

# U.S. Policy toward China: From Reactive to Resilient

## *Elizabeth Economy*

China poses one of the greatest strategic challenges to the United States, if not the greatest strategic challenge, for the foreseeable future. Over the past decade, Beijing's traditional low-profile foreign policy has given way to one that is far more ambitious and expansive. The Chinese leadership has moved from staking sovereignty claims over the South China Sea, Taiwan, and Hong Kong to realizing them. It seeks to replace the United States as the dominant power in East Asia and to transform the larger geoeconomic and strategic playing fields via its grand-scale Belt and Road infrastructure initiative. And China's leader, Xi Jinping, has called for Beijing to lead in the reform of the global governance system—to define new rules around issues such as internet sovereignty, human rights, and development finance. At home, China's leaders have reversed three decades of slow but steady progress in political and economic reform to create an environment that is more repressive and less open to engagement with U.S. civil society and business partners. In many respects, China today is not aligning its policies with current international norms but rather seeking to align international norms with its policies. The challenge that China poses to the United States, therefore, is not merely one of economic competition but of competing security objectives and value systems.

In the face of this new reality, Washington has gradually reassessed its approach to China, moving away from a longstanding commitment to “engage but hedge” to one better characterized as “compete, counter, and contain.” U.S. officials no longer

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see value in prioritizing efforts to integrate China into the current international order. The December 2017 National Security Strategy labeled China a “revisionist power”—one seeking to overturn the current order—and President Trump explicitly called out China as a “strategic competitor.” In practical terms, the White House has adopted a range of measures to counter perceived malign or unfair Chinese behavior, including: levying tariffs on more than \$360 billion in Chinese goods to force change in Beijing’s trade practices, establishing a new development finance institution to help U.S. and other multinationals compete with China’s Belt and Road Initiative, increasing the number of freedom of navigation operations in the South China Sea, appointing a special envoy to counter Chinese influence at the United Nations, and launching investigations into Chinese influence operations in U.S. universities and corporations.

This current approach of “compete, counter, and contain” has reset the terms of the U.S.-China relationship in profoundly important ways. Yet ultimately, the approach is constrained by its defensive and reactive nature. It reduces U.S. policy to a protracted war of attrition—seeking to hold rather than gain ground. In addition, by focusing almost exclusively on pushing back against Chinese initiatives, the administration has not adequately articulated a proactive narrative that effectively advances U.S. interests. And the administration’s “America First” mantra has contributed to devaluing alliances and multilateral institutions, making cooperation on China-related issues more challenging.

The next U.S. administration will benefit from the Trump White House’s China reset but must also address its deficits. Above all, the next administration should enhance the resilience of both the liberal international order, which reflects U.S. interests on the global stage, and the American polity. This means embracing the principles of free trade, freedom of navigation and overflight, and human rights and advancing them through meaningful initiatives, including support for strengthening democratic institutions in developing economies, a forward-leaning military presence, particularly in the Asia Pacific, where China seeks to supplant the United States, and a commitment to revitalize and lead multilateral trade institutions in support of free trade. In working to bolster international norms and institutions, the United States should also coordinate with other market democracies, such as Japan, Australia, and the European Union, to share leadership responsibilities across different issues, such as health, environment, and trade.

Advancing U.S. interests vis-à-vis China on the global stage, however, ultimately depends on the resilience of the American polity. This means reinforcing democratic institutions and norms that were weakened during the Trump administration, as

well as investing in the fundamentals of the American economy. Ensuring continued U.S. technological leadership will be particularly important given technology's broad political, economic, and security applications, as the global debate over the deployment of Chinese company Huawei's 5G technology makes clear. Future U.S. competitiveness will depend on the next administration developing a policy framework that promotes investment in innovation, the adoption of new technologies, and enhanced workforce capabilities, through education, training, and immigration.

Finally, the 2020 COVID-19 pandemic has underscored the necessity of continued U.S. engagement with China, even as U.S. and Chinese interests continue to conflict. Global threats and crises require global coordinated action. The Trump administration's decision to cut the U.S. Centers for Disease Control and Prevention presence in China hampered its ability to access real-time information on the nature and spread of the pandemic. Maintaining lines of communication facilitates the transmission of essential information, goods, and services. Whether on pandemics, climate change, or terrorism, cooperation with China will not be a crime; it will be a condition of success.