

## **China Reacts: Assessing Beijing's Response to Trump's New China Strategy<sup>1</sup>**

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Beginning in late 2017, Xi Jinping found himself facing a new and daunting foreign policy challenge: The Trump Administration had adopted an openly confrontational policy towards China. This unfolded with a barrage of U.S. actions, such as naming China “a strategic competitor” and adopting successive rounds of tariffs, among other actions. This article analyzes China’s diplomatic response to the shift in U.S. policy, as reflected in China’s approach to the United States as well as to other countries. It argues that China did not adopt a confrontational strategy of its own. Rather, Beijing’s response focused on avoiding confrontation and preventing escalation with the United States, including by deferring major internal debates about the need for a new diplomatic strategy. Towards the rest of the world, Beijing took steps to stabilize its immediate Asian periphery and ties with Europe to limit its exposure to confrontation with Washington; it looked for opportunities to expand its presence and influence (especially in places where the United States had stepped back); and it invested further in ties with countries, notably Russia, that share China’s desire to constrain U.S. power.

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Understanding the sources and patterns of change in Chinese foreign policy is an issue of enduring interest to policy makers and analysts, and it has only become more so in the wake of the recent shifts in global politics. One of the most consequential shifts, both for China and the international community, has been the election of Donald Trump and his adoption of an “America First” foreign policy. Under President Trump, the United States has criticized and undermined (albeit without entirely rejecting) some of the traditional pillars of U.S. diplomacy, including alliances, open trade and investment regimes, democracy and human rights, and multilateral institutions.

This change has created myriad challenges for China, not the least of which has been an openly confrontational posture toward China. The Trump administration labeled China a “strategic competitor” and revisionist state, and then initiated a trade war and other competitive economic policies. These actions not only caught the Chinese leadership by surprise (after a relatively productive eight months following the inauguration) but also presented a relatively unfamiliar problem for China’s current leaders: how to respond to an openly hostile posture by China’s most important external relationship.

This article examines China’s answer to this strategic conundrum. How has China reacted to the confrontational turn in Trump’s China policy and what does that tell us about Chinese foreign policy? While Chinese diplomacy is not known for either rapid or dramatic swings, Beijing’s response to Trump’s China policy is both identifiable and important. Beijing’s moves offer a test-case on how Xi Jinping responds to external pressures and to issues critical of Xi’s domestic and external goals. In this sense, China’s response may offer lessons for understanding

the external forces that shape Chinese diplomatic interests, preferences, and behavior, both now and in the future.

This assessment faces a key analytic challenge, which should be highlighted at the outset for the sake of transparency and analytic integrity. Some of the Chinese discussions, debates, and behavior detailed in this article have uncertain starting points in time. Thus, it is difficult to *directly* link some (but not all) Chinese responses to the shift in U.S. policy because some of them may have other origins. That said, the arguments in this article seek to demonstrate a credible correlation between Trump’s policies and China’s responses. In addition, although some Chinese policies may have begun before Trump, they might have accelerated under Trump and/or contributed to a gradual hardening of China strategy under the Obama administration. That said, it is beyond the scope of this article to explore all possible alternative explanations for such changes, both minor and major, in Chinese behavior. Where possible, this article seeks to be transparent about the nature of the changes in the Chinese approach: substantial, gradual, or an acceleration of past practices.

To preview this article’s major findings, China’s reaction was far more cautious—and even conciliatory at times—than confrontational. Beijing was primarily focused on limiting down-side risks and, to a limited extent, exploring opportunities for up-side gains. Xi Jinping’s responses encompassed the following: avoiding confrontation with the United States and managing U.S. demands; deferring major internal Chinese debates (and associated conclusions) about a new strategy toward the United States; reassuring the international community that China will be a source of stability and prosperity; stabilizing China’s immediate Asian periphery to limit its exposure to confrontation with Washington; looking for opportunities to expand its presence and influence (in places where the United States has stepped back); and investing further in ties with countries, notably Russia, that share China’s desire to constrain U.S. power.

The article is divided into two main sections. The first section explores Chinese reactions, in both words and actions, to U.S. policy. The second section explores China’s reactions as reflected in its diplomacy with Asia, Europe, and Russia.

### **China’s America Policy: Consistency and Moderation**

The primary and most notable feature of China’s response was that on balance Beijing sought to stabilize U.S.-China relations, temper U.S. actions, and manage areas of disagreement. This approach is reflected in three dimensions: China’s public rhetoric (both authoritative and non-authoritative), internal Chinese debates, and China’s external behavior. To be sure, this argument does not mean there has not been some Chinese “push-back” against certain areas of U.S. policy, but the majority of Beijing’s approach is as will be argued below.

#### *Chinese Rhetoric*

First, China’s public rhetoric about Trump, U.S. policy, and U.S.-China relations has been relatively restrained in the face of Trump’s policy shift. China’s statements following the Trump administration’s release of the “National Security Strategy” (NSS) in late 2017 and the

“National Defense Strategy” (NDS) in early 2018 nicely capture this dynamic, given the very pointed criticisms and characterizations of China in each document.

As Michael Swaine expertly summarizes in the May 2018 issue of *China Leadership Monitor*, Chinese official and unofficial reactions criticized both documents for reflecting “Cold War thinking,” “pursuing a zero-sum game,” and being “blinded by arrogance and false beliefs.” At the same time, Chinese sources also “expressed hopes for future U.S.-China cooperation so as to avoid future conflicts and to address common global challenges.”<sup>2</sup> More recent assessments of Chinese opinions articulated in the second half of 2018 confirm the consistency of these views throughout 2018. According to Swaine’s December 2018 assessment in *China Leadership Monitor*, “Despite growing tensions and hostility in the relationship, since May 2018 authoritative Chinese sources have generally expressed a hopeful, positive stance when characterizing the situation between Beijing and Washington, albeit with some notable qualifications.”<sup>3</sup>

The balance and moderation in Chinese public statements about U.S. policy in 2018 and 2019 differ substantially from the tactics the Chinese government (as captured in both authoritative and unauthoritative sources) has employed with respect to the United States and other countries to express its strong disagreement. For example, criticizing a foreign leader by name signals a higher level of hostility on the part of China. Notably, Beijing did not seek to demonize President Trump after the release of the NSS or the NDS; indeed, Chinese authoritative sources did not criticize Trump and most other senior U.S. officials known for hawkish views (such as Peter Navarro). The pointed responses by Chinese media to Vice President Pence’s speech on China are an exception, but this impression is mainly derived from unauthoritative sources.<sup>4</sup>

This approach contrasts with Chinese statements about the United States during other periods and its treatment of other foreign leaders. In the U.S.-China context, in the past China has responded with highly critical public statements, such as the Taiwan straits crisis in 1995–96, the Belgrade bombing in 1999, the EP-3 incident in 2001, the U.S. invasion of Iraq in 2004, among others.<sup>5</sup> Regarding other countries, China was very critical of the actions of leaders such as Japanese Prime Minister Shinzo Abe after his December 2013 visit to the controversial Yasakuni Shrine, of British Prime Minister David Cameron after his 2012 meeting with the Dalai Lama, and of French President Nicolas Sarkozy after he met with the Dalai Lama in 2008. In the case of Abe, Beijing launched an international campaign to demonize and isolate him by in international media. In the case of Britain and France, China froze both relationships for years, blocking all high-level contacts until each country agreed to change their approach. No leader from the UK or France has since met with the Dalai Lama.

### *Chinese Debates*

A second means of assessing China’s response to Trump’s China policy is to examine the nature, timing, and contours of Chinese debates about U.S. policy in 2017 and 2018, in particular after the release of the NSS and NDS. In the past, major events in U.S.-China relations have triggered robust internal debates and such debates (to the extent they were accessible) can be a

useful barometer of the direction of Chinese policy toward the United States as well as the broader international system.<sup>6</sup>

From the vantage point of early 2019, the most remarkable development is the lack of a robust and wide-ranging internal debate about China's policy toward the United States or a new direction for China policy. For example, there was nothing approaching the intense Chinese debate in 1999 about "peace and development" following the accidental NATO bombing of the Chinese embassy in Belgrade; similarly, there was certainly nothing approaching the internal deliberations in 1989 after the Tiananmen crackdown or the fall of the Berlin Wall and the end of Soviet control over Eastern Europe.<sup>7</sup>

To be sure, this is not to say there were no debates in 2018 in reaction to the dramatic and very public change in U.S. policy, as expressed in the NSS and NDS. Nevertheless, the debates were narrow, did not produce any major new conclusions, and appear to have concluded that China should continue its policy of balancing cooperation and competition rather than adopting a more confrontational or even a hostile approach.

Beginning in Summer 2017, there was a debate about whether China's should downgrade its assessment of the current international situation from a "period of strategic opportunity" (战略机遇) to a "period of historic opportunity" (历史机遇期), due to changes in U.S.-China relations.<sup>8</sup> The former term gained prominence in 2002 and has since often been used by Chinese leaders. In its original incarnation, it reflected the positive and improving domestic and external environment for China's rise including: WTO accession, 9/11 and the shift in U.S. security strategy regarding counter-terrorism, the decade of double-digit Chinese growth, and China's eclipsing of Japan to become the second largest global economy. In contrast, the latter terminology is meant to reflect the fact that China faces new and more serious challenges, with some Chinese analysts citing the U.S. pivot to Asia and the intensifying competition in U.S.-China relations.<sup>9</sup> This debate apparently concluded that the "period of strategic opportunity" should continue to be used; as a result it was included in Xi Jinping's work report to the 19<sup>th</sup> CCP Congress in October.<sup>10</sup> (This was several months before the release of both the NSS and the NDS.)

However, the debate appears not to have ended there, as one would normally expect after such an authoritative statement by China's top leader. Writing in February 2018, former president of China Institute for Contemporary International Relations, Cui Liru, argued in favor of a change from a "strategic opportunity" to a "historic opportunity," largely due to the incipient shift in U.S. policy:

Given the profound changes in the world, it became apparent that the concept of "period of strategic opportunities" has become outdated, failing to capture the changes in historical evolution. It is also inconsistent with such new assessments that Chinese diplomacy now "stands at a new historical starting point" and that the present-day world is undergoing "major developments, major changes, and major adjustments." The concept is also in sharp contrast with the increasingly prominent state of China-US strategic competition and western vigilance against China.

Cui wrote this pointed opinion in early February 2018, several weeks after a curious sequence of articles in the *People's Daily* that appear to have signaled some disagreement about how to characterize the external environment in the wake of the release of the NSS.

Following a January 5 speech by Xi Jinping at the Central Party School, *People's Daily* published its first news article on January 6, summarizing Xi's speech; in the article, Xi is quoted as stating that China is at "a period of historic opportunity" characterized by many risks and challenges ahead; the tone is notably somber and foreboding.<sup>11</sup> Two days later, on January 8, *People's Daily* published a second article on Xi's speech, but this time the author was a *People's Daily* commentator (本报评论员). The latter also used the term "historic opportunity" and doubled-down on the themes in the previous piece: guarding against all risks, focusing on challenges and "bottom-line thinking," increasing a sense of anxiety, and avoiding strategic or disruptive mistakes. Indeed, the title of the article was, "Consistently Increase the Sense of Anxiety and Keep a Look Out for Risks."<sup>12</sup>

Then, on January 15, *People's Daily* published a far more optimistic opinion piece by Xuan Yan (a likely pseudonym representing an authoritative view in the Propaganda Department) and also used the term "period of historic opportunity." But Xuan Yan painted a notably optimistic picture of the opportunities for China due to decay in the West, with a focus on what he termed the "democratic deficit," the "governance deficit," and the "developmental pitfalls" of Western economies.<sup>13</sup> Writing after these *People's Daily* articles, Cui Liru concluded that China's assessment had shifted:

Nevertheless, the concept "period of opportunities" remains valid in both domestic and foreign policies, only that it needs an adjective that embodies more profound strategic insight and works better together with the new concepts of "New Era of socialism with Chinese characteristics" and the "major developments, major changes, major adjustments" in international conditions. Finally, Xi has put forward the phrase "period of historic opportunities" based on his approach to history and his proposal to integrate domestic policy and China's foreign relations. That effectively ended the shelf life of the concept of a "period of strategic opportunities."<sup>14</sup>

The debate did not end there; both terms were widely used by the Chinese media, but in no apparent pattern, in 2018 and into 2019. Based on a search of these terms in *People's Daily* database, "period of strategic opportunity" was used 57 times in 2017 and 37 times in 2018; in contrast, "period of historic opportunity" was used only 7 times in 2017 and 57 times in 2018. Xi Jinping used the former term in two high-profile speeches in 2018: his address to the 13<sup>th</sup> National People's Congress meeting in March and his December speech marking the 40<sup>th</sup> anniversary of reform and opening. But he did not use the latter term in any speeches. Chinese media continued to give texture to these views. A December 25, 2018 *People's Daily* commentator article declared that China was still enjoying a "period of strategic opportunity," even though it faced myriad challenges at home and abroad; the article argued that "time and momentum" are on China's side due to globalization and China's economic and technological capabilities.<sup>15</sup> Xi Jinping again used the same term in a speech to the Central Military

Commission on January 5, 2019, stating that “China's development is still in an important period of strategic opportunities, but, at the same time, various predictable and unpredictable risk challenges are increasing.”<sup>16</sup> This usage by Xi strongly suggests that the leadership is aware of the risks posed by the changing international system—with U.S. policy as a major challenge—but it is resistant to adopting a major policy change to signal recognition of such challenges.

A separate but related discussion among Chinese scholars and analysts in 2018 focused on how China's strategy should respond to the shift in U.S. policy. A useful metric for this was the Chinese discussion about the phrase “struggle but not break” (斗而不破); Chinese scholars and analysts have used this phrase for many years to characterize China's strategy of balancing competition and cooperation with the United States. The authoritativeness of the phrase is unclear given that based on a database search it has never appeared in *People's Daily* in the context of U.S.-China relations and Chinese leaders have never publicly used it; however, some Chinese analysts claim the phrase is widely used in internal documents to capture the essence of China's U.S. policy.<sup>17</sup>

After the release of the NSS and NDS, there were several 2018 articles arguing argued that China should continue to adhere to the policy of “struggle but not break” in dealing with the United States. Writing in *Shijie zhishi*, senior Chinese Academy of Social Sciences scholar Zhang Yunling argued that although the current trend in U.S.-China relations is pessimistic, China should not lose confidence that it cannot cooperate and compete with the United States at the same time.<sup>18</sup> Writing in the nationalistic *Huanqiu shibao*, in separate articles Renmin University professors Jin Canrong and Yang Guangbin argued that despite the growing challenges to U.S.-China relations, China should not exaggerate the threat and it should persist with its strategy of “struggle but not break,” even as the United States adopts a more competitive approach.<sup>19</sup> Addressing economic issues in U.S.-China relations, two Ministry of Commerce officials, Zhang Fei and An Ning, argued that in the face of U.S. tariffs, China should maintain its “strategic concentration” and its policy of “struggle but not break.”<sup>20</sup>

As these discussions unfolded in 2018, it is worth examining the broader themes in Chinese diplomacy (and related Chinese assessments of global politics). As U.S.-China relations deteriorated in 2018, Xi's speeches at major international forums, both domestic and abroad, offer a useful guide to his thinking and policies. In 2018, Xi doubled-down on themes of reassurance in the face Trump's criticism of both China and multilateral organizations. Based on an analysis of nine major speeches by Xi in 2018 at international forums, a variety of themes are apparent.<sup>21</sup> These include: China is committed to globalization, free trade, and open markets; China opposes protectionism and supports multilateral trade agreements; China's will be actively involved in the reform of global governance; China values regional cooperation and regional forums; China rejects alliances and “Cold War thinking”; China is making contributions through the Belt and Road Initiative; China is promoting “a new type of international relations” based on a full embrace of multilateralism and globalization; China's economic development under the “reform and opening” offers benefits for the entire world and will continue to do so.

To be sure, none of these themes are particularly new or surprising. They reflect China's effort to position itself as a source of stability and prosperity at a time when the United States has stepped back from that role, especially in terms of trade and investment issues. Xi clearly sought

to draw a contrast with the Trump administration so as to position China to expand Chinese influence relative to that of the United States, while also preserving the integrity of the global trading system, from which China has and wants to continue to reap benefits.

Lastly, the apparent and notable absence of discussions about U.S.-China relations during the June 2018 Central Foreign Affairs Work Conference should be noted. Such conferences are as important as they are rare (the last one was held by Xi in 2014); these meetings generally assess the international situation and, if needed, establish a new policy direction. Yet, following this meeting, Chinese media (which provide the only publicly available information) indicated that the conference did not address U.S.-China relations; instead the media stressed that Xi Jinping thought is the “fundamental guideline” for Chinese foreign policy. The *Xinhua* readout of the conference offered only the faintest of possible reactions in stressing advancing major country diplomacy with Chinese characteristics to fulfill the mission of realizing national rejuvenation and enhancing strategic confidence.<sup>22</sup>

In one possible innovation at the conference, Xi Jinping for the first time stated that China should “take an active part in *leading* (引领) the reform of the global governance system” (全球治理体系改革), with a focus on the concepts of fairness and justice.<sup>23</sup> Xi’s previous statements only referred to “guiding” (引导) the international community to build a more just and reasonable new world order, and they did not discuss “leading” the specific issue of “reform of the global governance system.”<sup>24</sup> Finally, at the Central Foreign Affairs Work Conference, Xi reportedly did not use the term “period of strategic opportunity” or the term “period of historic opportunity”; rather, he called the period “a historical juncture for realizing the two centenary goals of China and of great significance in the historical progress of the great rejuvenation of the Chinese nation.”<sup>25</sup>

### *China’s Policy Behavior Toward the United States*

A third major way to discuss Chinese reactions to U.S. policy is by examining Beijing’s behavior toward the United States. A pattern became very clear in 2018: in the face of confrontational U.S. statements and actions, China maintained substantial engagement with a wide variety of Americans, made very careful public statements, and advocated negotiated solutions. Calibration and proportionality were driving China’s playbook far more than the tactics of opprobrium, isolation, and push-back.

First and foremost, China’s top leaders maintained a robust pace of engagement with senior U.S. officials, former officials, business leaders, and scholars/analysts; there likely were even more meetings that were never made public.

Starting from the top, Xi Jinping racked up an impressive list of meetings with Americans in 2018. He met Secretary of State Pompeo in mid-June and Secretary of Defense Mattis in late June; the two were on separate trips to China so it is noteworthy that Xi met with both within a period of two weeks.<sup>26</sup> The fact that June 2018 was a very tumultuous month in bilateral economic relations makes it doubly significant that Xi was willing to meet with both officials; this suggests both Xi’s commitment to U.S.-China relations and also Xi’s willingness to compartmentalize different aspects of the relationship. Xi and Trump took part in perhaps as

many as six phone calls, which is more than his predecessor in any given year.<sup>27</sup> Xi met with several American business leaders throughout the year (including business leaders who previously had only met with Premier Li Keqiang).<sup>28</sup> Xi saw Henry Kissinger in November, a few weeks before his meeting with Trump. Of course, Xi again met President Trump at the G20 in Argentina in early December in one of the most intensely followed recent meetings on U.S.-China relations. Adding to Xi's efforts, Premier Li Keqiang also met with several American CEOs, including a deliberately publicized meeting with the Exxon-Mobile CEO in September 2018 and a meeting with Tesla's CEO Elon Musk in January 2019. He also met with several Congressional delegations, Transportation Secretary Elaine Chao, and American scholars who were part of a delegation from the Berggruen Institute

In 2018 Politburo member Yang Jiechi and State Councilor/Foreign Minister Wang Yi, China's top diplomats, had intensive contacts with Americans. Both Yang Jiechi and Wang Yi visited the United States. During Wang Yi's Fall 2018 trip (amid the height of the trade war), he presented a moderate public speech on U.S.-China relations at the Council on Foreign Relations in New York, in which he expressed a desire for a more constructive relationship. Yang and Wang met many Americans who were visiting Beijing. This pace of meetings is significant because they show no signs of a deliberate Chinese strategy to freeze relations or to distance themselves from the United States. In contrast, in the past China often froze high-level contacts and suspended some functional diplomatic and/or military dialogues following unwelcome U.S. decisions such as arms sales to Taiwan.

Second, beyond meetings among leaders, Beijing did not let U.S. actions affect the pace of normal bilateral relations. U.S.-China military relations and U.S.-China economic relations provide useful mini case studies regarding this pattern in Chinese behavior.

Beginning in early 2017, the Defense Department took a variety of pointed actions directed at China but they seem not to have impacted military relations. The United States initiated a program to promote more frequent assertions of freedom of navigation against Chinese claims in the South China Sea, and high-level military interactions continued. Secretary of Defense Mattis met with his Chinese counterpart for the U.S.-China Diplomatic and Security Dialogue in June 2017, held in the United States; this was followed by a visit to China by Chairman of the Joint Chiefs General Dunford in August; several functional defense exchanges occurred in 2017 as well.

U.S.-China defense interactions in 2018 are even more illustrative. Following release of the NDS in early 2018, a ramping up of public criticism of China by U.S. defense officials, and the withdrawal of the PLA navy's invitation from the RIMPAC naval exercise, U.S.-China military-to-military dialogues, especially at senior levels, were atypically robust. In October Secretary of Defense Mattis met his Chinese counterpart on the margins of an Asian defense ministers meeting, and then in November he hosted his Chinese counterpart at the Pentagon as part of the U.S.-China Diplomatic and Security Dialogue. In addition to the meeting in June, three meetings within five months is unusual (even when overall relations are good). This suggests a dedicated effort by both sides to manage one of the most difficult aspects of U.S.-China relations. Indeed, all these interactions occurred during a year when the United States decided to sell arms to Taiwan (September), there was a near miss between the USS Decatur and



a Chinese naval vessel in the South China Sea (September), Secretary Mattis made pointed statements about China at the annual Shangri-La Dialogue (June), and some Chinese military allegedly used a laser to harass U.S. planes operating out of the U.S. military base in Djibouti (May).

A similar pattern is evident on the economic side of the U.S.-China relationship, which saw a dramatic downturn in 2018. In all such cases, the Chinese government responded in a measured and precisely reciprocal manner, keeping open channels for dialogue and seeking to prevent escalation.

In March, as part of a U.S. global tariff on steel and aluminum (of which China was the main target), Trump imposed tariffs on \$2.4 billion of Chinese steel and aluminum exports to the United States; China responded with tariffs on \$2.4 billion of U.S. exports to China, covering both agricultural and industrial products (and with a similar breakdown of tariffs at 10 percent and 25 percent). In May, and under the threat of further U.S. tariffs, Xi sent one of his top economic advisors, Liu He, to Washington for trade talks, but this effort failed to produce a deal and, in an apparently embarrassing incident, Liu He did not meet President Trump during the visit. In June Trump announced his first round of China-specific tariffs on \$50 billion of Chinese exports to the United States (imposed in two separate tranches of \$34 billion in July and \$16 billion in August). China responded in a directly proportional manner by imposing tariffs on \$50 billion of U.S. exports to China. Also, in June, the White House released a 35-page report accusing China of using a “strategy of economic aggression” against the United States. From April to June, the Commerce Department banned U.S. companies from exporting to the Chinese telecom giant ZTE, which could put ZTE out of business given its reliance on U.S.-made inputs. Following Xi’s personal intervention, Trump agreed to settle the issue and remove the ban. In August, President Trump signed into law the 2018 National Defense Authorization Act which included both enhanced export controls and regulations scrutinizing Chinese investments in the United States.

Amid all of this, public statements by the Chinese government were modest. They were limited to generally critical comments by the spokespersons of the Ministry of Commerce and the Ministry of Foreign Affairs; these statements seldom used language as pointed as that when responding to U.S. arms sales to Taiwan or unwelcome military activities. The ministers of foreign affairs and commerce seldom made public comments about these actions, and when they did, their comments highlighted China’s openness for dialogue. None of China’s top leaders issued public comments on the tariffs or on ZTE. As to be expected, discussions and debates in the non-official media were far more critical of the United States, especially in nationalistic publications such as *Global Times*. The one Chinese response outside of the trade arena occurred in July when Chinese government regulators failed to grant approval to the U.S. company Qualcomm to merge with the Dutch company NXP, leading the former to eventually abandon the deal. Yet, as indicated above, throughout 2018 Chinese leaders continued to meet with U.S. CEOs and sought to demonstrate China’s openness to U.S. investments.

China showed additional moderation and restraint in the face of greater U.S. pressures in September 2018. The Trump administration imposed a new 10 percent tariff on \$200 billion of Chinese exports (which was set to increase to 25 percent on January 1, 2019). This was the

largest tariff that the United States had ever imposed on China. Beijing responded with taxes on only \$60 billion of U.S. exports to China, and even then China carved out exceptions for some of the largest (in value terms) and most important U.S. exports to China, such as aircraft and oil.<sup>29</sup> As before, Chinese public responses were critical of the U.S. actions but they were also restrained; throughout the summer and into the fall, China continued to negotiate with the United States to arrange another round of senior-level trade talks. Despite a series of working-level discussions in Fall 2018, these issues were not resolved until Trump and Xi met on the margins of the G20 in Argentina on December 1.

The sum total of these events is that Beijing responded—in both its rhetoric and its actions—in a finely calibrated manner; channels of negotiations remained open throughout the tumult. Interestingly, few other areas of U.S.-China relations appeared to be affected by the serious economic tensions. As already noted, contacts, dialogues, and discussions continued throughout the period. To the extent that senior-level dialogues did not occur in 2018 (such as the four channels established at Mar-a-Lago in 2017), it was Washington that did not want them to occur. Thus, there is little indication that Beijing conducted a fundamental reassessment of its U.S. strategy and chose a more confrontational approach. In the face of tough rhetoric and actions by Washington, Beijing was focused on remaining engaged, responding in a manner that avoided escalation, and attempting to pursue a diplomatic solution.

## **China's Global Diplomacy**

China's diplomacy toward the rest of the world provides additional insights into our understanding of Beijing's response to the shift in U.S. policy. China pursued multiple international goals even as U.S.-China relations deteriorated in late 2017 and 2018. Beijing sought to reassure the international community of China's commitment to multilateralism and open markets, to stabilize its Asian periphery to prevent the United States from forging coalitions directed at China, to create opportunities in Europe as trans-Atlantic ties weakened, and to further expand economic and security ties with Russia as a balance against U.S. power. The latter three types of behaviors are, to varying degrees, linked to the deterioration in U.S.-China ties, though the strength of these linkages vary depending on the context.

### *Stabilizing the Asian Periphery*

Beginning in 2017 and accelerating in 2018, China took a variety of steps to improve relations with its traditional rivals in Asia. In this regard, China's efforts to improve relations with India, Japan, and ASEAN are instructive.<sup>30</sup>

Xi and Chinese policy makers made dedicated and creative efforts to stabilize and normalize relations with India after a border stand-off at Doklam in June 2017. In April 2018, Xi invited Prime Minister Modi to an “informal meeting” (非正式会晤) in Wuhan for strategic conversations about the future of the relationship (modeled after the U.S.-China “Sunnylands Summit” in June 2013). This was the very first informal meeting that Xi had ever arranged in China with a foreign leader, let alone with an Indian leader. Coming out of the Wuhan meeting, both sides agreed to provide “strategic guidance” to their militaries to manage border tensions and “directed” their militaries to implement various confidence building measures; to establish a

hotline between the two leaders; and to conduct an undefined joint economic project in Afghanistan. Modi invited Xi to attend a reciprocal meeting in 2019.<sup>31</sup>

In 2018, Beijing may have supported—or at least did not oppose—efforts to bring India into the Shanghai Cooperation Organization (SCO). Modi attended the SCO summit (hosted by China in Qingdao) for the first time, marking Modi’s second trip to China in three months. In 2018, the Indian military for the first time participated in SCO military drills. China and India also decided to resume their modest joint military exercises after a one-year hiatus; the 14-day event focused on counter-terrorism operations. In a curious gesture, Modi agreed to attend a trilateral meeting with Putin and Xi on the margins of the G20; this was only the second time in twelve years that the three leaders had held such a meeting.<sup>32</sup> As a possible further indication of Beijing’s changing posture toward New Delhi, during two regional crises in South Asia in 2018—in the Maldives and the constitutional crises in Sri Lanka—China and India both acted in a restrained manner to avoid involvement by either side.

Progress in Sino-Japanese relations in 2018 was different from the trajectory of Sino-Indian ties due to a variety of motivations on Beijing’s part. Relations between Tokyo and Beijing were improving in 2017 (unlike the tensions between China and India), but progress was slow and fitful. It is possible both sides were focusing on 2018 because it would mark the 40<sup>th</sup> anniversary of the 1978 Treaty of Friendship and Cooperation. In the past (e.g., 1998 and 2008) this anniversary had been used to reset relations. But in 2017 the two sides appeared to be having some difficulties generating momentum toward a breakthrough.<sup>33</sup> Beijing remained uncertain whether Japan was genuinely committed to better relations and, furthermore, may have been holding back to see what more it could gain from Tokyo.<sup>34</sup>

By early 2018 as the United States began unveiling its new China policy, the pace and scope of Sino-Japanese relations accelerated notably. Tokyo and Beijing took several significant steps to indicate a higher degree of political will than in the past to improve relations. The year 2018 began with a visit by Foreign Minister Taro Kono to Beijing, the first visit by a Japanese foreign minister in nearly two years. Then, in April, for the first time in eight years, Japan and China convened the 4<sup>th</sup> meeting of the “High-Level Economic Dialogue” in Tokyo, suggesting that trade and investment would drive the warming of ties. Foreign Minister Wang Yi also visited Tokyo that month to continue the momentum and to plan for future high-level visits.

The first major breakthrough came in May when Premier Li Keqiang visited Tokyo, the first visit to Tokyo by a Chinese premier in eight years. Notionally, he was visiting Japan to attend the Japan-ROK-China trilateral meeting that had not been held for three years due to China’s reluctance to attend (likely due to frosty ties with Japan). At the meeting, held just at the time the United States was criticizing such agreements, all three agreed to accelerate negotiations on a free trade agreement. In a further signal of China’s commitment to improve ties with Tokyo, in the summer Beijing approved several high-profile Japanese investments, including by Nissan and Toyota Motors focusing on the development of China’s electric vehicle market.

But the warming was not only focused on economic ties. After a six-year suspension of bilateral military exchanges, PLA officers visited Japan as part of a Sasakawa Peace Foundation conference. More importantly, during Premier Li Keqiang’s May visit, the two sides signed a

new agreement setting up a hotline on air and maritime incidents so as to foster faster communications in the event of any incidents. Importantly, the agreement includes an agreement on a code of conduct for direct naval encounters at sea.<sup>35</sup>

The major movement in Sino-Japanese ties occurred in Fall 2018 with the visit of Prime Minister Abe to Beijing—the first “official visit” by a Japanese prime minister in seven years.<sup>36</sup> Preparations for such visits often require a series of interactions to add momentum for the relationship. For the first time in several years, in September Yang Jiechi and National Security Advisor Yachi held their 5<sup>th</sup> High Level Political Dialogue. To further prepare for the visit, Xi and Abe spoke on the phone in May, they met on the margins of a Russian summit in September. Abe finally visited Beijing in October.

Abe’s visit was part symbolism and part substance, with meaningful progress on both. In terms of symbolism, it was not a state visit (mainly because Abe was not head of state), but the Chinese added features to the “official visit” to signal the importance they attached to it.<sup>37</sup> In addition, Xi publicly expressed appreciation for Japan’s overseas development assistance (ODA), the first such public expression by Xi and by any Chinese leader *in China*.<sup>38</sup> In terms of substance, in a surprising move China accepted all of Japan’s standards for BRI project cooperation (e.g., debt sustainability), opening up the possibility of genuinely joint projects.<sup>39</sup> The economic outcomes of Abe’s visit mainly focused on investment MOUs and symbolic economic agreements, such as a currency swap arrangement and establishing Japan as an RMB clearing hub. There was no indication of any progress, or regression, regarding the dispute in the East China Sea; both sides had clearly decided to side-step the issue at the summit.

Arguably, a third—albeit modest—Chinese diplomatic initiative in Asia was China’s effort to improve relations with Southeast Asian nations, including on issues related to the South China Sea issue. During Xi’s trip to attend the APEC summit, he paid a state visit to the Philippines, the first visit by a Chinese leader in thirteen years. Xi and President Duterte agreed to upgrade their relationship to one of “comprehensive strategic cooperation” and they signed a controversial MOU for joint exploration in the South China Sea; there were also commitments for Chinese investment. In addition, Beijing continued to make progress in improving relations with Myanmar. As an indication, senior officials from China and Myanmar signed a previously controversial but ambitious agreement to develop the first phase of a deep-sea port in Myanmar’s Kyaukphyu Special Economic Zone, potentially giving China access to the Indian Ocean.<sup>40</sup>

Perhaps China’s biggest move toward ASEAN as an institution came in August 2018 during the annual meeting of the ASEAN Regional Forum; China agreed with ASEAN on a single, unified draft code of conduct for the South China Sea. This was the first time since the 2011 adoption of the Guidelines for Implementing the China-ASEAN Declaration on the Conduct of Parties in the South China Sea (DOC) that Beijing took a credible step toward finalizing the text of a code of conduct. Many hurdles remain, but some experts argue that this was an important procedural step.<sup>41</sup> Also in 2018, China and ASEAN conducted their first ever maritime exercise and it took place in China, involving a total of eight vessels and including the participation of all ASEAN member-states (including the ones with minimal naval capabilities).<sup>42</sup> Economically, China and ASEAN agreed to update their 2001 FTA to include

BRI projects and they set a new goal of \$1 trillion for two-way goods trade by 2020. (Two-way trade was \$518.1 billion in 2017.)

To be sure, China's outreach to ASEAN was constrained by other aspects of its behavior. In contrast with China's luck with the Philippines since its 2016 election, newly elected Prime Minister of Malaysia Mahathir visited China in summer 2018 to reset the terms of their bilateral relationship, including canceling some and renegotiating other BRI-related investment projects. But China's relations with Vietnam remained tense in 2018: China stopped Vietnam from pursuing a gas drilling project; China sent H-6K bombers over the Paracel Islands; and the PLA deployed both anti-ship and surface-to-surface missiles to some of its seven artificial islands in the Spratly Islands.<sup>43</sup>

### *Seeking Opportunities: China-EU Relations*

Moving westward from Southeast Asia, there were distinct reflections of China's reaction to U.S. policy in its approach toward Europe in 2018 (including the EU and its member-states). As tensions heated up between Washington and Beijing (and as tensions festered across the Atlantic—a point not lost on Beijing—China showed a degree of flexibility in its diplomacy with the EU.

The years 2016 and 2017 were difficult for China-Europe relations. The EU-China summits in each year failed to conclude with a joint statement due to a variety of disagreements. In general, Brussels felt Beijing was dragging its feet on several fronts: the investment treaty negotiations, annual high-level talks on macroeconomic issues, and human rights dialogues. Chinese steel exports to Europe had become politically controversial, both among member-states and at the EU level. Several member-states, led by Germany, were increasingly concerned about China's numerous acquisitions of European technology companies and its use of industrial policy to compete with European firms in China. Beijing was frustrated that the EU was unwilling to grant it market economy status (MES) and that the EU demanded that the terms "reciprocity" and "values" should be used in joint statements. The EU also took actions against China in the WTO, notably on solar panels.

Much of this came to a head in 2017, as European views of China were hardening.<sup>44</sup> Several countries proposed the creation of an EU-wide investment-screening mechanism focused on China. (It was eventually adopted in late 2018.) In April 2017, twenty-seven EU ambassadors co-signed an internal report, which was eventually leaked to the media, strongly criticizing the BRI.<sup>45</sup> At the annual EU-China summit in June 2017, Beijing at the last minute and after weeks of constructive negotiations rejected inclusion of high priority text in the draft joint statement reaffirming their respective commitments to the Paris Accord to protest the EU's unwillingness to grant China market economy status. As a result, the 2017 summit ended without an overall joint statement for the second year in a row.<sup>46</sup>

The tone and content of China's diplomacy toward Europe changed substantially in 2018. During the first six months, Xi hosted visits by French President Macron, British Prime Minister May, Dutch Prime Minister Rutte, and German Chancellor Merkel; the first two were state visits (or the functional equivalent in the case of the UK Prime Minister). It is worth noting that the

UK, France, and Germany are traditionally regarded by China as the drivers of EU policy. In all these meetings, China signaled a commitment to open trade and investment and a willingness to address longstanding European concerns about market access, protection of trade secrets, and Chinese industrial policy. China also made some special gestures: during Merkel's trip, Liu Xiaobo's wife was allowed to leave China and take up residence in Germany. Later in 2018, China also made high-profile investment decisions benefiting European firms. Beijing announced BMW would be granted the first majority share in an auto manufacturing joint venture in China. Beijing also granted Swiss bank UBS the first license for a majority share in its securities joint venture. Given that both autos and financial services had been liberalized in early 2018, Chinese officials were likely trying to make the point that the first beneficiaries were European firms and not American firms, and by doing so scoring points with Europe.

As a further sign of China's efforts to court the Europeans, China made a variety of concessions during the annual China-EU summit in July 2018. For the first time since 2015, China and the EU agreed on a joint statement, mainly as a result of Chinese flexibility on EU priorities. China dropped its insistence on the EU granting China market economy status and endorsing the BRI. In the 2018 joint statement, China agreed to the following: to include language supporting the Paris Climate Change agreement and the Iran nuclear deal (which Beijing had rejected in 2017), to accelerate talks on an investment treaty, and to launch a group to update global trade rules, including EU concerns about Chinese policies. For its part, the EU dropped its insistence on using "reciprocity" in the joint statement, agreed to include very general language on the South China Sea, and agreed to "forge synergies" between the BRI and EU connectivity initiatives.<sup>47</sup> EU officials also successfully pushed back on Chinese efforts to single out the Trump administration's trade policies for criticism and China relented with respect to the inclusion of language directed at Beijing's economic policies.<sup>48</sup>

China's flexibility in dealing with the EU in the lead-up to and during the summit is especially noteworthy given a further hardening of European views of China in 2018, covering not only economic issues but also Beijing's political influence in Western and Eastern Europe.<sup>49</sup> To round out the year, on his way to the G20 summit in Argentina, Xi stopped over first in Spain and then in Portugal for state visits; he called relations with Spain "the best in history" and he elicited specific support from both Madrid and Lisbon for the BRI.<sup>50</sup> Indeed, China's outreach to Europe has continued in 2019. Beijing has proposed another EU summit in April, only nine months after the last summit. As an enticement, Beijing is offering a more aggressive negotiating calendar for the investment treaty. In addition to the summit, Xi Jinping is planning a trip to Europe, with strategic stops in Paris and then in Rome, to capture the range of political forces driving debates about the future of the EU.<sup>51</sup>

The evolution of China's diplomatic behavior toward Europe suggests a variety of motivations linked to the shift U.S. policy. First, by 2018 Beijing was no longer concerned about offending Trump by highlighting cooperation with the EU on climate change and nonproliferation. Second, given the mutual hardening of views about China in Brussels and Washington, Beijing sought to prevent them from forging common cause against China. Third, Beijing may have been searching for leverage in dealing with the United States, given the shared Chinese and EU concerns about Trump's protectionist policies.

## *Balancing U.S. Power: Russia*

A final area of China's external behavior that offers insights into its reactions to the shift in U.S. policy is Sino-Russian relations. Many books and articles have already detailed that a core motivation for their ties is to balance U.S. power and to limit the purported U.S. unilateralism and interventionism.<sup>52</sup> In this sense, neither Moscow nor Beijing needed more motivation to expand their relationship in ways that would constrain the United States, but U.S. policy nevertheless may have provided it. The year 2018 witnessed an intensification of Sino-Russian diplomatic and military interactions that arguably are somewhat attributable—either in terms of pace or scope—to Trump's more confrontational posture toward China. In other words, although the trajectory of Sino-Russian relations was already a progressive curve, the incline may have steepened as Beijing became even more comfortable with Russia. At a minimum, Xi may have become less concerned about U.S. reactions to Sino-Russian cooperation and thus he was willing to take additional steps.

In 2018, Xi and Putin (and their two governments) clocked an intense pace of interactions. Xi and Putin saw each other four times and both visited the other once. (To date, they have met twenty-five times.)<sup>53</sup> Putin made a state visit to Beijing, and Xi for the first traveled to Vladivostok for the 4<sup>th</sup> Eastern Economic Forum after postponing the first three invitations. Given the marginal international significance of this new forum, the most likely motivation was to meet Putin and to support his initiative to revive the Russian Far East.<sup>54</sup> Several other top Chinese leaders met with Putin in 2018 as well: Wang Qishan during the St. Petersburg International Economic Forum in May; Yang Jiechi in Sochi during the annual Valdai meeting in October; and Li Keqiang on the margins of the EAS in November. In total, two Politburo Standing Committee members (and Wang Qishan) and one Politburo member traveled to Russia to meet with Putin in 2018; this is considered robust by any measure of Chinese statecraft during the reform era.

In the context of this intensive high-level engagement, the public language that the two leaders used was not only about expanding international cooperation but was also an effort to project a personal intimacy with each other. During Putin's state visit in June, Xi Jinping made statements and signed agreements that hinted at his changing views of the United States. Xi stated: "Myself and President Putin agreed, in the face of a complex international situation, that China and Russia will *increase* mutual support and coordination in international affairs and deepen strategic cooperation."<sup>55</sup> Whereas the 2017 joint statement began with a vague reference to the importance of the UN and globalization, the 2018 statement began with a reference to the important role Sino-Russian relations can play in global affairs. The 2018 document then highlighted up front the progress and prospects for closer military cooperation.<sup>56</sup> As a further indication of the contours of this relationship, during Putin's visit, Xi stated: "Putin is my best friend who knows me best (普京总统是我最好的知心朋友)<sup>57</sup> and, for his part, Putin said: "President Xi is the only state leader who has celebrated my birthday with me . . . we just had some vodka together and carved some sausage."<sup>58</sup> At a ceremony in China with some 700 people in attendance, Xi awarded Putin the first-ever Friendship Medal (following its creation in 2015); this is the highest Chinese honor granted to foreigners.

Beyond meetings and statements, perhaps the area of most extensive cooperation in 2018 was between the two militaries. Although bilateral military cooperation—in many dimensions — has occurred for decades, it took a notable step forward in 2018 with a large-scale military exercise. In September 2018, China conducted its largest *ever* peacetime overseas military deployments when it sent some 3,200 troops, aircraft, and large military equipment to participate in Russia’s Vostok 2018 military exercise. This number is exceptional because the vast number of PLA exercises with other countries have involved much smaller numbers of personnel, usually from around 10 (a squad) to several hundred (between a company and a battalion). Only rarely does the PLA participate with numbers larger than 1,000 personnel.<sup>59</sup>

Moreover, this was Russia’s largest military exercise since 1981; in the 1980s China likely had been the target of such exercise series. Thus, China’s participation had symbolic value, indicating China was now a partner and not a target. The Chinese Defense Ministry called military ties with Russia a “partnership without an alliance” (结伴不结盟), but both governments were circumspect to the point of being coy about the target of Vostok 2018. Unofficial media were less subtle in pointing out their shared concern about the United States and the nature of the alliance between their military.<sup>60</sup> The practical significance of this exercise is that its size and the quality of China’s contribution indicate that the military relationship is moving in the direction of cooperation with elements of interoperability. According to Russian expert Alexander Gabuev, “The two countries have entered a new chapter in military cooperation. It was unprecedented for Russia to invite a non-aligned nation to take part in such an exercise, and that cooperation with China is not going to be a one-off. ... The deepening of military ties between these two former rivals is real, and a stronger strategic partnership between Beijing and Moscow could, given time, upend a half century of U.S. military planning and strategy.”<sup>61</sup>

This exercise—both Russia’s invitation to China and Beijing acceptance—is more than a normal course of past military relations that were focused on Russian arms sales to China and modest military exercises. This exercise was different. The PLA, for the past forty years, had never deployed so much capability abroad in a military exercise that required extensive coordination. The message to Washington and the world about a quasi-alliance between Moscow and Beijing is one with which both Xi and Putin are clearly comfortable. Although there is no explicit evidence Xi was willing to take these steps due to the deterioration in U.S.-China relations, Chinese actions were sufficiently beyond the previous trajectory of Sino-Russian military relations that it is reasonable to argue that Xi embraced the invitation and did not worry about Washington’s reaction due to the shift in U.S. policy and practice.

## **Conclusion**

The preceding examination of Chinese statements and actions following the shift in U.S. strategy in 2017–18 paints a relatively clear picture of Chinese responses. Some were unexpected (to this author, at least) and thus offer useful insights about the sources and patterns of change in Chinese foreign policy. This analysis also suggests prescriptions for U.S. policy makers, albeit ones that will require further discussion and testing.



Despite the unique challenge presented to China by Washington's more confrontational strategy, it did not produce an internal catharsis in China nor did it appear to produce a new approach towards the United States (or the world). Rather, Xi responded with a set of policies marked by moderation, calibration, proportionality, and even opportunism. This meant managing the Trump administration to prevent an escalation of bilateral tensions, limiting damage, and playing for time in the hopes of tempering Washington's more caustic proposals. This was manifested in Chinese initiatives to mend fences with regional powers in Asia, such as India and Japan. Beijing's intent was most likely defensive in nature: to address regional problems that would distract it and/or prevent the regional powers from being drawn into U.S.-led coalition directed at constraining China. Beijing may have had greater ambitions in its diplomacy toward Europe. China sought to rapidly mend fences in Europe in hopes of forging common cause during a period of difficult trans-Atlantic ties. Chinese initiatives proved to be ineffective as they coincided with a general hardening of European views about China's economic and political governance in ways that eclipsed European frustrations with President Trump. China appears to have removed its existing restraints in its policy towards Russia; if antagonizing Washington was ever a limit on China's cooperation with Russia, then such a condition seems to have changed in 2018. Xi and Putin publicly expressed a personal intimacy and willingness to work together in ways that might eventually produce behavior, such as operational military cooperation, that could constrain U.S. freedom of action. At a minimum, in 2018 Beijing appeared far less concerned about diplomatic actions that might alienate the United States, even as it carefully sought to prevent a deterioration into full-on rivalry.

Finally, this analysis may offer some seedlings for future policy adjustments toward China. It is often—and rightly—argued that confrontation with China could be a self-fulfilling prophesy. This core idea has motivated the work of many policy makers and scholars who have looked at the optimum mix of threats and assurances in U.S. policy to shape China's international behavior. My conclusions indicate China's response to competitive, if not confrontational, U.S. policies is far more of a linear event and far less of a threshold event; in other words, China may not reflexively respond in kind, depending on the circumstances. China's response to more competitive U.S. strategies and policies will be influenced, perhaps substantially, by the fact that Beijing has a significant stake in avoiding confrontation with the United States. Thus, China is unlikely to quickly adjust its approach toward all-out rivalry, absent credible confirmation that U.S. strategy has in fact shifted and done so in perpetuity.

Xi's response to Trump's policy shift was not a reflexive adoption of an equivalent policy; rather it represented a set of risk-reduction measures to prevent a deterioration of ties with the United States and its allies in Asia. Looking ahead, under the right conditions, the judicious and credible use of risk and friction may be useful to encourage constructive policy moves by China, albeit moves of uncertain quality and duration. This is an issue requiring further research and analysis.



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<sup>2</sup> Michael D. Swaine, “Chinese Views on the U.S. National Security and National Defense Strategies,” *China Leadership Monitor*, No. 56 (Spring 2018), <https://www.hoover.org/research/chinese-views-us-national-security-and-national-defense-strategies>

<sup>3</sup> Michael D. Swaine, “Chinese Views on the State of Sino-U.S. Relations in 2018,” *China Leadership Monitor*, No. 58 (Winter 2018), <https://www.prcleader.org/sinuousrelations>

<sup>4</sup> Ibid.

<sup>5</sup> For Chinese responses during the 1995–96 Taiwan crisis, see Robert Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations 1989–2000* (Washington, DC: Brookings Institution Press, 2004); for an impressive survey of nationalist sentiment, see Jessica Chen Weiss, *Powerful Patriots: Nationalist Protest in China’s Foreign Relations* (New York: Oxford University Press, 2014); Peter Hays Gries, “Tears of Rage: Chinese Nationalist Reactions to the Belgrade Embassy Bombing,” *The China Journal*, No. 46 (July 2001): 25-43.

<sup>6</sup> David M. Finkelstein, *China Reconsiders its National Security: The Great Peace and Development Debate of 1999* (Alexandria, VA: CNA Corporation, 2000); Bonnie S. Glaser and Evan S. Medeiros, “The Changing Ecology of Foreign Policy-Making in China: The Ascension and Demise of the Theory of Peaceful Rise,” *The China Quarterly*, No. 190 (June 2007): 291–310

<sup>7</sup> For an excellent assessment of the Chinese debates, see David Shambaugh, *China’s Communist Party: Atrophy and Adaptation* (Berkeley: University of California Press, 2008): 41–86.

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<sup>8</sup> Conversations with Chinese analysts in government-funded research institutes, Washington, DC, March 2018.

<sup>9</sup> Cui Liru, “China’s ‘Period of Historic Opportunities,’” *China-US Focus*, February 1, 2018, at <https://www.chinausfocus.com/foreign-policy/chinas-period-of-historic-opportunities>

<sup>10</sup> Conversations with Chinese analysts from government-funded research institutes, Washington, DC, March 2018.

<sup>11</sup> 习近平, “以时不我待只争朝夕的精神投入工作 开创新时代中国特色社会主义事业新局面,” 人民日报, January 6, 2018, at <http://cpc.people.com.cn/n1/2018/0106/c64094-29749016.html>

<sup>12</sup> 本报评论员, “一以贯之增强忧患意识、防范风险挑战: 三论学习贯彻习近平总书记“1·5”重要讲话,” 人民日报, January 8, 2018, at <http://opinion.people.com.cn/n1/2018/0108/c1003-29750019.html>

<sup>13</sup> 宣言, “紧紧抓住大有可为的历史机遇期,” 人民日报, January 15, 2018, at <http://opinion.people.com.cn/n1/2018/0115/c1003-29763759.html>

<sup>14</sup> Cui Liru, “China’s ‘Period of Historic Opportunities,’” *China-US Focus*, February 1, 2018, at <https://www.chinausfocus.com/foreign-policy/chinas-period-of-historic-opportunities>

<sup>15</sup> I am grateful to Iain Johnston for bringing this article to my attention. 本报评论员, “正确认识我国发展的重要战略机遇期,” 人民日报, December 25, 2018, at <http://opinion.people.com.cn/n1/2018/1225/c1003-30485214.html>

<sup>16</sup> 王士彬 and 刘建伟, “习近平出席中央军委军事工作会议并发表重要讲话,” 解放军报, January 4, 2019, at [http://jz.81.cn/n2014/tp/content\\_9396313.htm](http://jz.81.cn/n2014/tp/content_9396313.htm)

<sup>17</sup> Conversations with Chinese analysts from government-funded research institutes, Beijing, October 2018.

<sup>18</sup> 张蕴岭, “中美能斗而不破吗,” 世界知识, June 16, 2018, at <http://www.aisixiang.com/data/110651.html>

<sup>19</sup> 金灿荣, “莫夸大中国外部战略环境的困难,” 环球时报, June 19, 2018, at <http://opinion.huanqiu.com/hqpl/2018-06/12287728.html>; 杨光斌, “事关世界秩序大棋局的中美关系,” 环球时报, August 31, 2018, at <http://opinion.huanqiu.com/hqpl/2018-08/12881512.html>

<sup>20</sup> 张菲、安宁, “贸易战背景下中美直接投资趋势与对策研究,” 国际经济合作, No5 (2018):12–17, at <http://www.cqvip.com/qk/90392x/201805/675310029.html>

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<sup>21</sup> The speeches in this assessment include: the Boao Forum in April (in China); the SCO summit in June; the China-Arab Cooperation Forum in July (held in China); two speeches at the BRICS summit in late July; the Forum for China-Africa Cooperation in September (held in China); China's International Import Expo in November (held in China); the APEC Summit (in November); and the 40<sup>th</sup> Anniversary of Reform and Opening (held in China).

<sup>22</sup> An English readout of the meeting can be found at “Xi urges breaking new ground in major country diplomacy with Chinese characteristics,” Xinhua, June 24, 2018 at [http://www.xinhuanet.com/english/2018-06/24/c\\_137276269.htm](http://www.xinhuanet.com/english/2018-06/24/c_137276269.htm)

<sup>23</sup> “坚持以新时代中国特色社会主义外交思想为指导 努力开创中国特色大国外交新局面,” 人民日报, June 24, 2018, at [http://paper.people.com.cn/rmrb/html/2018-06/24/nw.D110000renmrb\\_20180624\\_2-01.htm](http://paper.people.com.cn/rmrb/html/2018-06/24/nw.D110000renmrb_20180624_2-01.htm)

<sup>24</sup> I thank Bonnie Glaser for pointing out the distinction between “guiding” and “leading” in Xi’s statements.

<sup>25</sup> “Xi Urges Breaking New Ground in Major Country Diplomacy with Chinese Characteristics,” Xinhua, June 24, 2018, at [http://www.xinhuanet.com/english/2018-06/24/c\\_137276269.htm](http://www.xinhuanet.com/english/2018-06/24/c_137276269.htm)

<sup>26</sup> A likely explanation for Xi’s willingness to meet with both within such a short interval is probably because both Pompeo and Mattis were on their first trips to China as cabinet secretaries.

<sup>27</sup> The precise number is difficult to verify given that the White House in mid-2018 ended its standard practice of releasing public “readouts” of such calls. There were three such public readouts released in 2018. But conversations with current U.S. officials indicate there may have been as many as six phone calls in 2018. My assessment of President Obama’s calls with Xi is based on my personal experience from 2009–15.

<sup>28</sup> Xi Jinping met with several U.S. CEOs in June 2018 as part of the Global CEO Council, a body that was established in 2014 by an affiliate of China’s Foreign Ministry. The U.S. CEOs included David Abney of UPS, Pfizer’s Albert Bourla, Arnold Donald from Carnival, Cargill’s David MacLennan, Hamid Moghadam of Prologis, Thomas Pritzker of Hyatt, and David Solomon from Goldman Sachs.

<sup>29</sup> To be sure, this limited amount was likely to cover the remaining U.S. exports to China, while carving into some critical imports.

<sup>30</sup> For an interesting Chinese assessment of China’s Asian diplomacy, see 时殷弘 “中国的周边战略与对美关系,” 现代国际关系, No. 6 (2018): 3–5, at <http://gjx.gdufs.edu.cn/info/1051/1215.htm>

<sup>31</sup> The official Chinese readout of the meeting, Xinhua, December 2018, at [http://www.gov.cn/xinwen/2018-12/01/content\\_5344985.htm](http://www.gov.cn/xinwen/2018-12/01/content_5344985.htm). The official Indian readout can be

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found at: [https://mea.gov.in/press-releases.htm?dtl/29853/IndiaChina Informal Summit at Wuhan](https://mea.gov.in/press-releases.htm?dtl/29853/IndiaChina%20Informal%20Summit%20at%20Wuhan)

<sup>32</sup> The official Russian, President of Russia, December 1, 2018, readouts of the meeting can be found at: <http://en.kremlin.ru/events/president/news/59278>; the Indian readout, Ministry of External Affairs, November 30, 2018, can be found at <https://www.mea.gov.in/press-releases.htm?dtl/30670/RussiaIndiaChina+Trilateral>; at the G20, Modi also participated in trilateral meetings with the United States, Japan, and Australia.

<sup>33</sup> In July 2017, Abe and Xi met on the margins of the G20 but little came from the meeting; Foreign ministers Taro Kono and Wang Yi met on the margins of the 2017 UNGA meetings in September but no progress was achieved. In an unusual move for a prime minister, to signal his interest in improving relations Abe attended the Chinese National Day celebration at the Chinese embassy in Tokyo in October 2017. It appears that Japan was pushing for more progress in 2017 but China would remain reluctant until it received clearer signals from Tokyo.

<sup>34</sup> See “Japan Should Reposition its China Strategy Before Joining China-Initiated Development Plans,” *People’s Daily Online*, English edition, May 17, 2017, at <http://en.people.cn/n3/2017/0517/c90000-9216921.html>; Also, 钟声, “日方错误举动暴露对华认知“心病,” 人民网:人民日报, March 29, 2017, at <http://world.people.com.cn/n1/2017/0329/c1002-29175595.html>

<sup>35</sup> For the Japanese readout on Li Keqiang’s visit, Ministry of Foreign Affairs of Japan, May 9, 2018, see: [https://www.mofa.go.jp/a\\_o/c\\_m1/cn/page3e\\_000857.html](https://www.mofa.go.jp/a_o/c_m1/cn/page3e_000857.html); Japan’s Ministry of Defense explains the defense MOU in greater detail at *Defense of Japan 2018*: [http://www.mod.go.jp/e/publ/w\\_paper/pdf/2018/DOJ2018\\_3-2-1\\_web.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2018/DOJ2018_3-2-1_web.pdf)

<sup>36</sup> Abe visited China in Fall 2014 to attend the APEC meeting. During that time, he did meet with Xi, but Abe’s first “official visit” to China as prime minister did not take place until 2018.

<sup>37</sup> For example, both Li and Xi hosted dinners for Abe, even though Li was the official counterpart. For other aspects of the visit, see Issaku Harada, Oki Nagai, and Shunsuke Shigeta, “Xi and Abe Use Economy as Binding Force But Hold Back on Security,” *Nikkei Asian Review*, October 27, 2018, at <https://asia.nikkei.com/Politics/International-Relations/Xi-and-Abe-use-economy-as-binding-force-but-hold-back-on-security>

<sup>38</sup> I was not able to find any Chinese media reports about Xi’s statement. Most information comes from Japanese reports on Abe’s visit. Note that this was not the first time that a Chinese leader thanked Japan for its ODA; former Premier Wen Jiabao thanked Japan for its ODA during a 2007 speech before the Japanese Diet.

<sup>39</sup> Conversations with Japanese officials, Washington, DC, January 2019.

<sup>40</sup> See Robert G. Sutter and Chin-Hao Huang, “Xi Jinping, Li Keqiang Advance China’s Influence, Counter US Pushback,” *Comparative Connections*, Vol. 20, No. 3: 47–54, at

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<http://cc.pacforum.org/2019/01/xi-jinping-li-keqiang-advance-chinas-influence-counter-us-pushback/>

<sup>41</sup> For a useful assessment of this document, see the CSIS Asia Maritime Transparency Initiative, October 11, 2018, at <https://amti.csis.org/blueprint-for-south-china-sea-code-of-conduct/>; also Robert G. Sutter and Chin-Hao Huang, “China-Southeast Asia Relations: Assessing China’s Expanding Influence amid Strong Countercurrents,” *Comparative Connections*, Vol. 20, No. 2 (May–August 2018), at <http://cc.pacforum.org/2018/09/assessing-chinas-expanding-influence-amid-strong-countercurrents/>

<sup>42</sup> Singapore and China co-organized the six-day drill, which involved helicopter cross-deck landings and a joint search and rescue operation. Singapore was represented by the frigate RSS *Stalwart*, while China sent a destroyer, a frigate, and a supply ship, *Junshanhu*. The other ships participating were a patrol vessel from Brunei, a logistics support vessel from the Philippines, and one frigate each from Thailand and Vietnam. See [Lim Min Zhang](#), “China, Asean Kick Off Inaugural Maritime Field Training Exercise in Zhanjiang, Guangdong,” October 22, 2018, at <https://www.straitstimes.com/asia/east-asia/china-asean-kick-off-inaugural-maritime-field-training-exercise-in-zhanjiang>

<sup>43</sup> Robert G. Sutter and Chin-Hao Huang, “Xi Jinping, Li Keqiang Advance China’s Influence, Counter US Pushback,” *Comparative Connections*, Vol. 20, No. 3: 47–54, at <http://cc.pacforum.org/2019/01/xi-jinping-li-keqiang-advance-chinas-influence-counter-us-pushback/>

<sup>44</sup> On the general hardening of European views see François Godement, “The EU-China Summit: Searching for Common Ground,” European Council on Foreign Relations, June 1, 2017, at [https://www.ecfr.eu/article/commentary\\_the\\_eu\\_china\\_summit\\_searching\\_for\\_common\\_ground\\_7292](https://www.ecfr.eu/article/commentary_the_eu_china_summit_searching_for_common_ground_7292)

<sup>45</sup> Mathieu Duchâtel, “EU-China Relations Face a Bumpy Road in the Year Ahead,” *South China Morning Post*, January 5, 2019, at <https://www.scmp.com/news/china/diplomacy/article/2180817/eu-china-relations-face-bumpy-road-year-ahead>; Mathieu Duchâtel, “Will China Listen to EU on Infrastructure Plan’s Perceived Pitfalls in Free Trade and Competition?” *South China Morning Post*, July 20, 2018, , 2018, at <https://www.scmp.com/news/china/diplomacy-defence/article/2142723/will-china-listen-eu-infrastructure-plans-perceived>

<sup>46</sup> A detailed accounting the joint statement negotiations on June 2 can be found in François Godement, “The EU-China Summit: Searching for Common Ground,” European Council on Foreign Relations, June 1, 2017, p. 13, at [https://www.ecfr.eu/article/commentary\\_the\\_eu\\_china\\_summit\\_searching\\_for\\_common\\_ground\\_7292](https://www.ecfr.eu/article/commentary_the_eu_china_summit_searching_for_common_ground_7292); conversations with EU officials, Washington, DC, February 2019.

<sup>47</sup> Conversations with EU officials, Washington, DC, February 2018. The joint statement, Joint Statement of the 20th EU-China Summit, July 7, 2018,



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can be found at:

[https://eeas.europa.eu/delegations/china\\_en/48424/Joint%20statement%20of%20the%2020th%20EU-China%20Summit](https://eeas.europa.eu/delegations/china_en/48424/Joint%20statement%20of%20the%2020th%20EU-China%20Summit)

<sup>48</sup> Steven Erlanger and Jane Perlez, “Europe and Asia Move to Bolster Global Systems That Trump Has Attacked,” *New York Times*, July 18, 2018.

<sup>49</sup> François Godement and Abigaël Vasselier, “China At The Gates: A New Power Audit of EU-China Relations,” European Council on Foreign Relations, December 2017, at [https://www.ecfr.eu/page/-/China\\_Power\\_Audit.pdf](https://www.ecfr.eu/page/-/China_Power_Audit.pdf); Steven Erlanger, “Europe Once Saw Xi Jinping as a Hedge Against Trump. Not Anymore,” *New York Times*, March 4, 2018, at <https://www.nytimes.com/2018/03/04/world/europe/europe-china-xi-trump-trade.html>;

<sup>50</sup> Liu Zhen, “Xi Jinping on Charm Offensive in Europe with Cooperation Calls to Spain, France and Germany,” *South China Morning Post*, November 28, 2018, at <https://www.scmp.com/news/china/diplomacy/article/2175462/xi-continues-diplomatic-charm-offensive-europe-cooperation>

<sup>51</sup> François Godement, “China Plans Visits to Europe in Times of Uncertainty,” Institut Montaigne Blogpost, February 12, 2019, at <https://www.institutmontaigne.org/en/blog/china-plans-visits-europe-times-uncertainty>

<sup>52</sup> The classic study on this is Bobo Lo, *Axis of Convenience: Moscow, Beijing and the New Geopolitics* (Washington, DC: Brookings Institution Press, 2008). For a more recent assessment, see Michael S. Chase, Evan S. Medeiros, J. Stapleton Roy, Eugene B. Rumer, Robert Sutter, and Richard Weitz, “Russia-China Relations: Assessing Common Ground and Strategic Fault Lines,” NBR Special Report No. 66, July 2017, at: [http://carnegieendowment.org/files/SR66\\_Russia-ChinaRelations\\_July2017.pdf](http://carnegieendowment.org/files/SR66_Russia-ChinaRelations_July2017.pdf)

<sup>53</sup> Yu Bin, “China-Russia Relations: Tales of Two Friends, Two Summits and Two Drills,” *Comparative Connections*, Vol. 20, No. 2 (May–August 2018), at <http://cc.pacforum.org/2018/09/tales-of-two-friends-two-summits-and-two-drills/>

<sup>54</sup> The topic was “The Far East: Expanding the Range of Possibilities,” which has traditionally been a source of tensions between the two, especially given China’s growing commercial presence in the Far East.

<sup>55</sup> Yu Bin, “China-Russia Relations: Tales of Two Friends, Two Summits and Two Drills,” *Comparative Connections*, Vol. 20, No. 2 (May–August 2018), at <http://cc.pacforum.org/2018/09/tales-of-two-friends-two-summits-and-two-drills/>

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

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<sup>58</sup> Ben Westcott, “Putin Arrives in Beijing for State Visit with Birthday Buddy Xi Jinping,” *CNN Online*, June 8, 2018, at <https://www.cnn.com/2018/06/08/asia/putin-china-beijing-state-visit-intl/index.html>

<sup>59</sup> The largest PLA contingent in a joint exercise with Russia was Peace Mission 2004, which was held in Shandong Province with about 8,000 PLA participants. The 3,200 personnel came from two group armies in the northeast and a small contingent of PLA air force planes; specifically, it included elements of a combined arms brigade and an engineer and chemical defense brigade from the 78th Group Army, supported by 24 helicopters from the 79th Group Army Aviation Brigade, and six JH-7 fighter-bombers. I would like to thank Dennis Blakso for his information and insights on China’s participation in this joint exercise.

<sup>60</sup> Yu Bin, “China-Russia Relations: Tales of Two Friends, Two Summits and Two Drills,” *Comparative Connections*, Vol. 20, No. 2 (May–August 2018), at <http://cc.pacforum.org/2018/09/tales-of-two-friends-two-summits-and-two-drills/>

<sup>61</sup> Alexander Gabuev, “Why Russia and China Are Strengthening Security Ties,” *Foreign Affairs* (Carnegie Moscow Center), September 24, 2018, at <https://carnegie.ru/2018/09/24/why-russia-and-china-are-strengthening-security-ties-pub-77333>