

Which way for US-China relations?

Minghao Zhao | Charhar Institute | 10 November 2016

Donald Trump's shocking victory in the US presidential election has upended all of the certainties that have shaped not only American politics, but also how the world thinks about the United States. Trump must now confront the nitty-gritty of managing America's international relationships – and arguably none is more important for the world than that between the US and China. But it is also the relationship that was put in the most doubt by the tenor of Trump's campaign.

The president-elect could complicate bilateral relations, particularly given that his first year in office will coincide with the Chinese Communist Party's 19th National Congress next fall. In an ideal world, both Trump and Chinese President Xi Jinping should want to keep US-China relations stable. But this will prove difficult, given not only Trump's Sinophobic rhetoric, but also ongoing disagreements about Chinese territorial claims in the [South China Sea](#) and [North Korea's nuclear ambitions](#). Moreover, US-China relations could fall victim to US domestic disputes about global trade, the value of the dollar, and protectionism.

Many Chinese observers accept that Trump will have to grapple with unprecedented divisions at home. He will be challenged not only by the now shell-shocked Democrats, but also by Republicans who opposed his candidacy, whether openly or covertly. Under these circumstances, he will have to emphasise putting America's own house in order. If, however, he confuses such an effort with his campaign's "America first" thrust, even more tension is likely.

Beyond domestic politics, the international order has experienced several shocks in recent years, profoundly changing the global context for US-China relations. Protracted conflicts in Ukraine and Syria hint at a new Cold War between the US and Russia, and the turmoil in those countries, as well as elsewhere, is increasingly disrupting national economies and security regimes.

As the world's two leading powers, the US and China must figure out how to work together in such unstable conditions. Today, their unsteady relationship features cooperation alongside intensifying competition. Not unsurprisingly, the latter has gained more of the world's attention than the former.

President Barack Obama has been reinforcing the US military presence in and around China's neighbors, beefing up security alliances in Asia and very publicly intervening in the territorial disputes in the South China Sea. The Chinese leadership views these moves, as well as the proposed 12-country Trans-Pacific Partnership trade deal, as an effort to "contain" China.

At the same time that the US is rebalancing its geopolitical strategy toward Asia, China is asserting its global presence with new security and international-development initiatives, including the "one belt, one road" project, which will link the Chinese economy with much of Eurasia. Likewise, the China-led Asian Infrastructure Investment Bank, which the US views as a Chinese tool for challenging the existing international order, continues to attract such faraway prospective members as Canada, which applied to join in August.

Zero-sum competition between the US and China will make a conflict between the two countries more likely. One potential flashpoint will be North Korea's nuclear-weapons program. The US is already taking measures to prevent North Korea from attacking it, or South Korea, through enhanced ballistic missile defense systems. The new Trump administration could supplement those efforts with military action to increase the pressure on China. But any effort to bring nuclear-weapons technology to Japan or the Korean Peninsula – something that Trump declared acceptable during the campaign – would create a crisis in Northeast Asia the likes of which the world has not seen since the Korean War.

The US could also clash with China over Taiwan. Relations between Taiwan and mainland China have been fairly peaceful since the 1995–1996 Taiwan Strait Crisis, when then-US President Bill Clinton sent an American aircraft-carrier battle group into the strait. But Taiwan remains a highly sensitive and emotive issue for China. If relations with the island sour, so, too, could the US-China relationship.

The world benefits when US-China relations stay on track, so both countries should be more transparent about their national interests. With clearly defined positions, each country could pursue a policy of strategic restraint, avoiding the swaggering displays of force that have sometimes tempted them in the past.

If a conflict between the US and China were to erupt, China's modernization could be derailed and the Chinese people would miss out on the "Chinese Dream" that Xi has declared as their goal. For the US, a diplomatic breakdown would indicate that China had been "lost" as it previously was thought to have been lost when Mao Zedong defeated Chiang Kai-shek's US-supported Nationalist regime in 1949. More broadly, US-China hostility would be felt worldwide and would disrupt international efforts to confront global challenges such as climate change.

To avoid that scenario in the short term, the US and China should consider forming a joint team that includes experienced, high-ranking officials and prominent experts from both sides. This group could chart a course for US-China relations in 2017, identify potential conflicts, and recommend solutions before tensions can reach a boiling point. With a new diplomatic framework for bilateral relations, the US and China could ward off strategic confrontations.

In the long term, the US and China need deeper dialogue and a shared vision for the international order so that individual countries will not be tempted to form rival blocs among themselves. The US and China should also work together toward "globalisation 2.0" by

reforming international rules and institutions to accommodate both established and emerging countries.

While there is much potential for conflict between the US and China in the coming years, there is also space for improved cooperation. Indeed, amid the vast uncertainty created by Trump's victory, a new relationship now makes more strategic sense than ever, given changing global circumstances, regional geopolitics, and domestic challenges in both the US and China.

Trump must now choose between cooperation and confrontation as the framework for US policy toward China. His choice should be obvious. A collaborative effort to reform the international order would benefit both sides.

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