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Hearing on US-China Relations at the Chinese Communist Party Centennial
Panel I--The State of US-China relations Heading into 2021

This testimony will answer the commission’s specific questions about recent and future Chinese and US mutual perceptions after presenting in the following sub-section an assessment of how Chinese leaders since the end of the Cold War have viewed the international balance of power and the role of the United States in determining China’s evolving approach to the United States up to the present.

The post-Cold War balance of power and China’s approach to America

A pattern seen by veteran observers of Chinese foreign behavior since the end of the Cold War has focused on how the perceived international balance of power with the United States as global leader in a unipolar world has impacted China’s ability to achieve its many ambitions seen thwarted by the US-led international power. Chinese ambitions and differences with the United States can be summarized as follows: China opposes many aspects of US leadership in world affairs; it opposes the US role as the leading military power in the Asia-Pacific region; it opposes US support for and involvement in Taiwan, Tibet, Xinjiang and Hong Kong seen challenging China’s sovereignty and security; and it opposes perceived US efforts to change China’s political system.

The 1990s. In this decade, the strength or weakness of what China called US “hegemonism” was widely discussed in Chinese media, with Beijing repeatedly and publicly standing against such unipolar US dominance and encouraging and working with a variety of international actors seen resisting American dominance and seeking a multipolar world more advantageous for China and others to advance their interests. As Beijing’s economy took off with rapid growth, the sanctions imposed against China by western countries after the 1989 Tiananmen crackdown fell away. The face-off between Chinese and US forces in the prolonged Taiwan Straits crisis of 1995-1996 prompted the Clinton administration (1993-2001) to see the wisdom of accommodation and close engagement with Beijing. For a time in the late 1990s, these and other developments were seen in Beijing as demonstrating international resistance to US “hegemonism”; some in China anticipated an emerging multipolar world where the United States would be increasingly compelled to accommodate the interests of China and other powers in world affairs.¹

China’s “peaceful rise.” Unfortunately for Chinese ambitions, this anticipated power shift failed to materialize. US economic prominence grew. The George W. Bush administration (2001-09) came to power with a much stronger emphasis than the outgoing Clinton administration on mobilizing US national security power and working with close allies and partners to counter opposition abroad. For a time, China was a target

of this revived US-led power, with the administration taking actions regarding allies and partners in Asia, including Taiwan, very much at odds with Chinese interests. In response, Beijing shifted to an unusually accommodating approach. Judging that the US-led unipolar world would endure and Chinese interests were poorly served by directly opposing it, Beijing muted past emphasis against US hegemonism and creating a multipolar world at odds with US interests. Rather, it went to extraordinary lengths to reassure the United States that China’s rise would be peaceful and pose no threat to US interests.²

US decline 2005-2014. Ever attentive to world developments impacting the regional and global balance of power influencing China’s ability to advance its interests, Beijing saw the United States bogged down in protracted and costly conflicts in Iraq and Afghanistan amid growing opposition at home and abroad. The concurrent crisis caused by North Korea’s development of nuclear weapons saw Washington repeatedly rely on China’s help. The US leading role in creating the massive global economic crisis and prolonged recession of 2008-2009 was widely viewed in China as a profound failure of the US-led world economic model and stark evidence of decline in US world leadership. China’s effective response to the crisis and quick return to strong growth added to China’s confidence that the constraints of US power on China’s ambitions were weakening.³

Avoiding the misjudgments of the late 1990s, China tended to see the US as still the only world superpower but with China rising rapidly as the leader among other powers. Beijing continued active collaboration with the Obama administration on issues of mutual interest while it tested the administration’s resolve on some issues in dispute such as Taiwan arms sales, US interaction with the Dalai Lama, and confronting US government ships in the South China Sea.⁴

China was the notable exception in the generally positive Asian reaction to the Obama government’s signature rebalance policy in Asia launched in 2011. Though US leaders worked hard to reassure Beijing of American intentions amid active leadership meetings and dialogues, Chinese reactions were often extreme, seeing American intentions to encircle and contain China’s rising influence in Asia. The concurrent emergence of mass protests against authoritarian rule in the Middle East, Europe, and Central Asia were widely supported in the United States and viewed in Beijing as manifestations of a major US-led effort threatening continued one-party rule in China. US interactions with oppositionists from Tibet and Xinjiang along with support for Taiwan and for pro-Democracy demonstrators in Hong Kong in 2014 underlined China’s concern.⁵

⁴ Robert Sutter, Chinese Foreign Relations (Lanham MD: Rowman and Littlefield 2021) 32-33, 132-139
**Xi Jinping challenges America.** The combination of Chinese rising economic, military and diplomatic power and influence with the decline of US power and the concurrent rise of US measures against China seen in the Obama Rebalance policy and other initiatives set the stage for Beijing’s wide ranging array of challenges to the US-led regional and global order seen under the leadership of party leader and president Xi Jinping (2012- ). Salient examples included the government orchestrated the largest mass demonstration against a foreign target ever seen in Chinese history (against US ally Japan over disputed islands in September 2012); it followed with diplomatic, military and economic pressure against Japan not seen since World War II. China used coercive and intimidating means to extend control of disputed territory at neighbors’ expense, notably in rapidly building island military outposts in the disputed South China Sea. Ever expanding advanced Chinese military capabilities aimed mainly at American forces in the Asian Pacific region. Chinese cooperation with Russia grew steadily closer as each power endeavoured to undermine US influence in their respective spheres of influence. Chinese unfair restrictions on access to China’s market, demands that foreign enterprises share sensitive manufacturing and production data, industrial espionage and cyber theft for economic gain, and gross infringements on international property rights all advanced as China’s economy grew. These economic practices strengthened China’s drive to become the world leader in future high technology industries, displacing the United States. China used its large foreign exchange reserves, massive excess construction capacity and strong trading advantages to develop international banks and to support often grandiose Chinese plans for Asian and global infrastructure construction, investments, loans and trade areas that excluded the United States and countered American initiatives and support for existing international economic institutions. Xi Jinping tightened political control domestically in ways grossly offensive to American representatives seeking political liberalization and better human rights conditions in China.6

These challenges were carried out amid active interchange with the Obama government, marking incremental advances a US expense that clearly disrupted relations with the United States but had low risk of confrontation. The disadvantages of confrontation with the US at this time were large because China depended on the United States for technology, markets and financing and for sustaining open sealanes for Chinese trade; China’s internal preoccupations would worsen dramatically in a prolonged confrontation with the US; and China’s position in the Asia-Pacific—the most important arena in Chinese foreign calculations—remained insecure and vulnerable to US countermeasures. The disadvantages reflected a continued Chinese calculus of the international balance of power that featured China’s rising power and US decline but still saw a large gap between the two countries’ capacities.7

**Trump administration push-back and China’s response.** Beijing did not fundamentally change its balance of power calculus in following years. In mid 2020 China’s most senior

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intelligence analyst reaffirmed the US has superpower status and capacity that rising China and other powers don’t, arguing “the United States, like Britain after World War I, still has enough power to prevent other countries from replacing it.” The United States while in decline is still the “one” super power.  

Meanwhile, Beijing was slow to appreciate the sharp negative shift in American policy against China beginning with the Trump government’s national security strategy of December 2017. There followed in 2018 the launch of a “whole of government” US pushback against Chinese challenges as a matter of law supported by congressional bi-partisan majorities and concurrent trade war involving punitive tariffs, and investment and export controls. Beijing seemed to judge that as in the recent past it could continue forward movement advancing Chinese interests at US expense without major American countermeasures. Chinese officials played down the significance of the rise of anti-China rhetoric during the 2016 presidential campaign, judging that Donald Trump was their preferred candidate as his pragmatism would be easier to shape in ways acceptable to Beijing. Chinese leaders reportedly continued with this sanguine calculus even as they appeared caught off guard and placed on the defensive in the face of punitive tariffs and other US moves against China’s challenges. Xi Jinping personally undertook responsibility for managing relations with President Trump. Though Xi and his government were on the defensive in dealing with President Trump and his administration and they scrupulously avoided confrontation with them, China’s incremental challenges to US interests in a wide range of areas continued.

The start of 2020 began a tumultuous year for China and its approach to the United States. In the all important strategic rim of countries around China, on the positive side were steady advances in Chinese close collaboration with Russia, greater control of the South China Sea, advances in relations with Central Asia and much of Southeast Asia and seeming stability in relations with South Korea, Japan and India. There was ever wider prominence of the Belt and Road Initiative, strong domestic economic growth and related military power, and greater domestic control exerted by the Chinese Communist party-state including a massive crackdown in Xinjiang. The negative tensions with the United States subsided somewhat during the previous year of negotiations leading to the phase one economic agreement in January 2020. Other negatives were the ongoing demonstrations in Hong Kong, and US counters to perceived Chinese challenges involving Huawei, the South China Sea, Taiwan, Xinjiang, and Chinese influence operations and espionage.

Beijing faced an acute domestic challenge with the pandemic but within a few months it brought the plague under control. China’s economy recovered quickly and registered significant growth by the end of the year. The foreign fallout got enormous propaganda

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and significant substantive attention but Beijing’s approach failed miserably in dealing with the sharply negative response to China’s self-serving behavior from the United States and many other western aligned countries.

President Trump halted communication with President Xi. He and Republican Party strategists made hostility to China a focal point of the election campaign. Heretofore more moderate Democrats, including Joseph Biden, adopted much tougher public postures on China. Public opinion and mainstream media were more negative on China than at any time since the darkest days of the Cold War. The administration unleashed what one White House official characterized as an explosion of initiatives against China as the major systemic danger to the United States in the current period. They were fully backed by bipartisan legislation in Congress designed to defend America against a Chinese onslaught.

Chinese leaders no longer favored reelection of President Trump. They encouraged dialogue with the United States but showed no willingness to change Chinese practices deemed offensive by the United States. For the most part, they continued those practices, albeit with continued care to avoid confrontation with President Trump or the US government. Chinese deference was at times extraordinary, especially as the US was taking measures of top importance in Chinese policy, notably increasing greatly American support for Taiwan. China proved ineffective in curbing such measures and the Trump government left office without facing any negative consequences for its “gross interference” in the Taiwan issue.

**Outlook for 2021.** Beijing has not reached a major inflection point in its foreign practices. The reasons to avoid confrontation with America remain. Beijing is still economically dependent; it has substantial internal preoccupations that would be worsened in protracted confrontation with the US and it remains insecure in key areas along its strategic rim where the US exerts great influence. Beijing’s tough recent approaches toward India and Australia have reinforced those governments to work more closely with the United States and Japan in counter Chinese expansion. At the same time, Beijing continues to advance its various challenges to American interests without immediate need for change. Those challenges involve: ever increasing Chinese military advances focused on deterring and if needed destroying American forces; ever closer collaboration with Putin’s Russia against US interests; continuing China’s three-decade long efforts using state directed development polices to plunder foreign intellectual property rights and undermine international competitors, fundamentally weakening the free trade economic system; using the gains from its state directed economic practices to support ambitions to lead future high-technology industries, displacing the United States; negative economic building and exploiting economic dependencies via the BRI and other means; fostering corrupt and/or authoritarian governments against the West; coercing neighbors unwilling to defer to China’s ever increasing demands; employing widespread influence operations abroad using clandestine means; and disregarding international law and accepted diplomatic practices; heightened domestic repressive and massive human rights violations.
The departure of the Trump government leaves a legacy of American countermeasures against Chinese challenges that will be hard to reverse, especially because the US Congress continues bi-partisan support for such measures and Mr. Trump seems determined to remain a major force in American politics. Nonetheless, there are reasons for cautious Chinese optimism that the Biden government’s approach to China will not worsen the situation for China and may lead to some improvement. To start, the administration will remain preoccupied with other matters; it will have little incentive to worsen relations with China. Its main measure to deal with China involves close consultations with allies to build a united front against negative Chinese practices; such consultations seem likely to take some weeks and months to reach meaningful results.

Meanwhile, several administration preoccupations involve matters like climate change, pandemic response and economic revival, where China is viewed by administration leaders as playing an important role warranting US outreach to China despite major differences. And, notably, with one or two notable exceptions, the senior officials nominated by the administration are not known for tough views on China. Most, like President Biden, have a recent history of nuance in dealing with China and notably do not express the sense of urgency about countering Chinese practices that has prevailed in Trump administration-congressional discourse about the danger posed by China over the past three years. Chinese observers are well aware that Joseph Biden and the other Democratic presidential candidates came very late to giving high priority to countering China. Those candidates seemed in line with US public opinion which also did not turn substantially against China until mid 2020. And subsequent polling shows Democratic voters are much more moderate than Republican voters in dealing with China’s challenges.

Commission Questions and Answers

What is the current state of the U.S.-China relationship heading into 2021? How do Chinese leaders view the United States differently from in the past, and how does the United States view China differently?

2020 represented the lowest point in US-China relations since the days of US containment of China during the Cold War. The Trump administration left office with a strong legacy viewing a wide range of challenges coming from China as collectively representing the main international danger to the United States. Bi-partisan majorities in Congress continue to take the lead in support of this view. Public opinion in 2020 became very negative toward China’s leaders as untrustworthy competitors. All of the above serve as a brake against significant back tracking from the current hard US line toward China.

President Biden and his foreign policy advisors also put aside their past low level of attention to China and became strongly critical of Beijing during the run-up to the election. Nevertheless, they do not reflect the strong urgency to counter China seen in administration-congressional discourse over the past three years. They are preoccupied with higher priorities. Some of the latter such as climate change prompt some
administration leaders to seek cooperation with China despite differences. Administration spokespersons avow a methodical process in preparing to deal with China which will involve consultations with allies and partners. Since few of the latter share the more extreme Trump administration views of danger coming from China, the result of such consultations, if successful, seems likely to result in a less truculent US stance toward China’s challenges going forward.

For their part, China’s leaders were surprised and placed on the defensive by the across the board countermeasures of the administration and Congress carried out over the past three years. Despite candidate Trump’s campaign rhetoric against China in 2016, Chinese leaders preferred him to others because of his purported pragmatism and willingness to make deals that Beijing viewed as working in their interests. China’s leader Xi Jinping took the lead in endeavoring to manage relations with President Trump in ways that would avoid major costs for China. As relations deteriorated markedly during the 2020 pandemic, Beijing changed its view from support of President Trump and awaited the election outcome. The major immediate costs to China of the administration and congressional countermeasures against Chinese challenges since 2017 have included:

- enduring offensive rhetorical assaults on China’s policies by the US president, his lieutenants, and Congress;
- the impact of US punitive tariffs and export and investment controls;
- and much closer US strategic relationships targeting China with Australia, Japan and India. Perhaps the biggest affront was the remarkable Trump administration multifaceted advancement of US security, diplomatic and economic cooperation with Taiwan despite repeated stern warnings from China. Seemingly offsetting these costs is the fact that the US measures did not result in a halt of the foreign Chinese behavior challenging the United States. Those practices continued despite the US countermeasures.

Going forward, Beijing offers no compromise on these practices for the Biden administration. It is open to dialogue and cooperation on common ground, seeing that the ball is in the hands of the Biden government. A successful Biden government effort to build a united front of regional and global allies and partners to press against negative Chinese practices would be a setback for China. But such an alignment likely would take time to build, and Beijing seems prepared to employ tactical compromises and maneuvers to weaken a nascent front against China. In the meantime, Beijing sees little sign that the Biden government seeks on its own to take significant actions to worsen relations with China.

_How has China’s behavior toward the United States changed in the last several years? How has the CCP’s perception of China’s external threat environment driven these changes?_

The first five pages in this testimony, a subsection entitled “The post-Cold War balance of power and China’s approach to America” provides background and endeavors to answer this question. It shows a strong correlation between changes in China’s approach to the United States and Beijing’s perception of the regional and global balance of power and the resulting threat environment China has faced in the decades after the Cold War.
Chinese commentary seemed optimistic in the late 1990s that the post Cold War US-led unipolar world, which China opposed, was giving way to a multipolar world that would allow China to advance its interests at odd with those of the United States. That projected outcome failed to materialize as US power and strength rose to new prominence at the start of the George W. Bush administration and for a time targeted China. Beijing reversed course and sought to reassure America and play down interest in a multipolar world.

The latest phase resulting in increasing Chinese challenges and advances against US interests began about ten years ago. It has its roots in changed balance of regional and global power and influence caused by the protracted failure of very costly US military operations in Iraq and Afghanistan to result in a successful closure of those conflicts, and the US-led global economic crisis of 2008-2009 impacting very negatively the United States and many other countries while China rebounded quickly. These major developments showed the US in decline while China was rising in power and prominence. Going forward, Chinese calculations showed the US unipolar world in decline, but it remained the only world superpower with capacities much greater than those of China. Beijing also viewed more negatively than any other power the Obama government’s signature rebalance policy in the Asia-Pacific announced in 2011, with many in China seeing US efforts to encircle and contain China. And China was unnerved by the mass protests in the Middle East, Europe and Central Asia resulting in color revolutions backed by the United States, judging Washington also favored such regime change in China.

The result was increasingly more assertive Chinese international behavior working against US interests in Asian and world affairs. The effectiveness of these assertive policies was reinforced by strongman leader Xi Jinping (2012- ) who quickly consolidated leadership power, asserted communist party control throughout the government and the military, silenced opposition and repressed dissidents including mass interments in Xinjiang and a crackdown in Hong Kong. Chinese foreign behavior causing significantly more frictions in US-China relations include disputes over the South China Sea and East China Sea, cyber espionage, and new international financial initiatives, notably China’s Belt and Road Initiative (BRI). As these were carried while both sides participated in active US-China leadership dialogues, the disputes were usually managed (and generally not resolved) out of public view.

The acute competition and acrimony in US-China relations over the past three years does not appear to have substantially changed China’s overall view of the regional and global balance and the threat environment faced by China. Chinese experts still see the US, while in decline, as the world’s sole superpower, with China rising but unable and seemingly unwilling to displace the United States. Throughout this period of challenges to the United States interests, Beijing has sought to avoid confrontation with America. This pattern has been seen graphically in Xi Jinping’s measured responses to President Trump’s affronts. The reasons for avoiding confrontation include Beijing is still economically dependent on US technology, markets and financing; it has substantial internal preoccupations that would be worsened in protracted confrontation with the US
and it remains insecure in key areas along its strategic rim where the US exerts great influence.

At the same time, Beijing continues to advance its various challenges to American interests without immediate need for change. Those challenges involve: ever increasing Chinese military advances focused on deterring and if needed destroying American forces; ever closer collaboration with Putin’s Russia against US interests; continuing China’s three-decade long efforts using state directed development policies to plunder foreign intellectual property rights and undermine international competitors, fundamentally weakening the free trade economic system; building and exploiting economic dependencies via the BRI and other means; fostering corrupt and/or authoritarian governments against the West; coercing neighbors unwilling to defer to China’s ever increasing demands; employing widespread influence operations abroad using clandestine means; and disregarding international law and accepted diplomatic practices.

Looking out, Beijing sees little likelihood of worsening ties while some easing of tensions for the sake of cooperation on common interest seems possible.

What is the Chinese government’s assessment of the current balance of power between China and the United States?

The leading Chinese government intelligence analyst in mid 2020 assessed that balance along the lines discussed above—that is: the unipolar US led order is in decline and China is rising as the strongest challenger to the United States. But a multipolar world is not imminent as the US has superpower capacity and status that rising China and other powers don’t. The analyst argued that “the United States, like Britain after World War I, still has enough power to prevent other countries from replacing it.” The United States while in decline is still the "one" super power.

It remains unclear whether or not Chinese leaders see the tough US measures taken against China since 2017 as a sign of greater decline or not. And it remains unclear whether they would view an effort by the Biden government to ease tensions with China or to strengthen pressures on China as indications of changes in the US-China balance of power.

How are China’s domestic politics changing, and how have these dynamics affected China’s approach to its relationship with the United States?

As noted above Xi Jinping is a strongman leader who has successfully consolidated power, asserted Communist Party control throughout the government and military, suppressed dissent and domestic resistance, and emerged as the most powerful Chinese leader since Mao Zedong. Xi clearly shares the broad desire by Chinese elites and public opinion that China play a more prominent and influential role in international affairs, with less consideration than in the recent past to the interests of the United States and
others at odds with China’s strong determination to advance to leadership in regional and global power and influence.

The above recent trends of the China-centered assertiveness seen in Xi’s leadership are supported by and reinforce longstanding views fostered by the Chinese party-state that China on the one hand follows foreign policies based on moral principles that result in righteous and effective strategies. This means that Chinese foreign behavior is morally correct. Chinese media, education, military training and domestic propaganda emphasize this point, reinforcing broad popular support for Chinese foreign policies. The Chinese government for its part adds to the image of correctness of Chinese foreign behavior by never acknowledging making a mistake in foreign affairs.

On the other hand, the Chinese party-state reinforces a strong nationalism in China by constantly reminding Chinese people how China’s past greatness was undermined and exploited by foreign imperialists, leading to what is now known as China’s century of humiliation which ran from the Chinese loss to British forces in the First Opium War (1839-42) to Mao Zedong establishing the People’s Republic of China in 1949. Xi Jinping’s vision for China, the so-called China Dream, involves China regaining control of all territories lost to foreign forces, Taiwan being the most notable example, and taking its place as Asia’s leader and a global power.

What the above means for relations with the United States is that the Chinese government and Chinese people generally have no truck with US complaints about Chinese challenges. American complaints are viewed as self-serving efforts to preserve US primacy coming at Chinese expense, reminiscent of the imperialist powers of the past.

Recommendations for Congress

Dealing with China’s challenges

This author’s recent comprehensive evidence-based assessment of Chinese foreign behavior finds the United States, its allies and partners are fundamentally challenged by wide-ranging and intensifying Chinese efforts to weaken America in headlong pursuit of ever-expanding Chinese ambitions. Sustained US measures are needed to counter Chinese challenges seen in every major area of Chinese foreign policy behavior. As noted above, those challenges involve: ever increasing Chinese military advances focused on deterring and if needed destroying American forces; ever closer collaboration with Putin’s Russia against US interests; continuing China’s three-decade long efforts using state directed development policies to plunder foreign intellectual property rights and undermine international competitors, fundamentally weakening the free trade economic system; building and exploiting economic dependencies via the BRI and other means; fostering corrupt and/or authoritarian governments against the West; coercing neighbors unwilling to defer to China’s ever increasing demands; employing widespread influence operations abroad using clandestine means; and disregarding international law and accepted norms.

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diplomatic practices. If successful, the Chinese efforts will undermine and overshadow the existing world order with one dominated by an authoritarian party-state focused on advancing Chinese wealth and power at the expense of others.

Working together in dealing with China

There are a lot of media warnings about how Republicans in Congress will jump on any China policy changes showing the Biden administration is soft on China. This is likely correct but seems to be only part of the story.

The other part is the on-going work of a wide range of congressional members in trying to come up with strategies to deal with what they see as China's challenges and dangers. These efforts involve bipartisan efforts such as the House Intelligence Committee's report proposing much greater China-focused emphasis in US intelligence efforts; the 2021 defense authorization act's provisions on the Pacific Deterrence Initiative and the defense bill’s incorporation of provisions of the Creating Helpful Incentives to Produce Semiconductors in America Act, the so-called CHIPS bill, and other China matters as well as China related provisions in the Omnibus spending bill.

Meanwhile, the House Republican task force on China seemed to try to be bi-partisan in its detailed report with numerous recommendations. I'm not sure of partisan or other calculations resulting in Democrats ultimately not joining this effort. On the Senate side partisan calculations may have been behind the separate trajectories of the so called STRATEGIC act introduced in July and the America LEADS act in September, but both focused on detailed proposals to strengthen America in facing Chinese challenges.

My point is that many in Congress seem serious about finding effective ways to deal with China challenges and often are cooperating in bi-partisan ways. This context suggests it would be a good idea for the Biden administration to consult with Congress on China going forward. I suspect this is already actively underway, but it is rarely mentioned publicly, while Biden government’s plans for consultations abroad get a lot of attention. Some public mention of the administration’s consultations with Congress would help build an appreciation that the administration is taking seriously congressional concerns, thereby validating the hard work that many in Congress have devoted in an election year to crafting effective ways to defend American interests. And please remember consultations are two-way endeavors; congressional members and staff need to signal their openness to such interchange, and if deemed advisable, set ground rules for the interactions that are agreeable to both sides, and stick with those guidelines.

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