

US-China: Is it the Paradigm Shift?

PEW – April 2020 – *US – China*

1. **66%** unfavorable (v. 47% in 2017)
2. **91%** - US as world leader
3. **71%** - no confidence in President Xi
4. **Republicans** consistently slightly more unfavorable than Democrats (72% v 62%)

October 2020 - *Western countries*

1. Majority with **historic highs in unfavorable views** – Mostly 70% to 86% (Japan 86%, Sweden (85%) and Australia (81%))
2. More Europeans see China as **top economic power** than US
3. However, most think China has **handled the Covid-19 pandemic poorly, though better than US**
4. **Little confidence in President Xi** doing the right thing, though **slightly better than Trump**

American psychology –

1. *China on a secret mission to replace US as world hegemon (Michael Pillsbury, **100-Year Marathon**)*
2. *China largest beneficiary of US-led liberal order (WTO) **without playing fair (Perceived IP theft, forced IP transfer, lack of reciprocity, massive subsidy of SOEs, “rapacious trade practices” e.g. in Africa)***
3. ***Threaten to eat America’s lunch** in high-tech products **and dislodge US dominance in Asia-Pacific (especially South China Sea)***

Biden Presidency –

1. **Equally, if not harder, pushing back against China** – Bi-partisan
2. **Less transactional, more rational and rule-binding, multilateral** with like-minded nations and allies
3. **More on democracy and human rights**
4. **More proactive for cooperation with China** e.g. Vaccines, Climate Change, North Korea

Many countries particularly SE Asia want balance but not forced choice

1. *Those having China as largest trading partner, especially SE Asia*

How should China respond – Reform to eradicate unipolar mindset by promoting multilateralism

1. **Get the message across** – China is **neither able nor willing** to displace US global leadership (military presence in 70 countries,

*military expenditure 37% of world, > next 10 countries combined; greenback dominance etc.); **China Dream** - Recognition of China's development as a great power*

2. *Cut out "**Wolf Warrior**" diplomacy and rhetoric - rub salt in wounds of palpable US relative decline - Inept Chinese diplomats (exceptions e.g. Madam Fu Ying, (Chairperson of the NPC's Foreign Relations Committee) and Ma Jungang (Chairman of the National Committee at the Council for Security and Cooperation in the Asia Pacific (CSCAP); both ex-ambassadors to UK)*
3. ***Take lead with US to form global coalition with WHO to end the coronavirus pandemic including vaccines, emergency supplies and assistance etc.***
4. ***Cooperate with US & other countries on Climate Change, Middle East etc***
5. ***South China Sea - Joint naval patrols with US** (while allowing FNOPs) + **Joint management of resources** e.g. fisheries + energy)*
6. ***Conclude RCEP and FTAAP** (which includes US)*
7. ***Help North Korea to become a Vietnam** through economic development*
8. ***Help to build a Greener World** – concrete progress on **Peak emission 2030; carbon neutral 2060***
9. ***Reform BRI** – Transparency, ESG, debt sustainability, other stakeholders e.g. WB, UNDP, civil society*
10. ***Deliver 14th FYP targets** – Redouble on Open-Up-and-Reform milestones e.g. market access, transparency, rule of law, human rights; achieve self-reliance on cutting-edge technologies e.g. 6G, AI, advanced micro-chips; moderately developed country (e.g. Greece?); doubling GDP by 2035 (4.8% growth during period); Quality Growth, Dual Circular Economy; GBA, Green energies, green cars and materials*