PACNET

GETTING CHINA POLICY RIGHT

BY RALPH A. COSSA

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It should go without saying but I'll start by saying it: to get China policy right we must first get China right. This means seeing China as it is, not as we would like it to be or as it claims to be. If one were to believe Chinese President Xi Jinping during his annual Davos and APEC speeches, China is today a bastion of free trade and open market access and the great defender of intellectual property rights and the rule of law; its rise is and will be peaceful. We know better. Under Xi's leadership, China has changed significantly, but not for the better (from a US perspective, that is; whether things are better or worse from a Chinese perspective is for the Chinese people to decide).

For better or for worse, the China guided by Deng Xiaoping's teaching—"hide your strength and bide your time"; "it doesn't matter if the cat is black or white as long as it catches mice"—is gone. The color of the cat still doesn't matter, as long as it faithfully subscribes to Xi Jinping thought. "Hide your strength" has been replaced by Wolf Warrior diplomats stressing that "China is a big country ... and you're not." Other Deng precepts—collective leadership, term limits, the phasing out of state-owned enterprises, and most recently, the "one country, two systems" Hong Kong formula—apparently have no place in the new "China dream."

US policy has also evolved, in response to a changing China. With apologies for oversimplifying what was and remains a complicated and deliberate process, I would argue that the Obama administration was slow in picking up the change. It started out with the right policy, but for the wrong China. Deng would have seen Obama's "outstretched hand" as an opportunity to be embraced. Xi saw it as a weakness to be exploited. As Xi's power grew, first as vice president and then as the ultimate leader, his policies became more aggressive and assertive; dare we call it a "China first" policy? In return, US policy shifted (in my words, not Obama's) from "cooperate with China whenever and wherever we can and confront and constrain when we must" to "confront and constrain whenever and wherever we must while cooperating if and when we can." The two main elements of cooperation and confrontation were still there but the emphasis clearly changed, as Obama began his "pivot" to Asia.

To its credit, the Trump administration (although sadly not the president himself) initially got China and China policy right. His first foreign policy team, under National Security Advisor H.R. McMaster, Defense Secretary Jim Mattis, and Secretary of State Rex Tillerson (remember him?) saw China (along with Russia) as a revisionist power that was out to directly challenge US regional and global interests. While keeping the door open for cooperation, the key idea was "reciprocity." While Trump focused on the trade deficit and saw a trade deal as the "solution" to the China problem, his national security team focused more on China's challenge to US security interests. The focus was, correctly, on Chinese behavior. Then along came Mike Pompeo. Aided and abetted by National Security Advisor John Bolton and Defense Secretary Mike Esper, Secretary of State Pompeo shifted the emphasis and blame to the Chinese Communist Party (CCP), adding an ideological dimension that made cooperation virtually impossible, since it attacked the very source of Xi's legitimacy.

To his credit, Pompeo did get one thing very right. He understood that "America first" could not mean "America alone" when it came to dealing with China. Trump's grumbling notwithstanding, he strove to shore up US alliances; the incoming Biden administration has already indicated it will double down on this effort. Most importantly, Pompeo attached a high priority to formalizing the Quad, a coalition of "like-minded" states that includes Australia, India, and Japan, and building a possible

Quad-plus (involving Korea, New Zealand, and Vietnam); the latter was focused on fighting the pandemic but nonetheless helped build up multilateral cooperation.

As the Biden administration assembles its Asia team and starts to develop its China and broader Asia policy, it must see China for what it is: a near-peer competitor engaged in a battle for influence vis-a-vis Washington and the West.

Don't get me wrong. I'm still pro-engagement. Washington needs to properly balance cooperation (in areas like climate change and North Korea where a long-term solution is impossible without Chinese input), while being prepared to confront and constrain (vice contain) where necessary. The Trump administration's Free and Open Indo-Pacific Strategy needs to be retained in some form; sadly it's likely too much to ask that the name be retained, even though it originated not in Washington but in Tokyo and would thus signal both continuity and respect for our critical Northeast Asia ally.

Top priority should be given to strengthening and expanding the Quad, to bring in additional like-minded states who subscribe to the Quad's main operating principles: support for the rule of law, freedom of navigation, transparency, and respect for human rights in a "free, open, and inclusive Indo-Pacific region." Care must be given to avoid loaded terms like "league of democracies" (as put forth tentatively by Pompeo) or "an Asian NATO." The former rules out essential players like Vietnam; the latter runs into the Asian allergy to all things European.

In their individual statements following the Quad Foreign Minister's Meeting in Tokyo in October—there was no joint statement—three of the four ministers played down or avoided mentioning China; Pompeo (as usual but counterproductively) focused on the CCP threat. True, Beijing will see terms such as rule of law and freedom of navigation as code words aimed at China. The proper response in those instances should be "if the shoe fits, wear it." Promoting an inclusive rules-based order is only anti-China if Beijing is bound and determined to not play by the rules. That's China's decision, for which it should expect consequences.

To date, Xi's grand strategy has been tactically clever but strategically foolish. The new repressive national security law has been effective (thus far) in silencing democracy advocates in Hong Kong but has sent a clear signal to the rest of the world (and especially Taiwan) that Chinese promises, including legal agreements registered at the United Nations, are meaningless. Beijing's heavy-handed reaction to Canberra's request for a clear accounting of the origins of the pandemic may have hurt Australia's wine sales (in direct violation of its World Trade Organization and bilateral trade commitments), but also clearly demonstrated that Beijing has no intention of separating politics from economics even while counseling others to do so. Beijing's "14 demands" also reflect no hesitancy in interfering in another's domestic affairs, a sacred principle when it comes to its own affairs. More importantly, China's browbeating has also fortified Australia's commitment to strengthening the Quad, just as aggressive Chinese behavior along the Indian border has prompted New Delhi to do the same.

Meanwhile, China's recent law authorizing its Coast Guard to fire on ships entering what virtually every nation other than China considers international waters around its artificial islands and elsewhere in the South China Sea, is both tactically and strategically foolish. It's never a good idea to be the first to challenge an incoming US administration. Biden will no doubt feel compelled to reinforce the long-standing dictum that "the US will sail and fly anywhere international law allows." Passing this law at this time guarantees China's relationship with the US administration will start off on the wrong foot.

The rush is on to develop—and name—a strategy that is right for the China we are dealing with today. I like "constrainment"; others have mentioned "competitive coexistence." Regardless of what it is called, it must be a combination of cooperation and (gasp) compromise on the one hand, backed by firmness and a willingness to push back both unilaterally and multilaterally with like-minded states when appropriate. Maintaining and refining the Free and

Open Indo-Pacific Strategy, built upon an expanded and redefined Quad, should be the building blocks upon which any new strategy is formed.

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