

AMERICA'S BEST FOOT FORWARD?

Engaging With China

To avert mutual destruction, President Biden should shift his Administration's focus from "maximum confrontation" to "constructive re-engagement".

Relations between the US and China have undergone many twists and turns since the founding of the People's Republic of China (PRC). At first, America did not recognize the communist regime of Chairman Mao, preferring the defeated, self-exiled Kuomintang (Chinese Nationalist Party) in Taiwan. At the height of the US-USSR Cold War, President Nixon took advantage of the Sino-Soviet split to woo China to the American camp by recognizing the PRC as the One China in the United Nations, ditching Taiwan.

As China had been opening up under Deng Xiaoping, the US helped bring the PRC into the World Trade Organization (WTO), in the hope that in due course, China could become a "Responsible Stakeholder" of the US-led global liberal order. US-China relations during his period is commonly regarded as "Engagement".

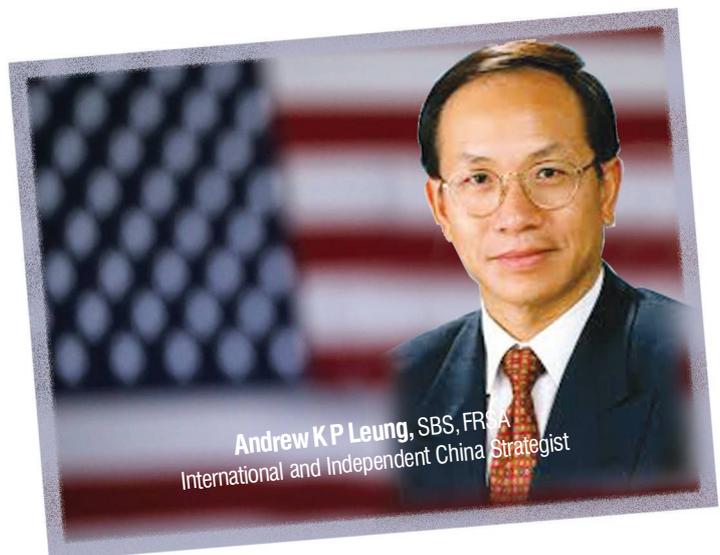
As China continued to grow much stronger and more confident as the "Factory of the World", threatening America's dominance in some quarters, President Obama's administration launched the "Pivot to Asia", vaulting to re-deploy some 60% of US military assets to the Asia-Pacific, with a view to America's Pacific Century. This represented a period of doubling down on an earlier "anti-Communism" strategy of "Containment", which took the form of encircling China militarily with a "First Island Chain" anchored in Okinawa and a "Second Island Chain" anchored in Guam.

China overtook the US as the world's largest economy in "Purchasing Power Parity" (PPP) terms in 2017. Since then, not only has China not become more liberal, it is perceived to have turned more authoritarian under President Xi. Moreover, no longer a Factory of the World for cheap consumer goods, China is perceived to be

eating America's lunch in e-commerce and high technologies such as 5G and artificial intelligence. Its massive Belt and Road Initiative smacks of ambitions challenging America's global primacy.

Fanned by such tomes as Michael Pillsbury's *The Hundred Year Marathon: China's Secret Strategy to Replace America as the Global Superpower*, a bipartisan consensus of a "China Threat" has festered, framing a rising China as "a dangerous juggernaut" of "illicit trade practices", bent on imposing its authoritarian ideology on the rest of the world and trying to usurp America's role as world leader. This has resulted in an era of Great Power competition without boundaries, a period of Maximum Confrontation and Maximum Competition, dramatized by President Trump but in some ways intensified under President Biden.

The Biden-Xi virtual summit did not bridge the abyss between the two rivalling Great Powers. The vast chasm is calibrated in the US-China Economic





300-billion-Euro Global Gateway package of infrastructural projects for the developing world (quickly dismissed as “bullshit” in *The Economist*).

Amidst the West’s heated contest with China, the obvious flash point is Taiwan, Beijing’s topmost “redline”.

At the just-concluded Sixth Plenum of the CCP’s Central Committee, President Xi reiterated the national goal of becoming a “strong, democratic, civilized, harmonious, and modern socialist country” by 2049, the centenary of the founding of the PRC. He made it plain that the China Dream would not be complete without Taiwan’s unification by peaceful means, if at all possible.

Taking note of China’s expanded nuclear arsenal and hypersonic missile capabilities, the Review is apprehensive of Beijing’s possible precipitous actions to recover Taiwan, notwithstanding Joint Chiefs of Staff General Mark Milley’s recent Congressional testimony that China lacks full capability (or absolute confidence) to prevail over Taiwan by force before 2027.

The overarching “China Threat”, while understandable, needs more balanced assessment.

First, as the Review recaptures, China faces “a set of structural problems, including growing debt, income inequality, demographic decline, and technological dependence on the US and other advanced democracies” as well as an increasingly hostile international environment. China’s eventual advancement is by no means assured.

Second, Beijing would be up against almost impossible odds if it tries to recover Taiwan by force. In a 2018 Cornell University book, *Unrivaled, Why America Will Remain the World’s Sole Superpower*, Michael Beckley, Fellow in the International Security Program at Harvard University, points out that only 10% of Taiwan’s coastline is suitable for an amphibious invasion, which, of itself, remains the most difficult mission type in warfare history. Thanks to separation of waters, Taiwan’s armies with missile and air defenses could easily degrade, outnumber, and overcome landing invaders, let alone US superior

and Security Review Commission’s 539-page Report to Congress on November 17.

The Chinese Communist Party (CCP) is depicted throughout as “deepening its embrace of aggression and coercion” in realizing its global ambitions. These include alleged “problematic” trade practices, “assertiveness” in the South China Sea, “military threats” over Taiwan, “human rights violations” in Xinjiang, “rolling back freedoms” in Hong Kong (a whole stand-alone chapter in the Report), “state control” of private businesses, China’s “military-industrial complex”, and its growing nuclear arsenal.

The Review flags up ten out of 32 recommendations, including prohibition or vigorous screening of China’s Variable Interest Entities (VIEs) and affiliates, beefing up the Indo-Pacific Command (INDOPACOM), reinforcing anti-ship and ballistic missile deterrence over Taiwan, creating a Technology Transfer Review Group (TTRG) to screen out harmful Chinese investments or technology transfers, measures to better protect key supply chains, tightened reporting of US companies in China, and strengthening the whole panoply of anti-China sanctions, including on Xinjiang products.

Imbued with the “China Threat”, the Review seems reminiscent of the “Clash of Civilizations”, Samuel Huntington’s 1996 grand thesis of post-Cold War conflict. The Review intones: “At stake in this clash of identities and sovereignty is the safety and security of

the US and its partners, friends, and allies. The CCP is a long-term, consequential, menacing adversary determined to end the economic and political freedoms that have served as the foundation for security and prosperity for billions of people.”

The Review sees nothing less than a global combat between “democracy” and “authoritarianism”. To “China hawks”, the threat is more pressing as China would grow to become the world’s largest economy by the early 2030s, according to the Economist Intelligence Unit.

With mid-term elections looming next year, Biden cannot afford being seen to be weak on China. Softer rhetoric and limited cooperation on Climate Change aside, he looked anxious to find out how a “mortal combat” against China on all fronts could carry on without spiraling into a hot war. The three-and-a-half-hour Washington late-night team meeting, the room setting, and Biden’s body language were tale-telling.

Meanwhile, a US-led virtual Summit for Democracy taking place in December signals a thinly-disguised US-led global anti-China coalition, as 100 democratic leaders and other “democratic wannabes” are being invited, excluding some democracies deemed friendly towards China. Along with the United Kingdom and Canada, a diplomatic boycott of the upcoming Beijing Winter Olympics appears on the cards. To counter China’s Belt and Road Initiative, on December 1, a politically-regrouped European Union announced a



naval, submarine, air, and ballistic missile interventions.

This assessment may have emboldened both the Trump and Biden administrations to continue pushing the envelope, using “salami-slicing” tactics, to push Taiwan towards de facto full independence, while paying lip service to the “One China Policy”. In this calculation, Taiwan is an unsinkable anti-Beijing aircraft carrier.

However, now with the world’s largest navy, much-enhanced “anti-access, area-denial” (A2/AD) capabilities, and state-of-the-art hypersonic weaponry, China’s current military capabilities are a far cry from 2018. Moreover, the People’s Liberation Army (PLA) has won battles before against overwhelming odds, as in the case of its Anti-American Korean War. So the Review’s apprehension is in order. Nevertheless, President Xi has repeatedly emphasized that China has strategic patience. Beijing is unlikely to invade unprovoked, let alone risking a nuclear conflict derailing the China Dream.

Third, as Beckley argues, America has unsurpassed wealth, including high GDP per capita, unique geography, abundance of natural resources, positive demographics, advanced productivity, global military supremacy and the privileged dollar. Albeit no longer able to call all the shots, the US would remain preeminent and much richer than China for the next 50 years or more.

Fourth, the CCP’s pervasive role is part and parcel of China’s state-led model. It may be anathema to the West’s “democratic” DNA, but it has proven its legitimacy by miraculously transforming the lives of the Chinese people, a fifth of humanity. Its support by the people is over 95%, amongst the world’s highest, according to a July 2020 Harvard Kennedy School Study. As a regime, it deserves to be treated at least on an equal footing.

Fifth, in many ways, China’s perceived assertiveness in the South China Sea is to protect sea lanes of communication against US encirclement by the First and Second Island Chains. Per-

ceived transgressions over Xinjiang are compelled responses to rampant ethnic terrorism and separatism; recent measures over Hong Kong were to avert rising subversive separatism; and those over Taiwan against deliberate attempts to test Beijing’s “red lines”. The Review Commission chair Carolyn Bartholomew seems not entirely fair in blaming China for putting the onus of improving relationships on the other side.

The recent CCP’s Sixth Plenum unveiled the blueprint for a new PRC 3.0 with President Xi as its architect. A “modern socialist nation” is being realized by 2035, a nation that is more innovative, self-reliant, fairer, greener, and more open to the world, supported by the New Development Concept, the Dual Circulation Strategy, Common Prosperity and the 14th Five Year Plan.

To find the right way for both countries to get along, President Xi suggested to President Biden a three-pronged approach: mutual respect, coexistence, and seeking a win-win outcome.

With diametrically-opposed ideologies, the deep chasm between a rising China and the West implies a grave lack of mutual understanding and mutual trust. Each side seems unable to put itself in the other’s shoes before resorting to precipitous action or rhetoric. To cross the divide, more bridges need to be built rather than destroyed by a maximalist confrontational mindset. After all, at the cost of moving both sides closer to the brink, maximum confrontation has not yielded any meaningful outcome.

Examples of trust-building could include pandemic vaccine development, research, testing, production and distribution; renewal-energy smart grids, embracing The Future of Hydrogen, deployment of American technologies to exploit China’s vast but geologically-challenged shale gas reserves; joint naval patrols in uncontested waters of the South China Sea; partnership in selected Belt and Road Initiative projects with US inputs in technologies, financing and corporate social responsibility;

cooperative space missions with the nascent Tiangong Space Station, similar to space cooperation with the former USSR; academic, scientific, cultural and archeological exchanges; and more joint China-Hollywood film co-productions and distribution.

I call these cooperative overtures “Constructive Re-engagement”, as they could subtly help shape China’s behavior for the better, while maintaining America’s maximum competition in key areas.

At the Bloomberg New Economy Forum in Singapore on November 17, in a video conversation, Henry Kissinger warned that while the Biden -Xi virtual summit was a good start, US-China relations have moved from “foothills of a Cold War” to “a precipice from which it depends which direction is chosen.” Both sides need to seek coexistence, which is not only desirable, but essential.

It is instructive that during the Cold War, the Johnson administration embraced Khrushchev’s post-Stalin plan of peaceful coexistence in a joint campaign to successfully eradicate small pox, as Fareed Zakaria highlights in his 2021 book *Ten Lessons for a Post-Pandemic World* (p. 241).

Right after the 1989 Tiananmen Square upheaval, I was invited to visit the US in the summer of 1990 to share my thoughts about China’s future as a US State Department sponsored “International Visitor”. I was privileged to talk to Fortune 50 top corporate leaders including a one-on-one with Steve Forbes. I was reasonably optimistic about China’s future then. I am much more optimistic about China’s future now, including its ability to manage its Great Power rivalry with the US. I am, however, conscious of provoking a traumatic transition with potentially-disastrous black swans.

A more benign outcome is possible if the US is able to shift from “Maximum Confrontation” to “Constructive Re-engagement”. ■

Reference # 20M-2022-01-18-01