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In Their Own Words: Chinese and US Perceptions of the Current State of Sino-US Relations

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Background

Much ink has been spilled over the past month assessing the current state of Sino-US relations, and what it means for regional and Australian security. For a number of prominent Australian politicians and commentators, the die has been cast: Sino-US relations are confidently assessed to be defined by "strategic competition" for the foreseeable future. Australian national security is also judged to benefit from this situation, as it not only recommits Washington to existing alliance relationships but also provides stimulus to new initiatives such as the AUKUS agreement, assisting US allies to develop greater capabilities to deter China.

But what is missing from much of this discussion is a focus on what the protagonists themselves think about the current state of Sino-US relations, and how they think about structuring their relationship into the future. This is especially noteworthy in the context of our current heated debate about China, and in the wake of President Joseph R. Biden and Chairman Xi Jinping's first (virtual) summit of 16 November 2021.

So in this *Looking Glass* we seek to fill the gap by providing a discussion and analysis of prevailing *elite* opinion in China and the US on these issues drawing on official government statements and well-connected think-tank commentators in both countries.

Our analysis presents three major conclusions:

1. Both Beijing and Washington perceive their relationship to be primarily defined by competition rather than cooperation for the foreseeable future;
2. There are indications that both states are seeking to identify new "guard rails" for the relationship to build a form of "strategic stability", even as they compete with one another;
3. Both parties have now clearly stated their interest in finding the basis for a form of "competitive coexistence". On that basis it would be imprudent for US allies not to prepare for such an eventuality.

Biden-Xi Virtual Summit: The View from Pennsylvania Avenue and Zhongnanhai

We begin our discussion with the Biden-Xi virtual summit of 16 November. Both parties framed their meeting as a "polite" but "straightforward" exchange on major areas of contention. However, an examination of the White House and Chinese readouts of the discussion highlights the different perceptions each state brings to bear on the relationship, as well as their divergent objectives.

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The White House readout is brief: a mere four paragraphs. It begins by noting that Biden and Xi acknowledged the "importance of managing competition responsibly" framed by an understanding of where both parties' "interests align", and where their "interests, values, and perspectives diverge". Sino-US interests align according to the White House on climate change, regional security challenges such as Afghanistan and North Korea, and most significantly, "managing strategic risks" in the bilateral relationship. President Biden emphasized here that the relationship needed "common-sense guardrails to ensure that competition does not veer into conflict and to keep lines of communication open".

Unsurprisingly, divergences of interests, values and perspectives received more attention from the Biden team. Notable in this respect was not so much specific issues – like Taiwan, ongoing Sino-US trade disputes, human rights in Xinjiang, Tibet and Hong Kong – but the manner in which they were framed. The readout prefaces the administration's concerns with the statement that the US would "continue to stand up for its interests and values and, together with our allies and partners, ensure the rules of the road for the 21st century advance an international system that is free, open, and fair". For the United States, then, defence of its "interests and values" is inextricably bound to the future of a "free, open and fair" international order.

These key points of emphasis in the White House readout are significant for two reasons. First, it is consistent with the Biden administration's efforts to "restore" American global leadership and revitalise American power after the perceived decline of these during the Trump administration. Second, and most importantly, it underlines that the Biden administration sees China as a challenge to its global leadership and its power.

Beijing's readout shares some commonalities with the White House version. It too notes areas of mutual shared interest such as climate change and regional "hot issues". It shares the Biden administration's desire for "guard rails", noting that while "it is only natural that China and the United States have differences" both share an interest in "constructively" controlling relations to "avoid expansion and intensification" of disagreements.

The Chinese readout also demonstrates that Beijing perceives the causes of Sino-US tensions in a fundamentally different light to the Biden administration. Here, three issues in particular stand out: status, conceptions of international order, and assessment of US intentions.

First the Chinese readout *repeatedly* emphasizes the fundamental equality of the status and role of both parties as global leaders. The opening paragraph (out of a total of 20 in the readout) claims that "as the world's top two economies and permanent members of the UN Security Council" Beijing and Washington "should strengthen communication and cooperation", not only for the benefit of their own citizens but to "also shoulder our due international responsibilities".

The Chinese version also disputes the implication in the White House readout that China's "development path" and "strategic intentions" challenge American values and interests, as well as the existing international order. Here, the readout asserts that while China's development and modernisation is an "inevitable historical trend" China "has no intention of

selling its own path to the world", but would encourage others "to find a path of development that suits their national conditions". Rather than an international order defined by "interfering in the internal affairs of other countries through human rights issues", China's preference, according to Xi, is for both China and the US to "safeguard…an international order based on international law and basic norms of international relations based on the purposes and principles of the UN charter".

Finally, the Chinese version also quotes President Biden as stating that:

> China was a great power already 5000 years ago. I want to reiterate clearly that the US does not seek to change China's system of governance, does not seek to counter China through alliances, and has no intention to have conflict with China. The US government is devoted to pursuing the longstanding One China policy, and does not support Taiwan independence and hopes that the Taiwan Strait will remain peaceful and stable.

This quote does not appear in the White House version. While we may never know if Biden in fact said what has been attributed to him by the Chinese, it is nonetheless significant as it demonstrates Beijing's core objectives in the context of Sino-US relations: recognition of China's great power status; assurance that the US does not seek to overthrow the CCP or go to war with China; and assurance that the US still abides by the "One China" policy.

In sum, while both parties share a stated interest in establishing "guard rails" that would stabilise bilateral relations, there remains fundamental divergence over the root cause of conflictual Sino-US relations. For Washington, it is China's (perceived) challenge to both its global leadership and its power. For Beijing it is the United States' (perceived) refusal to acknowledge China's status and legitimacy as a great power. We would suggest that while such a divergence of perception between two states is not unusual, the question remains about how the US and China might attempt to resolve this tension.

Chinese and American Foreign Policy Specialists on the Trajectory of Sino-US Relations

The views of both Chinese and American foreign policy specialists on the current trajectory of Sino-US relations and how they may be managed are an important window into prevailing sentiment in both states. Below we very briefly summarise the prevailing sentiments of American foreign specialists, which are widely known and publicly available. We then focus greater attention on the less well-known views of well-connected Chinese foreign policy specialists. What is striking about comparing these views is the way in which they tend to be mirror images of each other. That in turn suggests a self-reinforcing quality to foreign policy thinking in both Washington DC and Beijing that may make "strategic competition" the default posture for the foreseeable future.

The Americans: from the Death of Engagement to What?

Over the past four years a consensus position among American foreign policy specialists on China has gradually coalesced around three points: China's capabilities and intentions; China's domestic trajectory; and the necessity for a US response.

As demonstrated by the Pentagon's "China Military Power Report" detailed in the last issue of the *Looking Glass*, the United States currently assesses that China's military capabilities and its intentions have over-lapped to an extent that it is now in a position to directly challenge both American power and revise the international order in line with its national interests. For many analysts this overlap can be directly correlated to Xi Jinping's consolidation of power through the paramount leadership of the CCP since 2013. China under Xi has not only jettisoned the more circumspect foreign policy of his immediate predecessors in favour of the assertive pursuit of the "great rejuvenation of the Chinese nation", but also the (re)assertion of muscular, authoritarian one-party controls over Chinese society.

In this reading, China's emergence as a powerful, ambitious and repressive state will lead to "the development of new rules and a new international order that would make the world less free and less safe" unless the United States responds. Significantly, the response has been the "death of engagement" as the organizing principle of American relations with China. The optimistic neoliberal post-Cold War consensus that China's increasing embeddedness into the existing international order would mitigate the potential for strategic conflict through the pacifying effects of economic interdependence and (eventual) political liberalisation has been replaced by the open rhetorical and legislative embrace of "strategic competition".

The problem, as multiple critics have rightly noted, is that "strategic competition" (or indeed the preceding Trump administration's "great power competition") is not in fact a strategy aligning means and ends. At best it is a bumper-sticker narrative to "rebrand" American foreign policy. That is why American foreign policy specialists (much like the Trump and Biden administrations) broadly agree about the nature of the problem the United States faces, but they have not settled on a solution.

The Chinese: A Struggle for "Two Orders"?

Much like their American counterparts, Chinese foreign policy specialists' views of their country's engagement with the United States have evolved through a number of different stages since the 1990s. The key marker along this journey has been shifting perceptions about what American "hegemony" means for China.

During the 1990s the consensus view was that China had to marshal its "comprehensive national power" to deflect and resist American pressure during Washington's "unipolar moment". In the subsequent 9/11 decade, Chinese perceptions shifted to envisage the key inflection points of the era (i.e. the "global war on terrorism", 2003 Iraq War, and 2008 Global Financial Crisis) as providing a window of opportunity for China to take advantage of Washington's many distractions. This allowed it to embed its strategy of "peaceful rise" and begin to try and assuage regional concerns about China's intentions.

This tendency was transformed during Xi Jinping's first term as China's president (2013-2017) to embrace not just a more proactive approach, defined by the overall goal of "national rejuvenation", but to harness Chinese power to build a "community of common destiny" in which China would make a unique contribution to international order. Here, some Chinese

foreign policy specialists claimed not only that the US was in decline, but so too was "hegemony" as an ordering principle of international relations. Such claims made it possible to present Xi Jinping's proposed "community of common destiny" concept not as China's own hegemonic project, but as consistent with the more pluralistic and "multipolar" world that would replace American hegemony.

During Xi Jinping's second term (2017-2021) this optimistic take was revised with the realisation that Washington would not go quietly into the night. Instead, Chinese elites saw a "declining" US hegemon lashing out at those it regarded as challengers. The "conventional wisdom", as one of China's most prominent and influential foreign policy specialists Wang Jisi notes, "holds that the United States is the greatest external challenge to China's national security, sovereignty, and internal stability" as it is "driven by fear and envy to contain China in every possible way". In this sense Chinese foreign policy specialists framed their country as being in the midst of a struggle for "two orders" – to secure China's domestic order (i.e. continued CCP rule), and defend its "core interests" to shape international order.

These sentiments are clearly expressed in Chinese foreign policy specialists' assessments of the Biden-Xi summit. For Zhao Minghao, a Senior Fellow at the Charhar Institute, the United States "having failed to win the trade war" is now via the Biden administration "maliciously" playing "the Taiwan card" in an attempt to "interrupt China's peaceful rise through a war".

Others like Wang Honggang, Director of the US Studies Center at the highly influential China Institute of Contemporary International Studies, note that while the Biden administration "appears to be more liberal than the Trump administration, with a more multilateral emphasis, a greater emphasis on rules", the "beginning and end of the Biden administration's strategic thinking is still to preserve American hegemony". However Wang sees the Biden administration as being in a weak position due to the fact that "America's democracy and international credibility have been shattered" by the chaos and hyper-partisan divisions of the Trump years. For Wang, the US "is worried about its own position of power" and needs to signal to others that it "has strength", when in fact it is a "weak government".

The view that the Biden administration holds a weak hand is also shared by Professor Jin Canrong of the School of International Relations at Renmin University (Beijing). For Jin, domestic politics are a key explanation for both the Biden-Xi summit and the Biden administration's apparently shifting position on Taiwan. With respect to the former, Biden "has probably figured out by now that he's unlikely to be re-elected anyway" and he sees coming to some arrangement with China as burnishing his legacy. With respect to the latter (i.e. Taiwan) Biden needs to tread a fine line between simultaneously demonstrating his desire to "compete" and "avoid conflict" with China, a dynamic that explains his stated concern for Taiwan and desire to establish "guard rails" for Sino-US relations.

Finally, Huang Renwei of Fudan University has argued that Sino-US relations are following the three phases of war identified in Mao Zedong's 1938 treatise, *On Protracted War*: strategic defense, strategic stalemate, and the strategic counter-offensive. According to

Huang, Sino-US relations are currently in the phase of "strategic stalemate" and may stay there for some time, since the US "does not have the ability and will to devote all its resources to the confrontation with China, thus limiting the scale of the confrontation". In this stalemate, however, Huang believes China has the upper hand because if the US "continues to intensify its efforts against China over a period of time, its expended resources and costs will overwhelm the U.S. itself, at which point the strategic stalemate will shift in China's favour".

Takeaways: Beware the Promises and Pitfalls of "Strategic Competition"
Four key takeaways emerge from the above analysis:

1. ***Sino-US relations are clearly understood and framed by the protagonists themselves as characterised by competition. But each party understands the cause of this differently***. For the United States, competition is driven by China's challenge to both American power/leadership and its desire to change the international order. For Beijing, competition is rooted in continued American hegemonic pretensions amidst its inevitable decline;

2. ***This distinction drives fundamentally different perspectives as to how each party believes the challenge of competition can (or should be resolved***. The Biden administration through its rhetoric, legislative agenda and strategic/defence policy statements has demonstrated, as President Biden told Congress on 28 April 2021, that its objective is a whole-of-nation effort to "out compete" China in order to "win the 21st century". This indicates that the administration believes that it is "the foundations of US strength" which are under stress "requiring competition to reverse the trends" and as such "*only* relative American advantages will produce security, and losing the lead will compromise US interests".

   But while the Biden administration may have committed rhetorically to the "restoration" of American leadership of a "liberal international order", it has in fact been preoccupied with strengthening the military-economic bases of American power rather than on rebuilding the existing international order. For Beijing, as we have noted, the competition is a struggle over two orders: China's domestic order and China's desire to shape international order in ways conducive to its interests. Here the prevailing Chinese view that the US is a declining hegemon set on sabotaging China's "inevitable" rise informs its reactions to US criticisms/actions, on all manner of issues from human rights abuses in Xinjiang to COVID-19. For China, while the US thus presents immediate challenges to its core interests that must be guarded against, it believes that ultimately time is on its side as the Biden administration's efforts to "out compete" it will hasten the trajectory of US decline.

3. **US allies must recognise this calculus of both Washington and Beijing to successfully navigate Sino-US "strategic competition".** The Biden administration's primary focus on strengthening the military and economic bases of American power is a mixed blessing for allies such as Australia. On the one hand, the centrality of "strategic competition" has encouraged the Biden administration to

undertake initiatives such as AUKUS that promise to strengthen Australian capabilities and thus contribute to US deterrence efforts in Asia. On the other hand, a single-minded focus on revitalising American power comes at the cost of the relative neglect of the international order's security and economic architecture. The disjuncture, for example, between American assertions that it would not leave Australia "alone on the field" in the face of Chinese economic sanctions and the reality of American economic "recoupling" with China is an important data point here. And recognition that China's current posture in Sino-US relations is framed by its belief that a declining US is attempting to sabotage it makes it inevitable that Beijing will perceive US allies as being complicit in this objective.

4. **"Strategic competition" may pave the way to "competitive coexistence".** Although the immediate chances of Washington and Beijing finding a new equilibrium in their relationship appear low, the longer-term prospects of them reaching a formal or informal modus vivendi should not be discounted. This is because the causes of Sino-US tension – as viewed from each capital – also contain the seeds for their resolution. The US focus on revitalising the bases of its military and economic power, and China's acute concern that a "declining" US will undermine its "core interests", provide potential avenues for negotiation. Indeed, a negotiated modus vivendi with China cannot be discounted. No less than Biden's "Indo-Pacific czar", Kurt M. Campbell, and his National Security Advisor, Jake Sullivan, have argued in *Foreign Affairs* in 2019 that American strategy toward Beijing should "seek to achieve not a definitive end-state akin to the Cold War's ultimate conclusion", but "a steady state of clear-eyed coexistence on terms favorable to U.S. interests and values". Such "coexistence", they argued "would involve elements of competition and cooperation" and be geared toward achieving "a set of conditions necessary for preventing a dangerous escalatory spiral". Both the US and China have an interest in achieving such a stabilising outcome. Yet the fundamental divergence between how each capital perceives the root cause(s) of poor bilateral relations suggests such an outcome will be achieved neither quickly nor easily.

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