

The U.S.-China Relationship: A Four-Point Strategy to Increase U.S. Competitiveness and Enhance American Leadership

Foreword: *I co-founded the bipartisan United States-China Working Group (USCWG) in 2005. Amid debate over a Chinese company's proposed acquisition of Unocal, I recognized the need for a forum for members to learn about China, hear views from diverse experts and discuss pressing issues in the bilateral relationship. These conversations and experiences have led me to develop an outline of a China strategy, including policies the United States should adopt. It does not reflect the views of the USCWG or its members.*

In December 2019, I published a white paper on the U.S.-China relationship that proposed a strategy organized around four guiding principles:

- *recognizing existing areas of conflict and competition;*
- *expanding the playbook to include both offensive and defensive measures to compete with China;*
- *identifying areas where cooperation is in both nations' interest; and*
- *getting our own house in order.*

This framework is still relevant and should continue to serve as a guide for developing U.S. policy. However, the bilateral relationship has changed greatly since December 2019:

- *China's crackdown in Hong Kong made a mockery of "one country, two systems." The new National Security Law eliminated any pretense of semi-autonomy for Hong Kong and violated Hong Kongers' human rights by eroding freedom of press, expression and assembly and eliminating judicial independence. The National Security Law also further restricts the space for competitive elections for local office holders.*
- *The Trump administration concluded a Phase One trade deal with China that featured large Chinese purchasing commitments but failed to effectively address longstanding structural concerns with China's industrial policy and state-led economic model. The agreement also kept most tariffs in place.*
- *COVID-19 killed millions worldwide, disrupted global supply chains, devastated economies and raised further questions about the Chinese government's transparency. At the same time, U.S. failures in pandemic preparedness and response gave China an unexpected propaganda victory.*
- *Hate crimes against Asian-Americans surged in the United States, likely sparked by COVID-19 and exacerbated by then-President Trump's gleeful racism. These tragic crimes, almost certainly underreported, make clear that elected officials who call out Chinese government behavior must do so in clear language that does not risk inflaming hatred against Asian-Americans.*
- *The murder of George Floyd by members of the Minneapolis Police Department galvanized nationwide protests against police violence and revealed further the inequities continuing to plague U.S. society. China covered these protests extensively, portraying the United States as unstable and attempting to defuse criticism of the handling of protests in Hong Kong.*
- *The 2020 U.S. presidential election ushered in a new administration with a clearer strategic vision for competing with China, emphasizing domestic investments, multilateral partnerships and ensuring competition does not become conflict. Working with Congress to transform this vision into policy change will be the Biden administration's foremost challenge.*

- *Former president Trump and prominent Republicans rejected the election results and spread outrageous fraud claims, inciting a violent insurrectionist mob on January 6, 2021, making clear that the greatest threats to democracy at home and America's reputation abroad are internal. These events also allowed Chinese leaders and pundits to portray the United States and democracy as inherently unstable and violent.*
- *President Xi Jinping further consolidated power, pursuing a more assertive foreign policy, reining in the Chinese private sector and promoting the role of the state in the economy.*

This updated white paper builds on the December 2019 edition, including new priorities and recommendations while retaining the framework of the original white paper. The original report is available [here](#).

Four Principles for U.S. Policy in Competing with China

With a deep bench of China experts, the Biden administration appears poised to build on the Trump administration's view of China as a strategic competitor by working with allies and partners, strengthening the U.S. at home and clearly defining areas of cooperation and competition.

In the past, I observed that there are three species of China hawks in Congress: national security hawks, economic hawks and human rights hawks. Under the Trump administration, their interests were aligned. In Congress, this built a consensus view of China as a strategic competitor.

Instead of flocks of hawks, I now see distinctions among Members of Congress as to the appropriate policy response to China's growing power. A more useful classification now divides members into three distinct camps:

- **Punishers**, who seek to harm China for lost jobs, stolen intellectual property, COVID-19 or other offenses;
- **Decouplers**, who wish to sever the economic relationship partially or entirely; and
- **Salvagers**, like myself, who view engagement with China as necessary to achieving U.S. policy goals.

When dealing with China, the Biden administration has little wiggle room from Congress on issues all three groups see as fundamental U.S. interests, especially technology competition and human rights.

As in my 2019 paper, I argue for a strategy oriented around four guiding principles:

- recognizing existing areas of conflict and competition;
- expanding the playbook to include both offensive and defensive measures to compete with China;
- identifying areas where cooperation is in both nations' interest; and
- getting our own house in order

The advantages of this framework are clear. First, it can be applied across multiple policy areas. Second, many of the investments and reforms suggested by this framework will boost U.S. global competitiveness, not just vis-à-vis China. Finally, this strategy can be made more effective when the U.S. works with allies and partners and international organizations and groupings, consistent with the Biden administration's approach.

The Challenge

China's emergence as a global power and its continued economic, political and military growth will continue to affect U.S. interests. The U.S.-China relationship will also have significant implications for other countries around the globe. In my meetings with foreign leaders, I often hear concern about the impact on their nations of an increasingly confrontational U.S.-China relationship, given the two nations' economic and military might.

China has an integrated, whole-of-society strategy and playbook for advancing its interests and values across the Asia-Pacific, Eurasia and elsewhere around the world. China is implementing this strategy and playbook with determination, patience, deep pockets and tactical flexibility. As others have remarked, China is playing a long game.

China's whole-of-society strategy poses a fundamental challenge to U.S. interests and values, including human rights, rule of law, and other features of the post-WWII international order. It is unlike any challenge the United States has previously faced, particularly in terms of the economic strength of the challenger and its integration into the global economy. While China seeks to validate Chinese Communist Party (CCP) rule at home and shape the global order on favorable terms, it does not seek to export communist rule, as the Soviet Union once did. And China is different from the threat from Russia today because of its economic might — China's GDP was more than ten times Russia's in 2021, per the IMF.¹

I agree with many of the hawks in Congress about what the chief problems are: intellectual property (IP) theft, forced tech transfers, market access, distortionary support for state-owned enterprises, forced joint ventures, repression of Uyghurs, Tibetan Buddhists and other religious minorities, human rights abuses and aggression in the South China Sea and the region.

The United States must develop, resource and implement its own integrated strategy and playbook for defending and promoting the post WWII international order and advancing U.S. interests and values. Given this rising threat from China, America's approach must be a whole of government strategy. U.S. policymakers must create robust diplomatic, informational and economic approaches. While this paper includes recommendations to strengthen national security, a strategy to compete with China that relies too much on the military will not succeed. Partners in the Indo-Pacific do not doubt that the U.S. prioritizes security in the region. Instead, they have doubts about the U.S. economic and security commitment to the Indo-Pacific.

This strategy and playbook must not be solely reactive or defensive in nature, as the best that a reactive, defense-only strategy can achieve is a draw. There are issues and places around the world where achieving a draw would not serve U.S. interests and values. Consequently, the strategy and playbook must include proactive elements for advancing U.S. interests, improving American competitiveness, and spreading U.S. values.

This updated white paper outlines features of an integrated, whole-of-government, proactive U.S. strategy and playbook for competing with China and globally. As the bilateral relationship is dynamic, this document and my policy recommendations will continue to evolve.

¹ https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEO_WORLD/CHN

Four-Pillar Strategic Plan by Issue Area

This four-pillar approach can be applied to a variety of policy areas, several of which are presented below. Note that many of the greatest challenges in the bilateral relationship span multiple policy areas. For example, technology competition is both an economic and national security issue. And forced labor in Xinjiang is a human rights issue with economic impacts. Analysis of five policy areas:

1. Education

To meet Chinese competition in emerging scientific fields such as AI, robotics, quantum computing and nanotechnology, the U.S. must educate and train a workforce with the skills necessary to succeed in the global economy. This means that the two nations have an informal competition across education, from K-12 schooling through advanced degrees. But the U.S. motivation for investing in schools must be about more than some abstract sense of competing with China. Policymakers must prioritize education to provide greater opportunity for America's youth and to close equity gaps² in U.S. education.

The United States is in a strong position as an admired leader in science, innovation and education. According to the QS World University Rankings, 38 of the world's top 100 universities are in the U.S.; only 6 are in China.³ In China and worldwide, parents dream of sending their children to study in the United States. But there are real reasons for concern as China invests heavily in education and tasks universities with building "schools of future technology." And as Chinese universities improve, they will become increasingly appealing destinations for talented international students, academics and researchers.

One of the most discussed educational issues in the bilateral relationship is espionage in academic or research settings. While the threat is real, it is manageable, and policymakers must be careful not to jeopardize the free and open academic model that has made the United States the global leader in education and research. Proposed countermeasures, like prohibiting Chinese students from studying in STEM fields would do far more harm than good. The fact that the world's brightest students want to attend American universities to pursue an education is a massive strategic advantage in terms of intellectual capital, soft power and exposing young people to American society. Instead of broadly establishing obstacles for Chinese students, the United States should pursue a "small yard, high fences" approach that protects the most sensitive research while ensuring foreign students can continue to come to the United States.

In addition, consider that a well-resourced competitor seeking to obtain sensitive academic research has multiple pathways to achieving this goal. At far lower risk than in-person espionage, that country could recruit lead researchers to its own institutions or engage in cyber espionage.

Going further, the United States should make it easier for foreign students to stay in the United States. Consider the reverse scenario: if the brightest young Americans were studying in China, our top concern would be that China would incentivize and recruit them to stay. In essence, the United States can employ a "brain drain" strategy to try to get more Chinese students to use their talents and skills in the

² <https://www.americanprogress.org/issues/education-postsecondary/news/2021/04/06/497888/building-college-educated-america-requires-closing-racial-gaps-attainment/>

³ <https://www.topuniversities.com/university-rankings/world-university-rankings/2022>

United States. Already, more than 80 percent of international PhD graduates from U.S. universities stay in the United States after graduation, particularly Indian and Chinese students⁴.

There is also much the United States can do to get our own house in order on education in general, not just STEM. Recent surveys show alarming gaps in civic knowledge and skills among U.S. students. According to a 2020 study from the Annenberg Public Policy Center, only half of all Americans can name the three branches of government, which is remarkably an increase over prior surveys. But civics is about more than understanding our system of government. Only 11 states require service learning, and seven in ten high school seniors say they have never written a letter to voice an opinion or address a problem⁵. In an era of disinformation, conspiracy theories and social media radicalization, civics education and community engagement are vital 21st century skills and an essential component of building a resilient society.

Recommendations

- To address concerns about academic espionage without undermining the free and open academic model:
 - Restore DHS's Homeland Security Academic Advisory Committee (HSAAC) to ensure that members of the higher education community are present at inter-agency discussions related to international students.
 - Enhance cyber threat sharing between the federal government and universities.
 - Expand support for parties involved in STEM research to better monitor and prevent IP theft and abuse of data.
 - Ensure federal grants to universities for sensitive research have strict cyber security requirements.
 - Enhance coordination between universities and the federal government to protect Chinese students in the United States from repression, coercion and surveillance, including loss of visas for students "reporting on" their peers⁶.
 - Ensure that student visa violators, particularly those that misrepresent or fail to disclose material affiliations with the PLA or CCP, are punished pursuant to applicable law.
 - Broadly, ensure that the approach to combating academic espionage is a scalpel, not a hatchet.
 - Increase transparency and reporting around gifts from foreign sources.
- To attract the world's brightest minds:
 - Ensure U.S. consulates have necessary personnel and resources to process visa applications, including student visas, as international student enrollment returns following COVID-19.
 - Encourage Public Affairs Officers at U.S. embassies to enhance outreach to promote the United States as a destination for higher education and work to counteract the decline

⁴ <https://cset.georgetown.edu/publication/the-chipmakers-u-s-strengths-and-priorities-for-the-high-end-semiconductor-workforce/>

⁵ <https://www.brookings.edu/policy2020/bigideas/the-need-for-civic-education-in-21st-century-schools/>

⁶ <https://www.propublica.org/article/even-on-us-campuses-china-cracks-down-on-students-who-speak-out>

in new international student enrollment that began in 2016 and accelerated during the COVID-19 pandemic.⁷

- Government leaders and prominent Americans should publicly support international students and promote the United States as a welcome destination for higher education.
- Congress should provide a streamlined pathway to a green card for all advanced degree graduates, not just doctoral STEM graduates. This pathway should include scrutiny of the academic rigor of the program to address concerns about diploma mills becoming green card mills.
- Increase funding for programs that expose young people to U.S. education and values, including Young Southeast Asian Leaders Initiative, Young African Leaders Initiative, and Future Leaders Exchange programs.
- Enhance efforts to attract international students from areas of the world with young populations, particularly Africa and Southeast Asia.
- To improve civic education and civic life:
 - Congress and states should encourage civic education, combining knowledge of the U.S. system of government with a broader curriculum of service and community engagement.
 - Congress and states should ensure school districts have sufficient funding for clubs, after-school activities and other programs in order to promote interpersonal engagement, consensus building and leadership skills in young people. According to the “America After 3 PM” report, 24.6 million children were unable to access afterschool programs, with affordability and availability identified as major factors.⁸
 - Congress should increase funding for libraries, which serve as free centers of learning and communal meeting spaces.
- To increase the number of young Americans learning about other cultures and representing the U.S. abroad:
 - Congress should appropriate funding sufficient to double the number of slots for foreign language and area studies.
 - This doubling of slots should be across the federal government, and include programs such as Fulbright, Boren, Gilman, and Project Go.
 - Congress and states should bolster funding for K-12 foreign language education, including Mandarin.
- To improve access to STEM education:
 - Increase funding for STEM partnerships, so community college students and other students outside major research institutions have access to cutting edge fields, like robotics and machine learning. The Robotarium at Georgia Tech is an excellent model to replicate.

⁷ <https://www.insidehighered.com/admissions/article/2021/11/15/international-students-increase-following-pandemic-declines>

⁸ http://www.afterschoolalliance.org/afterschoolsnack/Why-are-so-many-kids-missing-out-on-afterschool_03-10-2021.cfm

- Encourage development of classroom modules that expose K-12 and undergraduate students to fundamental concepts in AI. This model builds off of Finland’s “Elements of AI” course and a similar initiative I am pushing at the Department of Defense.

Consistent with the “four pillars” model, these recommendations identify pivotal areas of competition, include both offensive and defensive measures, and include measures that, independent of China, will help the U.S. get our own house in order.

2. Jobs, Business, Investment and Trade

President Trump began his administration by withdrawing the United States from the Trans-Pacific Partnership. This was a mistake, because it deprived the U.S. of preferential access to rapidly growing markets, forfeited America’s seat at the negotiating table where the rules of the road for the future of trade are being shaped and reduced U.S. influence in the region. Critically, it also reduced the economic heft of a high-standard regional counterweight to the Chinese economic model, which is premised on non-competitive economic policies, include forced technology transfers, support for state-owned enterprises, restrictions on market access and forced joint ventures.

Instead, the Trump administration pursued a tariff-centric trade war that lacked clear goals and essentially resulted in a ceasefire. Amidst this competition, the U.S. increased tariffs on potential partners while China reduced duties for others, further isolating the U.S.⁹ Ultimately, the trade war harmed U.S. exporters, workers and consumers and undermined global confidence in the U.S. commitment to trade. And even when companies chose to relocate operations out of China, they moved jobs to other markets in Asia, not the U.S.¹⁰

In the January 2020 Phase One agreement, China made various commitments, some previously announced, to improve intellectual property protections, reduce forced technology transfers and limit non-tariff barriers to U.S. imports. The centerpiece of the deal, based on then-President Trump’s fixation on trade deficits, was China’s commitments to purchase large and specified amounts of U.S. goods and services.

By this measure, China has failed to live up to its commitments. Even recognizing 2020 commitments as unmeetable due to the pandemic, China’s actual imports as of October 2021 are 38 percent to 40 percent below the target level¹¹. And paradoxically, these purchase commitments actually increase the Chinese government’s role in managing its economy.

Climate is an area where the U.S.-China competition can yield both environmental gains and American jobs. On climate, China is a paradox. The country is the largest investor and market for renewable energy, has ambitious climate goals and made green technology a key industry as part of Made in China 2025. At the same time, China is the world’s largest emitter, is increasing its reliance on coal and has a woeful environmental record. So while the U.S. and China negotiate on a climate agreement, the U.S. must also compete with China on green technology, green jobs and global environmental leadership. And U.S. negotiators must avoid sacrificing other national interests in order to achieve an elusive climate

⁹ <https://www.piie.com/blogs/trade-and-investment-policy-watch/trump-has-gotten-china-lower-its-tariffs-just-toward>

¹⁰ <https://www.amcham-shanghai.org/en/article/amcham-shanghai-releases-2021-china-business-report>

¹¹ <https://www.piie.com/research/piie-charts/us-china-phase-one-tracker-chinas-purchases-us-goods>

accord with China. A climate strategy that combines competition and cooperation is more likely to yield reduced emissions and U.S. job growth.

Recommendations

- To strengthen U.S. economic commitment to the Asia-Pacific, promote high-standard trade and grow jobs in the United States, Congress and the Biden administration should:
 - Join CPTPP.
 - Pass Trade Promotion Authority to enable the Biden administration to join CPTPP and/or pursue other serious multilateral and plurilateral trade negotiations.
 - Immediately begin negotiations on sectoral multilateral trade agreements, including digital trade and environmental goods. For digital trade, existing frameworks to build from include USMCA and the Digital Economy Partnership Agreement between Chile, Singapore and New Zealand¹².
 - Establish an Office of Green Trade within USTR, tasked with growing American jobs by facilitating trade in goods and services that reduce emissions and promote energy efficiency.
 - Endeavor to revitalize the WTO as an institution dedicated to supporting trade based on market principles that values workers and protects the climate.
 - Enact the bipartisan Global Small Business Network Act.
 - Strengthen and modernize Trade Adjustment Assistance. Calling the current program a fig leaf is an insult to fig leaves.
 - Build off of the administration's offer to host APEC 2023 by developing a broad and inclusive agenda including environment, labor, infrastructure, small and medium sized enterprises and global health.
 - Increase funding for the Labor Office and the Environment and Natural Resources Office at USTR to strengthen enforcement of labor and environmental provisions in U.S. trade agreements.
- To increase U.S. global competitiveness, Congress and the Biden administration should:
 - ✔ Make a bold, FDR-like investment in the nation's infrastructure, broadly defined, to create jobs, spur economic growth, bolster competitiveness and position the U.S. as a leader in tackling climate change.
 - Pass a final USICA that incorporates the strongest elements of both chambers' work, including:
 - CHIPS Act implementation funding
 - Tasking a new NSF technology directorate with key issue areas including AI, high performance computing, quantum computing, robotics and synthetic biology
 - Traineeship grants for AI research
 - Prioritizing climate leadership
 - Fulbright reauthorization
 - Support for APEC and ASEAN
 - Establishing an Arctic Ambassador
 - Establishment of a China Censorship Monitor and Action Group

¹² <https://www.brookings.edu/opinions/digital-trade-deal-ripe-for-the-indo-pacific/>

- Invest in American workers, including by increasing the number and fields of apprenticeships, while preserving the high standards of existing apprenticeship programs. My American Workforce Investment in Next Generation of Students Act would achieve this by establishing a 2-2-2 six-year pathway from high school to community college to an apprenticeship in an in-demand field.
- To increase pressure on China to change economic practices:
 - Enact and enforce the Uyghur Forced Labor Prevention Act and work with international partners to adopt similar policies in order to eliminate forced labor and human rights abuses from supply chains.
 - Increase coordination between CFIUS and other nation's foreign investment review bodies, which are often far too lax around sensitive technology and industries¹³. On the other hand, some countries in the Asia-Pacific have reformed their foreign investment policies to include screening mechanisms because of predatory Chinese investment¹⁴. Sharing lessons learned about deceptive business practices will help develop a more coherent global framework for safeguarding jobs and advanced technology.
 - Strengthen and coordinate export controls that protect sensitive technologies with other countries that are global leaders in advanced technology.

3. Technology

Technology is arguably the most interconnected of the policy areas evaluated in this White Paper. U.S. leadership in emerging technologies will be a powerful job creator. Many new and emerging technologies have military applications that will give the more advanced nation a real advantage on the battlefield. Advanced technology manufacturing and innovation requires an educated, trained workforce. And while free and open technologies operating within a clear legal framework can be a powerful tool to advance human rights, these same technologies can also be the tools of an oppressive surveillance regime.

Along with human rights, technology competition with China is one area where the administration will get little leeway from Congress. On a bipartisan basis, Members of Congress largely agree that national security and economic strength are dependent on U.S. leadership in technologies like 5G, AI, and robotics.

- To promote democratic and open technology standards that respect privacy and the rule of law:
 - Congress should pass the Information Transparency and Personal Data Control Act, or similar national data privacy standard legislation. Doing so will establish a clear U.S. privacy baseline for international negotiations and avoid a patchwork system of state-by-state standards.
 - The administration should work with like-minded allies and partners to develop a global strategy for leadership at global standards-setting bodies, including the United Nations International Telecommunications Union.

¹³ <https://www.wsj.com/articles/china-bought-italian-military-drone-maker-without-authorities-knowledge-11636972513>

¹⁴ <https://www.jonesday.com/en/insights/2021/01/significant-changes-to-australias-foreign-investment-framework-commenced-on-1-january-2021>

- Ensure prohibitions against working with Chinese telecommunications companies are narrowly tailored so U.S. private sector actors can continue to participate in standards setting bodies where Huawei, for example, may also play a role.
- Similarly, ensure prohibitions against federal financing of projects with Chinese telecommunications equipment do not preclude deals that would lead to replacement of this equipment.
- USTR should pursue a multilateral digital economy agreement in collaboration with academia, private and public sector stakeholders (see earlier recommendation).
- Build from the Clean Network to provide technical and financial assistance to countries seeking to build high-standard telecommunications networks.
- DoD should continue the momentum of adoption of secure 5G in its telecommunications infrastructure and start planning for NextG technologies now instead of playing catch up.
- The JAIC should expand the AI Education Strategy initiative from pilot programs to a Department-wide education initiative so everyone across the DoD has a basic understanding of AI.
- To advance U.S. leadership in crucial disruptive emerging technologies:
 - Congress should advance immigration and education policies that attract the world's talent, including by expanding visas and establishing pathways to citizenship for students. (See Education section and linked CSET report for further information)
 - Increase funding for the SBA's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs in order to help companies and researchers bridge the valley of death to turn innovative ideas into commercial products.
 - Congress should appropriate sufficient funds to match the budget authority established in the CHIPS Act in USICA and in annual appropriations.
 - Congress should continue providing robust funding for emerging technology research and development initiatives throughout the federal government (See USICA recommendations for more details).

4. National Security

China's People's Liberation Army (PLA) is growing in strength and capability. The PLA has ramped up its pressure and assertiveness towards its neighbors, including India and Taiwan. China's expansion and militarization of disputed landforms in the South China Sea enhances China's anti-access/area denial capabilities in the region. China has also invested in shipbuilding, space operations, nuclear weapons and delivery systems and emerging technology. Further, China's establishment of a Strategic Support Force shows the PLA correctly understands the centrality of information operations in any future military conflict with the United States¹⁵.

Given these developments, national security may seem ill-suited to the Four Pillar model. However, this framework is directly applicable and can help guide defense policy and investments.

¹⁵ https://ndupress.ndu.edu/Portals/68/Documents/stratperspective/china/china-perspectives_13.pdf

Identifying areas of conflict and competition is the critical first step. While the competition is broad, it is most acute in certain geographic areas, like the East and South China Seas, broader Western Pacific and in critical domains including space, cyberspace and the electromagnetic spectrum. (In fact, the bilateral relationship is already openly in conflict in cyberspace).

In national security, expanding the playbook means building partnerships and investing in capabilities that force China to react to the United States, rather than the other way around. To paraphrase Secretary Mattis, we need to be the ones to keep our adversaries up at night.

While there may be few areas of outright cooperation in national security, there are important issues where both countries' interests are aligned. Neither wants conflict on the Korean Peninsula, and both countries want to avoid miscalculation that could lead to war. And neither country should be eager to enter into an expensive and destabilizing arms race.

Finally, getting our own house in order means modernization and allowing the military to retire platforms that would be ill-suited for high-end conflict. While the shift from counter-insurgency to great power competition is virtually a cliché at this point, it is a valuable conceptual framework for enhancing training¹⁶, establishing spending priorities, determining force posture and building readiness.

- To improve training, the Department of Defense should:
 - Expand training concepts that assume conflict will occur in a contested electromagnetic spectrum environment.
 - More fully integrate cyber operations with kinetic operations in major exercises.
 - Develop war games where Red team capabilities are based on an assessment of PLA capabilities in 5 years. Remember, the DoD learns more from losing war games than from winning.
- To better understand the PLA, Congress should:
 - Receive regular updates from the Department of Defense on the status of China's military reorganization, with a focus on the evolution of the Strategic Support Force.
 - Expand targeted military-to-military exchanges, which is challenging in the current environment. Exchanges increase stability and can provide unique insights, as the U.S. military is far more transparent than the PLA.
- To reduce the risk of miscalculation, the administration should:
 - Maintain high-level military-to-military channels for crisis communication.
 - Explore a bilateral arms control dialogue. While the U.S. nuclear weapons arsenal is far larger than China's, China is expanding and modernizing its nuclear forces. A dialogue could promote strategic stability and give valuable insight into Chinese force posture and doctrine.
 - Invest in Nuclear Command, Control and Communication modernization.
 - Integrate the Nuclear Posture Review and Missile Defense Review into a more holistic Strategic Stability Review.
 - Include in the Strategic Stability Review an assessment of U.S. and Chinese entanglement of strategic and non-strategic systems, and whether this dynamic

¹⁶ <https://warontherocks.com/2020/05/the-pentagon-should-train-for-and-not-just-talk-about-great-power-competition/>

increases the potential for miscalculation and inadvertent escalation in the event of a crisis¹⁷.

- To prepare for great power competition, Congress should:
 - Allow the Department of Defense to retire legacy systems ill-suited for conflict with a peer military, like the A-10.
 - Invest in systems that can operate within a contested A2/AD environment, such as long-range, low-cost UAS, USV and UUV.
 - Continue to reduce the cost of space launch and shorten the timelines for launch with competitive contracting, low-cost satellites and modular technologies. That means fewer high-cost, uniquely configured satellites.
 - Ensure special operations forces, which have played an outsized role in counterterrorism missions, are subject to appropriate oversight and are focused and resourced for great power competition. This includes diversifying the force and skills of special operations forces, having a clear strategy of success in the Asia-Pacific and strengthening the oversight role of ASD SO/LIC.
 - Conduct a real re-balance to Asia, focusing on military, economic, diplomatic and development presence¹⁸.
- To strengthen the defense industrial base, Congress should:
 - Mandate a DoD-wide supply chain review from raw materials to systems integration.
 - Increase the budget for the DPA Title III office in order to make targeted investments in critical supply chain capabilities that are limited in the United States and allied countries.
 - Support policies which reduce barriers for small and medium enterprises seeking to do business with the Department of Defense.
 - Ensure research funding complements, rather than duplicates existing private sector research, and expand partnerships to leverage private sector technology advancements.
- To foster and strengthen international partnerships, the Department of Defense and Congress should:
 - Ensure that cooperative training and joint exercises are correctly framed as capacity and interoperability building, not just countering China. Adopt a tailored approach to exercise design and public messaging that is receptive to the military needs and political situation in each country.
 - Strengthen partnerships in military-funded research with countries with advanced militaries and research bases, including the Quad and Singapore.
- As Chinese propagandists¹⁹ use U.S. withdrawal from Afghanistan to cast doubt on America's commitment to Taiwan²⁰, Congress and the Administration should:
 - Maintain "strategic ambiguity" while re-stating U.S. policy towards Taiwan, including the "One China" Policy, formulated on the basis of the Three Communiques and the Taiwan Relations Act, as well as the Six Assurances.

¹⁷ <https://carnegieendowment.org/programs/npp/nuclear-entanglement>

¹⁸ <https://www.nytimes.com/2021/09/13/opinion/china-taiwan-afghanistan.html>

¹⁹ https://twitter.com/HuXijin_GT/status/1427286890835705860

²⁰ <https://foreignpolicy.com/2021/08/23/taiwan-afghanistan-china-biden-us-reputation>

- Take steps to continue to deter China from changing the status quo on Taiwan, both through ensuring a credible conventional military deterrent and through high-level political assurances that the U.S. will not seek to meaningfully change the status quo if China does not.
- Support senior-level meetings between the United States and Taiwan.
- Continue to support arms sales, training and other measures that strengthen Taiwan's self-defense capabilities and increase Taiwan's resilience to coercion or threats of force from the PRC.
- Develop response options for potential PLA gray zone tactics against Taiwan, such as cyberattacks or a blockade.
- Make the voices of Taiwanese people central to policy discussions. Remember, Taiwan is not the prize in a game of great power tug-of-war—it is a vibrant, thriving democracy of 24 million people and any conflict would be devastating to their lives, freedom and prosperity.

5. Development and Diplomacy

Enhancing U.S. soft power is critical to increasing U.S. competitiveness vis-à-vis China. In this space, the Biden administration has a rare opportunity. Across Europe and Asia, many countries' unfavorable views of China are at or near historic highs²¹. China's hostage diplomacy also damaged its global standing and provoked both government and corporate backlash²². In addition, President Biden's more able diplomatic style should prove a welcome contrast for many countries to his predecessor's confrontational approach and China's abrasive Wolf Warrior Diplomacy.

Chinese diplomats and propagandists are growing increasingly vocal in calling out U.S. crises. Doing so serves several functions. These arguments blunt U.S. criticism on human rights, COVID-19 transparency and other issues. And these officials are also seeking to discredit democracy and U.S. global leadership. Of course, these false equivalencies are spurious. In the United States, Americans are free to discuss police brutality, the genocide of Native Americans and other topics the Chinese may use for whataboutism. In China, any discussion that deviates from the party line on sensitive topics is heavily censored²³.

Despite the increasingly negative perceptions of China in many countries, China still possesses a deep reserve of international goodwill, driven partially by development largesse. Under the Belt and Road Initiative (BRI), Chinese companies and banks build and finance projects worldwide, including transportation infrastructure and 5G networks. While U.S. analysis has focused on so-called "debt trap diplomacy" and China's use of BRI projects to grow its global influence, a full picture is more complicated. For China, BRI also boosts domestic consumption and income, leads to further investment opportunities and helps China alleviate domestic overcapacity²⁴. And for BRI partners, these projects help address real infrastructure needs, often with fewer strings attached than US or EU investment

²¹ <https://www.pewresearch.org/global/2021/06/30/large-majorities-say-china-does-not-respect-the-personal-freedoms-of-its-people/>

²² <https://www.csis.org/analysis/beijing-suffers-major-loss-its-hostage-diplomacy>

²³ <https://www.reuters.com/article/us-china-tiananmen-censorship/chinas-robot-censors-crank-up-as-tiananmen-anniversary-nears-idUSKCN1SW03Y>

²⁴ <https://dr.ntu.edu.sg/handle/10356/78227>

proposals. As such, the U.S. strategy to counter BRI has to be about more than just patronizingly warning countries against Chinese investment. The U.S. and like-minded partners need to commit to development assistance and become better partners for recipients of aid. Streamlining the timeline for project approval and increasing United States Agency for International Development (USAID) and U.S. International Development Finance Corporation (DFC) staffing are all important steps.

In the Indo-Pacific, countries are closely watching the bilateral U.S.-China relationship and are wary of being caught in the crossfire of this competition. In meetings with senior government officials from countries in the region, I have repeatedly been told that leaders in the Indo-Pacific value U.S. presence in the region, strive to maintain positive relations with both countries and do not want to be forced to choose between the United States and China.

- To improve U.S. global image and perceptions of democracy, and to stop giving Chinese propagandists easy wins:
 - Get COVID-19 under control through a combination of vaccinations, rapid testing, and aggressive response to hotspots. In addition, state and local governments need to stop adopting anti-mask and anti-vaccine policies that undermine public health and threaten the lives of their citizens by creating conditions for COVID-19 to spread.
 - Strengthen democracy in the United States by passing:
 - H.R. 1, the For the People Act, which removes obstacles to voting, expands voting rights, reduces the influence of money in politics, eliminates partisan gerrymanders and strengthens ethics and transparency rules.
 - The John Lewis Voting Rights Advancement Act, which combats voter suppression laws passed in the wake of *Shelby County* by restoring the protections of the landmark Voting Rights Act of 1965 in a clear and consistent nationwide manner.
 - Address longstanding inequities in U.S. society around policing and the criminal justice system, starting by passing the George Floyd Justice in Policing Act²⁵.
 - Conduct a thorough investigation of the January 6th attempted insurrection and demonstrate the sacrosanct principle of rule of law by holding accountable those responsible for leading the attempt to subvert democracy.
 - Public figures must take responsibility for their words and understand that casting doubt on free and fair elections for partisan political gain weakens the global standing of democracy.
 - Immediately scale up U.S. exports of COVID-19 vaccines and work with U.S. Embassies in country in order to maximize public relations benefit.
 - Public figures must take responsibility for their words that foment anti-Asian sentiment and violence. Scapegoating immigrants or Asian-Americans for COVID-19 is morally repugnant. It also makes America look bigoted on the world stage²⁶.
 - Ensure American students do not learn a whitewashed version of U.S. history.

²⁵ <https://www.npr.org/2020/06/03/868566978/in-george-floyd-protests-china-sees-a-powerful-propaganda-opportunity>

²⁶ <https://foreignpolicy.com/2021/03/22/racist-attack-asian-americans-china-lost-faith-west/>

- To restore U.S. diplomatic credibility, take steps to re-join international agreements that President Trump withdrew the U.S. from, including the Paris Climate Accord and the JCPOA.
- To strengthen U.S.-China people to people exchanges and knowledge:
 - Restore Fulbright programs in China, which also builds U.S. expertise on China.
 - ✓ Prioritize increasing journalists' access to China in bilateral discussions with China. Ultimately, the benefit of having more journalists on the ground in China outweighs the minimal risk from having Chinese reporters in the U.S., regardless of whether they register as foreign agents.
 - Re-instate MECEA travel for members and staff traveling to China. Ensure all MECEA delegations receive pre-travel defensive and policy briefings and post-travel debriefings.
 - Resurrect US-China parliamentary exchanges.
- To better compete with China's Belt and Road Initiative (BRI):
 - Coordinate trade, investment, and development strategies with key political-economic allies, such as the EU and Japan. When doing so, designate one country as project lead to eliminate bureaucratic redundancy.
 - Present third-party countries with attractive, high-quality development alternatives to BRI, not just warnings about debt-trap diplomacy.
 - Improve public diplomacy so the U.S. gets credit in the public eye for development aid.
 - Increase DFC staffing and urge DFC to prioritize financing for information and communications technology projects.
- To provide a stronger diplomatic presence, the Biden administration should:
 - Adopt a strategy to reinvigorate the Foreign Service, based on Senator Warren's plan²⁷:
 - End the practice of appointing campaign contributors and other well-connected amateurs to ambassadorships. China's ambassadors are professional diplomats. U.S. ambassadors should be too.
 - Expand the size of the foreign service, recruit a more diverse State Department workforce and open more consulates in order to increase U.S. on-the-ground presence.
 - Send to the Senate nominees for key diplomatic posts and increase pressure on Senators who kneecap U.S. global leadership by placing holds on qualified nominees.
- To strengthen U.S. partnerships in the Indo-Pacific, the United States should:
 - Develop targeted non-military means to counter Chinese influence, including by highlighting examples of Chinese economic coercion.
 - Ratify UNCLOS
- In Africa, both the U.S. and China are viewed positively, with significant support for emulating China's development strategy²⁸. To strengthen U.S. partnerships in Africa:
 - Increase funding for USAID programs, including Power Africa and Trade Africa.
 - Encourage greater U.S. trade with and investment in Africa. Emphasize the high quality of U.S. goods and services and the transparent and non-corrupt nature of U.S. business practices. Work to increase U.S. business familiarity with market opportunities in Africa.

²⁷ <https://elizabethwarren.com/plans/rebuild-the-state-department>

²⁸ https://afrobarometer.org/sites/default/files/africa-china_relations-3sept20.pdf

- Ensure U.S. policy does not treat Africa as a monolith. Countries have unique needs, political cultures and histories. U.S. policies that are country-specific will be more successful and better-received. Examples include:
 - Reinvigorate USAID Public-Private Partnerships with Angola to address infrastructure needs and help Angola diversify its economy by creating investment opportunities outside of Angola’s oil sector
 - Pursue greater engagement with the Angolan government to improve trade partnership and address transparency concerns
 - Ensure assistance programs in Rwanda also address needs of rural communities, including enhancing agricultural productivity and improving rural health
 - Help foster an end to violence in Ethiopia and provision of humanitarian aid
 - Work with the Government of Uganda to improve delivery of public services and the national response to HIV/AIDS
 - Work to improve Cameroon’s health sector by strengthening laboratory, surveillance, emergency management and workforce capacity to prevent, detect, and respond to disease outbreaks
 - Assist the government of Burkina Faso with provision of government services, to build stability, improve the lives of citizens and isolate violent extremist organizations.
- To enhance U.S. global health leadership:
 - At least quadruple U.S. COVID-19 vaccine export commitments from 80 million to 320 million and develop a strategy to continue to increase these exports.
 - Work with in-country embassies to increase publicity around vaccine deliveries.
 - Establish and resource a public-private fund for Global Health Security Agenda implementation to address infectious disease threats, consistent with the House-passed Global Health Security Act.
 - Increase funding for surveillance of zoonoses, which threaten agriculture and could harm public health if they spillover into human populations.
- To enhance U.S. leadership in human rights, Congress and the administration should:
 - Bolster and resource the administration’s anti-corruption agenda while tackling corruption in the United States²⁹.
 - Be forceful in calling out human rights violations in all countries, not just U.S. rivals.
 - Enact the Uyghur Forced Labor Prevention Act (see previous).
 - Work to build global coalitions, particularly with Muslim nations, to demand China end human rights abuses against Uyghurs.
 - Closely scrutinize China’s enforcement of the National Security Law in Hong Kong and coordinate condemnations of abuses with partners.
 - Enact the Hong Kong Safe Harbor Act, to provide refugee status and expedited processing for individuals fleeing Hong Kong because of a fear of persecution for their political actions.
 - Reduce barriers for Uyghurs seeking asylum in the U.S.
 - Significantly increase the cap on annual refugee admissions.

²⁹ <https://carnegieendowment.org/2021/07/22/anti-corruption-agenda-for-middle-class-pub-84996>

Conclusion

Faced with increased competition from China, too many policymakers have responded by going on the defensive. Like a football team with only a defensive playbook, this strategy is doomed to fail in the long term. On education, trade, technology, security and diplomacy, isolating the United States from China and the world threatens to erode the foundation of American prosperity.

This updated China Strategy White Paper is clear-eyed about the threats and challenges China poses and contains both defensive and offensive “plays” to increase U.S. competitiveness and global leadership. The advantage of this strategy, with a larger focus on skills, education, innovation and multilateral relationships, is it enhances American competitiveness, not just vis-à-vis China, but worldwide. And to win in this competition, America must also get its own house in order. In a race, if a rival is gaining on you, you need to run faster, not try to trip them.

As co-chair of the U.S.-China Working Group, I authored this white paper to sketch an alternate strategy to the emerging consensus of isolation, decoupling and confrontation. The paper is limited in scope, addressing several key policy areas. Other issues worthy of greater attention include China’s digital RMB, competition in next-generation mobility technology and self-censorship by U.S. companies eager to do business in China, including the film industry. The paper represents my views only but is the product of my review of a variety of scholarship on China and extensive conversations with leaders in academia, think tanks, labor, government, international relations and industry.

Acknowledgments and Further Reading

In addition to the cited works in this document, my strategy draws from themes and arguments raised by many experts in their fields. Though I do not subscribe to all the views advanced in the links below, you may find the additional reading material here compelling as you think about U.S. policies and priorities in competing with China:

[Atlantic: Why the U.S. Will Outcompete China](#)

[Brookings: The need for civic education in 21st-century schools](#)

[Brookings: The deception and detriment of US-China cultural and educational decoupling](#)

[Brookings and Yale Law: The Future of US Policy Toward China](#)

[CSIS: Chinese State Capitalism](#)

[GOP China Task Force Report](#)

Hass, Ryan. Stronger: Adapting America’s China Strategy in an Age of Competitive Interdependence

[National Science Institute: Promoting 5G and Future Technology Development](#)

[RAND: Regional Response to U.S.-China Competition in the Indo-Pacific](#)

[U.S.-China Economic and Security Review Commission: 2021 Annual Report to Congress](#)