



THE COMING CRISIS IN US-CHINA RELATIONS
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US-China relations tend to rise and fall in cyclical fashion. It is therefore tempting to conclude that the deterioration in relations in 2018 is a temporary phenomenon. Unfortunately, there are good reasons to believe this downturn has robust structural causes, constitutes a real change in relations, and is not another temporary downturn that will soon reverse itself.

Washington and Beijing are well aware of the dangers of the “Thucydides trap”: a war-prone situation in which a newly powerful state emerges in a neighborhood long dominated by an older great power. Yet China is clearly unsatisfied with the degree of accommodation offered by the United States, and the US is clearly uncomfortable with the strategic demands made by China. Chinese allege that Washington has a hidden agenda of restricting China’s development, while Americans complain that China is acting overly aggressively. If China maintains its internal political stability and high economic growth rate, this tense transition period will continue for at least a couple more decades. Tensions will be further aggravated if the Chinese government believes, as some Chinese analysts claim, that the more China “rises,” the harder Washington will resist.

For a China nearing the culmination of its long climb out of the “Century of Shame” and a return to regional pre-eminence, the period of building national strength and avoiding unnecessary

confrontations with other governments – Deng Xiaoping’s advice for his successors – was always meant to be temporary. When sufficiently strong, China would insist that neighbors acquiesce to its preferences in international affairs. Xi Jinping has taken China into that post-Deng phase, both stoking and satiating the Chinese public’s nationalistic appetite for foreign policy victories. Xi is not a “great man” determining the course of history. He is rather a product of his times, riding a sentiment that believes Pax Americana has crested, US power and influence are diminishing, and the US political-economic model has been discredited. The part of the “Chinese Dream” envisioning China as unchallenged leader of Asia is ultimately incompatible with the US grand strategy of being a “resident Asia-Pacific power” forward-deployed to shape strategic affairs and prevent the emergence of a serious threat to US security or prosperity.

On the US side, as well, there are relatively long-term factors driving the two countries closer to conflict. While China was implementing Deng’s advice to remain low-key, US policy since the 1990s was to tame and socialize China by inviting Beijing’s participation in the regional order, hoping that an engaged China would embrace international norms and rules as conducive to its own interests and China would become a committed “stakeholder.” US policy assumed that a wealthier China would become more politically liberal and that inviting Chinese to view US military assets would dissuade them from trying to compete militarily with America. Instead, the last few years have seen China moving toward illiberalism in both politics and economics even as national wealth has grown. China has embarked on a robust military buildup, deploying capabilities that are clearly

applicable to contingencies where the PLA would fight the United States.

By 2014, it was clear that the Obama administration had misjudged China. It had sought an accommodation with Beijing, but China pocketed the offers and reached for more, without offering reciprocal concessions. The result has been a hardening of US views toward China. This is reflected in the adversarial tone of the Trump administration's newly-released National Security Strategy and National Defense Strategy, but a shift was likely whoever prevailed in the 2016 election.

Americans increasingly fear a coordinated and multifaceted Chinese assault on US government and society with the strategic objective of China eclipsing the United States in national power and global influence. The Belt and Road Initiative (BRI) to build infrastructure in Asia, Africa, and Europe is symbolic of China's ambition to displace the US as a provider of international public goods. The BRI has triggered alarm bells among observers who see it as a thinly-veiled attempt to buy political influence and to justify the deployment of the PLA to distant locales.

Beijing's foreign policy initiatives are supplemented by Chinese activities such as the purchase of US companies by Chinese-linked investors, Chinese government use of financial leverage to promote China-friendly political messages through US corporations and universities, and China's massive cyber-theft operations.

In the past, the US business community served as a safety net by lobbying for continued US-China engagement to ensure its access to a growing and maturing Chinese domestic market. Not anymore. The readiness of that group to make the case for China has sharply diminished in recent years as China has given domestic businesses a distinct advantage over foreign competitors, partly by forcing US firms in China to hand over their trade secrets. US companies are now backing US government efforts to press China to level the playing field.

Overlaying these particular issues are two important developments. The first is the willingness of the US administration to wage economic warfare against China. President Trump's decision to impose tariffs on Chinese exports strikes at the heart of the Chinese government's legitimacy, threatening the economic growth that provides the basis of its popular support and calling into question China's national development strategy. Trump has exulted in launching a trade war and has declared that he can win it easily. This frames the issue as a direct challenge to the Beijing government, forcing China to respond in ways that threaten a larger conflict. If nothing else, the imposition of sanctions will diminish Beijing's readiness to work with the US on other issues, heightening the likelihood that these other issues will have wider effects.

That Chinese inclination is reinforced by the second development, Xi Jinping's assumption of new powers in the most recent CCP and National Congresses. With the control of so much government authority concentrated in his hands, Xi's decision-making power is extraordinarily unconstrained. If he decides on impulse to implement a forceful or risky foreign policy, there would be relatively little bureaucratic or institutional pushback to make him reconsider. He might view other countries' disagreements with China as challenges to his personal political status, requiring a suitably strong response to preserve his own standing and credibility. The danger that China's national ideology of grievance and retribution sets the tone for Chinese foreign policy is heightened if the CCP regime moves closer to a totalitarian one-man dictatorship. This, in turn, decreases the chances that Beijing will seek to settle strategic disputes through compromise and cooperation.

Structural shifts in the US-China relationship provide tinder that crises can ignite. The list of triggers is substantial and lengthening. A year into the Trump administration, tensions in the South China Sea have been contained, but the US has continued freedom of navigation operations (FONOPS). Beijing has repeatedly warned that FONOPS or other US moves to signal opposition

will cause China to take stronger steps to unilaterally strengthen Chinese claims. If the deployment of Chinese military capabilities continues or accelerates and if (more likely: when) China declares an Air Defense Identification Zone (ADIZ) over the area, some form of confrontation becomes more likely.

While China has taken a hard line toward Taiwan since Tsai Ing-wen, a progressive with inclinations toward independence, was elected president in 2016, Chinese policy has been cold (e.g., cutting some communications channels and trade) but Beijing has not issued a clear ultimatum demanding Taiwan's acquiescence to mainland preferences. The CCP has recognized that its previous campaigns to influence public sentiment on the island largely backfired, and the Chinese are likely trying to avoid providing a distraction from Tsai's domestic problems. Nevertheless, the Trump administration looks set to strengthen ties with Taiwan – with passage of the Taiwan Travel Act, the resumption of higher-level contacts, and additional weapons sales to the island – and Beijing has signaled its displeasure. If Beijing perceives what it considers upgraded US efforts to promote “separatism,” the Xi government will likely feel compelled to increase pressure on the island, rekindling a longstanding flashpoint.

China has apparently decided to try to lower tensions in the East China Sea, where it disputes Japan's administrative control over the Senkaku islands. After peaking in 2016, the number of Chinese vessels within the territorial seas and contiguous zone has significantly decreased. One analysis of activity at the end of 2017 tentatively concluded that the Chinese government had tried to dissuade fishing boats flying the PRC flag from provoking Japanese authorities. Nevertheless, Chinese claims and continued patrols sustain a continuous risk of unintended escalation arising from an incident on or above the sea in the disputed area. More to the point, the Chinese leadership could easily ramp up tensions in the East China Sea again, either as a reflection of China's confidence in its growing relative power or as a warning to the United States of the danger of being dragged into a Japan-China military conflict.

US reconnaissance programs continue to be an irritant to Beijing and the possibility of another accident like that which occurred in 2001 is always present. Cyber intrusions, whether intended to steal intellectual property or to penetrate strategic infrastructure, are another potential flashpoint and opportunity for the two countries to clash.

Of course, conflict is not ordained. Ultimately, political decisions, not abstract and impersonal historical forces, determine how states interact. The circumstances outlined here, however, suggest that negative pressures are mounting and it will take patience, perseverance, and restraint to prevent the worst outcomes.

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