It is a cliché at this point to note that the relationship between the United States and China is the most important geopolitical relationship for the world’s future. Given all the US-China headlines of the past year’s trade conflict and growing discussion of the potential for a new Cold War between the two powers, it is critical to approach the analysis of these countries and their relationship without falling prey to pre-existing biases or contrived narratives. By appreciating how each country’s domestic politics influences its foreign policy choices, taking stock of the interests of both countries, and noting where there are shared and divergent interests, students of the US and China can better understand the options available to both countries and better assess the possible futures for this vitally important relationship.

The Intersection of Domestic Politics and Foreign Policy in US-China Relations

Playing to the Domestic Audience: Demonization

Since the founding of the People’s Republic of China (PRC) in 1949, the United States has had a fraught relationship with China. The domestic narrative at the time blamed President Truman for “losing China” to the Communists, and it was not long after that the US military and the People’s Liberation Army (PLA) were fighting on the Korean peninsula. More recently, a domestic debate has emerged in the United States about a potential new Cold War with China.¹ A longstanding debate about whether it is better to engage a rising China or attempt to contain it rages on and does not leave much room for nuanced policy options combining elements from both sides of the spectrum.² Politicians, both Democrat and Republican, benefit from “talking tough” on China, as it is easy to blame a faraway rising power for job loss and economic troubles at home.³ Meanwhile, in China, the Chinese Communist Party (CCP) uses propaganda and hostility toward the United States to satisfy nationalistic urges and solidify support for the regime.⁴ Both sides play to their domestic audiences and have incentives to magnify the “threat” presented by the other country for their own benefit.⁵ There exists a risk that mutual demonization constrains options and leads to a self-fulfilling prophecy wherein the two countries box each other in and cannot help but define the other as the enemy.

The Future of Global Order

Many view the contest between the United States and China as one over leadership of the international community.⁶ Since the end of the Second World War, the United States has shaped and led an international order consisting of institutions like the United Nations, World Trade Organization, International Monetary Fund, and World Bank. It is an open question to what extent China seeks to disrupt and potentially overturn that order. At the same time, the US public does not necessarily see the benefits the United States has reaped from leading that order and questions whether global leadership is worth the costs.⁶ Why should the United States foot the bill for maintaining stability around the world when there are huge needs to fund domestic priorities ranging from infrastructure to health care to education? In China, the CCP tells a story about how the United States attempts to slow its rise and force China to change its political system.⁷ China has benefited massively from integration into the US-led order but feels that it should be afforded a more prominent voice and more influence given its emergence as a great power. The best bellwether for how this shakes out between the two countries might be climate change, an issue which clearly requires global collective action and on which Chinese and US interests are generally aligned. Where an international issue like
cyber governance clearly puts the United States and China at odds, climate change instead presents an opportunity for collaboration.

**Key Issue Areas in United States-China Relationship**

*Economics and Trade*

The most pressing US priority in dealing with China today is figuring out a modus vivendi on trade issues. The US economy has benefited greatly from trade with China since China’s accession to the WTO in 2001, but cheap manufacturing in China did lead to some job loss in the US, not to mention the massive transfer of intellectual property, some legitimate but much illegitimate, that accompanied the growing interdependence of these two economic behemoths.\(^8\) While the US economy has been an extraordinary market for Chinese firms and goods, US companies are not afforded the same market access in China without submitting to forced technology transfers or local partnerships. Furthermore, in the key technology sector, US giants like Google and Facebook are faced with severe restrictions tied to censorship controls or banned outright due to the concerns about effects on social stability.\(^9\) This unevenness in market access and intellectual property rights across the two economies has fueled the headline-grabbing trade war of the last couple years, and both issues remain sticking points in the ongoing negotiations. China’s plans to develop infrastructure and make all roads lead to Beijing through its ambitious Belt and Road Initiative also directly challenges US economic interests.

The Chinese economy has grown at a breakneck pace since Deng Xiaoping initiated the economic reform and opening process in 1979, averaging annual growth of 9.5% since then.\(^10\) This growth relied heavily on an export-oriented market, huge subsidies to state-owned enterprises (SOEs), and significant foreign direct investment (FDI). In recent years, growth has slowed to around the 6% mark, and the government’s economic planners have correspondingly set targets that reflect slower and more sustainable growth. The US economy has helped sustain this growth, providing both consumers with a constant appetite for cheap Chinese goods and investors seeking high returns through FDI. More recently, China has finally started to bear the consequences of its lack of compliance with WTO standards, fueling the trade war’s key sticking points about market access, forced technology transfers, and state subsidies that undermine fair competition. As the trade war drags on, both the US and Chinese economies are feeling its effects, but both governments appear to be digging in and hardening their negotiating positions. While unclear which side can sustain the economic and political fallout longer, the entire global economy suffers from continued uncertainty and the lack of a deal.\(^11\)

*Security*

The United States has been the pre-eminent military power in Asia since the end of the Second World War. Given the importance of US trade in the Indo-Pacific, the United States projects its power into Asia to secure the global commons and keep trade flowing. The United States also has notable security partners in the region, as it has treaty alliances with Japan, Australia, South Korea, the Philippines, and Thailand. This regional security architecture has contributed significantly to the peace and stability that enabled the rapid economic growth in the region, first driven by the “Asian tigers” (Hong Kong, Singapore, Taiwan, and South Korea) and subsequently by China itself. The United States has every intention of continuing to uphold this security architecture, but China presents a new challenge as its ongoing military modernization over the course of the last four decades has produced a capable, if unproven, force.\(^12\) China has land borders with Vietnam, India, North Korea, Russia, Afghanistan,
and Pakistan, to name only a few that demonstrate just how complex the security dynamics are given the varying interests of the United States with those countries. Add any of them to the US-China relationship to form a triangle well worth further investigation, and those are just a sample of the land borders.

From the Chinese perspective, China is a historically insecure state that has seen regime change forced by outside invaders like the Mongols and the Manchus. Starting with the Opium Wars in the mid-19th century, China was compelled to accommodate Western powers pursuing mercantilist and exploitative economic policies in Chinese territorial concessions. While China was never colonized, this so-called “Century of Humiliation” running from the Opium Wars to the collapse of the Qing Dynasty through to the Japanese occupation during the Second World War looms large in the Chinese imagination. This is true for party elites as well as society at large, much due to patriotic education campaigns that hammer home this narrative and the national rejuvenation of the “China dream.” In terms of treaty allies, China’s only mutual defense treaty is with North Korea, which complicates US efforts to denuclearize the Korean peninsula. As recently as the summer of 2017, China also saw tensions rise with India over disputed territory along their border. Meanwhile, Sino-Russian ties appear to be increasing, which presents an obvious challenge to the US not only in the military domain but also in the political one as Xi and Putin trumpet the merits of strongman rule. While the PLA’s modernization has closed the capabilities gap with the US military to some degree, many observers also highlight that it still lags behind significantly in its nuclear arsenal, air forces, and blue water navy.

**Maritime Issues**

Turning to the sea further complicates the calculus, as the territorial disputes in the South and East China Seas demonstrate. As a growing naval power, China aspires to project dominance in the sea, demonstrated by new strategic Chinese ports in Djibouti and Sri Lanka. In the South China Sea, several claimant states, most notably Vietnam and the Philippines, bristle against China’s assertion of control over all waters inside the Nine Dash Line as well as the island building, militarization, and resource extraction that has accompanied it. In the East China Sea, the Senkaku/Diaoyu Islands present another potential flashpoint as both sides inflate their strategic and resource value by wrapping the conflict in historical narratives about national pride and dignity. China’s flagrant disregard for the Hague’s Permanent Court of Arbitration findings that favored the Philippines demonstrates China’s commitment to securing its interests in the face of international law. The US as a matter of policy does not take positions in disputes over territorial sovereignty, but it maintains a significant interest in these disputes being resolved peacefully.

While lacking the power projection capabilities of multiple aircraft carriers, the PLA Navy along with the Chinese maritime militia forces have very successfully asserted themselves in the waters closer to China’s shores. China views US freedom of navigation operations (FONOPs) to be aggressive and escalatory, while the US deems China’s land reclamation and build-up of military assets on multiple improved reefs a clear militarization of those waters. While Vietnam and the Philippines are the main claimants contesting China in the South China Sea, China faces a stiffer potential challenge against Japan in the dispute over the Senkaku/Diaoyu Islands in the East China Sea, not least because of clearer US support for and increased interoperability with the more capable Japanese Maritime Self-Defense Force. Disputes in both seas are potential flashpoints for crisis as no party wants to be seen as backing down or ceding sovereignty.
Taiwan

Since the normalization of relations with the People’s Republic of China and the passage of the Taiwan Relations Act in 1979, the United States has maintained close ties with the government and people of Taiwan, despite the lack of formal diplomatic relations. These include significant economic connections ($94.5 billion of total trade in 2018) as well as robust sales of US military equipment to Taiwan and a healthy, if statutorily limited, military-military relationship. While Taiwan may look and behave like a sovereign country, China maintains that it is a rogue province and seeks to achieve national reunification as part of the “national rejuvenation” due to be complete by the 100th anniversary of the PRC’s founding in 2049. The US position relies on strategic ambiguity about just how committed it is to its Taiwanese friends, where the limits are, and how exactly the US would support Taiwan in the event of a conflict with the mainland. The US maintains an interest in a free and democratic Taiwan, particularly as global ideological competition heats up and China’s authoritarianism presents an alternative to market-driven, democratic development. While there are no easy solutions to this peculiar arrangement, the US seeks to ensure a peaceful resolution of the Taiwan question.

The Chinese view of this same issue places it firmly within a domestic context. When the Chinese Civil War ended in 1949, the government of the Republic of China led by Chiang Kai-Shek and his Guomindang party fled to the island of Taiwan, established itself as the local authority, and continued to claim sovereignty over all of China, despite Mao Zedong and the CCP’s establishment of the PRC. The CCP very much sees this as unfinished business and views national reunification as a critical piece of the national rejuvenation project. While both sides remain rhetorically committed to a peaceful resolution to this dilemma, the younger generations in Taiwan have grown up with a free and democratic government and see themselves as more “Taiwanese” than “Chinese.” A Hong Kong-style “one country, two systems” solution, which has long been on offer, seems to get less and less attractive as the people of Hong Kong question how much political autonomy their deal actually allows for. China views this dispute as an internal one to be resolved without outside interference. The United States supports a free and democratic Taiwan, but not necessarily an independent one given that the PRC has made clear it reserves the right to use force to reunify should Taiwan declare independence.

Human Rights

The United States is a vibrant democracy with well-established rule of law and strong protections for basic human rights like freedom of speech, assembly, religion, and the press. A rhetorical commitment to these principles and the intrinsic value of a free society has long been a feature of US foreign policy, even if US action has not always measured up to its words. China is not a democracy and does not place individual human rights above other priorities like social stability and economic growth. Instead, China uses the concept of social stability to justify brutal crackdowns like its lethal response to the Tiananmen demonstrations in 1989. Today, the Chinese government blends highly repressive tactics and modern technology to maintain control of Chinese society. These activities run a wide range from everyday online censorship of potentially disruptive speech to the long and aggressive campaign to control and suppress the Uyghurs in Xinjiang, which includes the detention of perhaps more than one million people in internment camps due to their religious beliefs and/or ethnic heritage. The United States decries this repression, but it has not yet integrated concerns over it as a key feature of policy
toward China.\textsuperscript{20} The more pedestrian censorship and lack of rule of law also present human rights concerns, but they have also not featured prominently in Washington’s recent China policy.

The Chinese government conceptualizes human rights very differently than the United States and Western governments do. China’s human rights conception of “developmental relativism,” allows the government to justify its political repression in the name of social stability.\textsuperscript{21} The Chinese government also does not take kindly to the US criticism of its human rights record, as it views that criticism as meddling in Chinese domestic affairs. As a response to the State Department’s annual report on human rights abuses in China, the Information Office of the State Council issues a rebuttal report focused on US internal issues including racism, gun violence, economic inequality, and corruption.\textsuperscript{22} Human rights issues are particularly touchy for China when they interact with other key issues like trade and security. The US has a history of citing the Chinese human rights record as a major sticking point in other negotiations, with the issue coming up both in talks for China’s WTO accession in the 1990s and today’s ongoing trade disputes. To say the two countries do not see eye to eye on human rights is an understatement, and this thorny issue will likely continue to be a significant one.

Questions for Consideration

1) How do internal conflicts between or within political parties and branches of the American government constrain US policies and strategies designed to manage China's rise? How can elites convince the public to support these policies given the populist rhetoric on the left and right?

2) How do domestic politics in both the US and China affect their bilateral relationship? Will leaders be able to resist the urge to demonize and saber rattle when the other side makes for such a perfect dramatic foil?

3) Are the US and China on a collision course toward a new Cold War? If so, what lessons can be drawn from that long conflict to help the US chart its current policy path? If not, how should the US conceptualize competition with China?

4) How important should the US make democracy and human rights in crafting a China policy? Are democracy and human rights an essential element in US foreign policy towards China?

5) How should the US respond to an increasingly capable and modern People’s Liberation Army? As the PLA expands its ambitions and the space in which it operates, how should the US and China manage the increased interactions between their two militaries? Can the US afford a defense budget that competes with Chinese militarization given Republican budget hawks and Democratic demands for larger social programs?

6) What role do US allies and partners, especially Japan, India, and Australia, play in the US-China relationship? To what extent should US policy towards China reflect broader regional and global strategies?

Endnotes

\begin{thebibliography}{9}
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15 In the South China Sea, China claims sovereignty of nearly the whole sea, per its Nine Dash Line which relies on a 1947 Guomindang map and is not tied to land features per the requirements of maritime sovereignty laid out in the UN Convention on the Law of the Sea (UNCLOS).
Recommended Reading


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