

# DESIGNING A NEW DIPLOMATIC FRAMEWORK FOR DEALING WITH CHINA

RYAN L. HASS

## EXECUTIVE SUMMARY

The intensity of diplomatic activity between the United States and China in recent years has swung from intense to minimal. Such see-sawing has not been conducive to America's ability to manage its complex relationship with China — a relationship in which sharpening rivalry exists alongside deep interdependencies and shared transnational challenges.

The current state of the U.S.-China relationship does not support a return to the intense levels of direct diplomacy that characterized the Obama administration's approach to China. There is little reason for confidence that weighting the balance of diplomatic focus so heavily on China in current circumstances would leave the United States in a stronger position in Asia or globally.

Along the same lines, the paucity of results and the sharp decline of the relationship during the Trump administration suggests that malign neglect has not been a profitable diplomatic posture. The next administration will need to find a durable middle point between these two poles that is supportive of America's top priorities at home and abroad.

The objective of direct diplomacy with China is to influence how China identifies and pursues its interests, to press China to contribute its fair share to addressing challenges that confront both countries, to clarify top American priorities and concerns, and to mitigate risks of unintended clashes. For such an approach to be durable, it must reflect — or at a minimum, not be in sharp conflict with — the views of the American public toward China and the interests and concerns of American allies and partners regarding China.

To strike such a balance, the next administration could begin by taking a gradual approach to restoring channels of dialogue with Beijing, both to

give allies and partners confidence that Washington prioritizes restoration of relations with them as a first order of business, and also to make clear to Beijing that the United States will be focused foremost on advancing clear objectives and using substance to drive decisions on engagement. Given the Leninist, top-down structure of the Chinese government, it is necessary to develop a high-functioning leader-level relationship. For leader-level interactions to be maximally productive, they will need to be advanced and informed by cabinet and sub-cabinet-level dialogues on specific priority issues in the relationship.

## THE PROBLEM

By the latter part of the Obama administration, the two countries had established roughly one hundred distinct and active channels of communication on a wide range of functional and regional issues, from disability rights to nuclear security and everything in between. Many of these dialogues were nested under a sprawling umbrella mechanism, the Strategic and Economic Dialogue (S&ED), which met annually and was chaired by the Secretaries of State and Treasury and their Chinese counterparts.

The in-depth dialogues during the Obama years were an outgrowth of efforts dating back to the 1970s to explore cooperation on strategic issues or, at a minimum, to avoid unwelcome clashes. In recent decades, the focus shifted away from countering a common threat (the Soviet Union) toward searching for common interests that could cushion the relationship from frictions that inevitably would arise from differing political and economic systems and divergent visions of their respective roles in Asia and the world.

As both countries increasingly became global actors with global economic and security interests, the range of topics upon which both sides felt a need

to coordinate has steadily expanded. Today, a civil war in Sudan, a virus outbreak in Liberia, political instability in Venezuela, or a military clash in Ukraine implicates American and Chinese interests. And as the level of economic, social, academic, scientific, and investment links between the United States and China have deepened, the number of constituencies in both countries that are affected by developments in the relationship has grown.

Even so, the outputs that bilateral dialogues have yielded in each sector have varied considerably based on the reciprocal needs and enthusiasm of constituencies on the two sides. Senior-level government exchanges often have proven to be sterile presentations of well-worn talking points. The extensive architecture of dialogues generally proved to be more effective at preventing clashes than at aligning efforts around meaningful coordination on shared challenges.

The mismatch between effort and output in many diplomatic dialogues led many critics of past American diplomatic engagement with China to argue that Beijing was playing United States leaders for fools, i.e., buying time by stringing U.S. officials along with endless dialogues and unenforceable commitments while Beijing became ever more brazen in pursuing a state-directed mercantilist economic model, a repressive governance system, and an assertive foreign policy. The frequency of dialogue also invited political attacks at home for “coddling dictators.” Members of both political parties have leveled this criticism at American presidents of the other party in recent decades.

Extensive diplomatic interaction also generated anxieties among American allies and partners, particularly Japan, that the United States was prioritizing its relations with China above its partnerships with them. Beijing at times fueled such sensitivities with unsubtle assertions that the United States was elevating the importance of its relationship with China above all others. This created strain and suspicion that, however unjustified by the facts, proved difficult to overcome.

The Trump administration has broken from past practice on the role of diplomacy in managing bilateral relations. After initially announcing plans to sustain four cabinet-level dialogues in 2017, the administration has collapsed the channels of communication into a maintenance-focused trade

dialogue on the implementation of the Phase-One trade agreement, a workmanlike military channel to address irritants and clarify intentions about operational behavior, and an inconsistent leader-level dialogue that has gone cold in 2020.

The Trump administration’s decision to effectively discontinue diplomatic dialogue with China was driven by several judgments, including:

- China stood too distant from American values and interests to be influenced by traditional diplomacy;
- Engaging Chinese officials conferred legitimacy on the Chinese Communist Party that it did not merit;
- Past American administrations had been “suckers” for engaging in endless dialogues that did not deliver results;
- China’s ambitions and intentions already were understood and were in tension with American values and viewpoints. America needed to prevail over China, not talk with China.

The collapse of sustained, authoritative communication during the Trump years contributed to a deterioration in the overall relationship. Areas of confrontation intensified, areas of cooperation vanished, and the capacity of both countries to manage frictions atrophied. While the absence of effective means of direct communication is not the cause of the breakdown in bilateral relations, it likely has served as a contributing factor, though the extent is a subject of debate.

In short, both intense and minimal levels of diplomatic dialogue with China carry costs and risks that must be weighed against derived benefits. There is no indication that a return to intense dialogue resembling the approach during the Obama administration would deliver tangible benefits that would offset domestic and external costs of such an approach. By the same token, abandoning diplomacy has not delivered tangible benefits to the health, security, or prosperity of the American people. The challenge for the next administration will be to find a durable balance point for diplomatic dialogue with China that best positions the United States to advance its interests globally and in Asia.

## OBJECTIVE

The goal of American diplomacy with China is to advance America's strategic and economic interests and to strengthen America's influence and standing in Asia and globally. While direct diplomacy with Beijing can advance the important work to achieve these goals, effective overall strategy also requires close coordination with allies and partners. Washington must pursue a global strategy that includes China, not a China strategy for Asia. Since this paper is focused on the diplomatic architecture of U.S.-China relations, though, its recommendations are more narrowly centered on managing the bilateral relationship.

On China specifically, American interests are served by a relationship that is durable, produces tangible benefits, and provides for managing inescapable points of competition without need to resort to conflict. Achieving such a relationship will require persistent and sustained effort over many years. It will require an acceptance that incremental progress in pushing China in the direction of American interests and values is the measure of success and that both countries need to co-exist amidst intensifying competition.

Diplomatic dialogue is not a gift to be granted or an honor to be bestowed from one side to the other. Dialogue should not be conditioned upon acquiescence to demands or evaluated solely on the output of each interaction. Friction in certain areas of the relationship should not preclude dialogue in other areas. Rather, a consistent and direct exchange of viewpoints should serve as the standard operating procedure for how two mature global powers dispassionately deal with each other.

Within such a framework for viewing U.S.-China relations, the purposes of diplomatic dialogue are to: (1) clarify top priorities and concerns about the actions of the other side; (2) capitalize on opportunities for coordination when U.S. and Chinese interests align; (3) influence how Chinese leaders identify and pursue their interests; and (4) mitigate risk of conflict.

## RECOMMENDATIONS

Given the Leninist, top-down structure of the Chinese political system, leader-level engagement will be crucial for identifying priorities within the

relationship and then driving progress on those priorities. Leader-level meetings should be viewed as the pinnacle of a pyramid-like structure; they should be used as action-forcing events to clarify top priorities and push bureaucracies to finalize tangible outcomes that can be announced at the time of such meetings. The U.S. president should approach meetings with his Chinese counterpart as opportunities to spur the Chinese leader to speak in a manner that makes clear to China's leadership — and by extension, China's bureaucracy — the direction, tone, and substance of the relationship.

As a guiding principle, both leaders should maintain the unofficial norm of meeting whenever both attend multilateral meetings, such as the G-20, East Asia Summit, and UN General Assembly. Both leaders also should aim to meet on a bilateral basis roughly annually and communicate by phone or correspondence between such meetings as circumstances require. As a rule of thumb, it often is helpful for the U.S. President to send a private letter to his Chinese counterpart at the start of the preparatory process leading up to a leader-level meeting to clarify priorities and set ambitious goals for the summit. This guidance helps focus both bureaucracies on working toward negotiating specific, tangible outcomes in advance of leader-level interactions.

Given their proximity to the president, the White House national security advisor and his or her Chinese counterpart should oversee the overall relationship and address problems outside of the public eye whenever possible. The more the Chinese counterpart is seen as being part of the Chinese president's inner circle and speaking authoritatively on his behalf, the higher functioning this channel becomes.

Within the U.S. government, it is neither necessary nor advisable to designate a China policy czar. Such a position would create a channel through which Beijing could concentrate all its efforts to develop an internal advocate for China's own priorities and concerns. Policy is best advanced when coordinated by a national security advisor with a global remit than by a senior official whose performance would be evaluated by perceptions of the overall health of U.S.-China relations.

Below the White House level, department-level decisions on initiating or continuing dialogues with

Chinese counterparts should be guided by the administration's priorities as well as by a clear-eyed calculation of where progress can advance discrete objectives. These dialogues should be kept as small as circumstances permit, both to allow for maximum candor when discussing difficult issues and also to keep the balance tilted as much as possible toward substance over symbolism. Smaller meetings also are more conducive to the development of rapport and relationships among principals.

The common attribute of every difficult issue that has been managed effectively between Washington and Beijing over the past 40 years has been high-functioning relationships between key officials. The more that U.S. and PRC counterparts build and tend relationships with each other, the more likely they will be able to manage points of friction as they arise.

In the first months of a new administration, it will be important for senior American officials to demonstrate that they prioritize relations with America's key allies and partners by spending time repairing and reinvigorating them. Restoring America's moral and economic leadership and repairing America's ties with its closest partners will be crucial for enhancing America's leverage in its dealings with China. For these reasons, there need not be a rush to schedule a leader-level engagement at the outset of the next administration. It would be better to build toward such a meeting and ensure its success than to rush into an early engagement with Xi that would become politically radioactive at home, potentially alienating to allies and partners, and unlikely to yield significant tangible results.

The next U.S. administration will confront a once-in-a-generation collection of challenges. The level of attention leaders devote to direct diplomatic dialogue with China will be influenced by a calculation of whether doing so helps relieve pressure on the acute public health, economic, and security challenges the country confronts. The more that leading officials in both capitals can demonstrate progress on America's most pressing challenges in their early engagements, the more justification there will be for investing greater American diplomatic capital in developing relations with Beijing.

Over time, it will be important to restore functioning U.S.-China dialogue channels for managing areas of competition and potential cooperation.

Establishing standing dialogue mechanisms would build accountability for the policymakers in each government who own responsibility for advancing national priorities and addressing actions of concern. Although the form of such dialogue channels will depend upon the priorities that each country identifies, one potential format would be to lock in national-level dialogues on the following areas:

- Strategic stability (nuclear, missile/missile defense, cyber, space, arms control, emerging technologies)
- Security (maritime, Taiwan, North Korea, Iran, Afghanistan, others depending upon circumstances)
- Economics and trade (market access, IPR, SOEs, subsidies, non-tariff barrier restrictions)
- Climate/energy (climate change mitigation and adaptation, clean energy R&D and deployment, coordination on international climate agenda)
- Global issues (public health, sustainable development, nonproliferation, coordination within international organizations)
- Human rights and rule of law
- Law enforcement and cyber issues (counter-narcotics, visas, repatriations, political interference)
- Military-to-military (risk reduction, operational deconfliction, doctrinal exchange)

This list is intended to be illustrative, not exhaustive. The operating principle for developing these channels in a new administration should be to be judicious about determining the top American priorities that could be advanced through direct dialogue with China. Beijing will be eager to resume diplomatic engagement as a signal of stabilization of ties. Washington will need to approach decisions on where and when to resume direct dialogue channels with care and patience, both to make clear to allies that America prioritizes repairing relations with them as a first order of business and also to use the leverage that has accrued in the US-China relationship over the past four years with care and forethought about specific priorities that need to be advanced.

U.S. officials also should leverage China's political calendar to their advantage. In the coming two years, China will have incentive to stabilize relations with the U.S. in order to promote their preferred national narratives around, *inter alia*, the centenary of the founding of the Chinese Communist Party in July 2021, the Winter Olympics in February 2022, and the 20th Party Congress in Fall 2022. Washington may be able to exploit Beijing's preference for stable and non-conflictual relations during these periods to press for specific decisions or for Beijing to refrain from specific actions in order to prevent bilateral friction.

Restoring functionality to the U.S.-China relationship will be a multi-year project. For Washington, it should start with a focus on finding ways for the relationship to address America's most immediate priorities — combatting COVID-19, spurring global economic growth, and managing points of friction effectively — so that the president's inbox does not become burdened by preventable crises.