And the Biden administration continues to dispute Beijing’s claims over the spread of COVID-19.

Nevertheless, adopting the vision of a competition that can be won by being better rather than a conflict that would be won by hurting the other could help reset relations. Otherwise, the race to the bottom, demonstrated last year after President Donald Trump decided that his best chance for victory was campaigning against the PRC, is likely to dominate relations between the two nations.

How to proceed? First, recognize that trade and investment benefit both sides. The challenge, then, is to set reasonable rules of the game. Focusing on arbitrary results, such as the trade deficit, inevitably will lead to managed trade, a political process certain to leave both sides worse off. The Biden administration should drop Trump’s destructive and costly tariffs and begin a dialogue over trade practices, investment regulation, and economic policies.

Compromise will be necessary but should be possible. Of course, politics will need to be accommodated. Both governments are promoting decoupling. Yet, full commercial disengagement would be foolish and risky. Indeed, the U.S. discovered the problems of domestic supply chains when the Texas ice storms took American chip factories and chemical plants offline. A better objective would be diversification, more fully rationalizing economic links. The two governments should discuss strategies to productively cooperate, including in critical areas, despite growing popular distrust.

Similar negotiations are needed over IP protection and commercial cyberespionage. Countries will spy on one another, but the Obama administration reached an accord with the PRC barring cyberattacks for profit, which reportedly, was respected for some time. This is another area in which tough bargaining and a U.S. commitment to monitoring and enforcement might resolve an important area of contention. There will be no perfect solutions, but even narrowing areas of discord would reduce threats of confrontation and retaliation and preserve cooperation elsewhere.

Human rights will inevitably remain an area of sharp disagreement. Few in America can simply ignore the Chinese government's recent crackdowns, particularly in Hong Kong and Xinjiang. However, it might be possible to lower political passions if both sides acknowledged, without necessarily accepting, the underlying concerns of the other. That is, Beijing believes that terrorism and secession threaten in varying degrees in Xinjiang, Tibet, and Hong Kong. The U.S. is committed to protecting basic human rights, viewed as inherent to every person and necessary for a just society.

The U.S. and China should establish a dialogue over how to simultaneously address both issues. That is, how might the PRC provide for security without so harshly restricting the rights of the Chinese people? Admittedly, Beijing is unlikely to back down and reaching agreement would be difficult and perhaps impossible. However, neither side is likely to abandon its stance. The current dispute is deadlocked and only likely to worsen. Diplomacy offers the possibility of compromise. China could drop or adjust some practices while pursuing the same basic ends. And Washington could defuse some controversies and drop some sanctions.

Security issues may be the most difficult since all governments are reluctant to make concessions over issues related to national security. And when two major powers clash over contested interests in the same geographic area, the potential for conflict rises greatly. Which makes it even more important for Washington and Beijing to have serious diplomatic conversations about these matters.

One objective would be to simply communicate concerns, interests, and red lines. Obviously, posturing would be inevitable. Nevertheless, such discussions could yield valuable information on intensity and rank of interests. Surprises are particularly unwelcome and dangerous when parties are facing off militarily.

Equally important, officials should discuss possible compromises and *modus vivendis*. For instance, perhaps fewer U.S. "freedom of navigation operations" in return for a Chinese affirmation of navigational freedom in contested waters. Perhaps a U.S. commitment not to base forces in Taiwan, and a Taiwanese promise to ease efforts to gain greater acceptance of its separate existence in exchange for Beijing pulling back missiles and dropping efforts at

intimidation. Perhaps regional development initiatives for contested islands and waters with sovereignty claims set aside for future decision.

While it would be naïve to imagine the threatening U.S.-China imbroglio becoming merely a matter of economic competition, thinking more of competition than confrontation provides a possible template for de-escalating relations. The relationship is complex and could become much more difficult, even volatile, in coming years. However, it is vital for both nations, as well as the rest of Asia and beyond, that Washington and Beijing avoid conflict. Multiple serious negotiations could create firebreaks to war and push both countries toward cooperation rather than confrontation. Success would yield a very different world and century.