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THE NEW DOMESTIC POLITICS OF U.S.-CHINA RELATIONS



BY EVAN S. MEDEIROS

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Asia Society Policy Institute's Center for China Analysis

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INTRODUCTION

The U.S.-China relationship is rapidly becoming a pacesetter — if not *the* pacesetter — for geopolitics in the 21st century. The November 2023 meeting between Presidents Joe Biden and Xi Jinping captured the world's attention as global security challenges dominated the discussions: Ukraine, the Middle East, and Taiwan. The risk of an accident or miscalculation is persistent, if not rising. Nuclear weapons are creeping onto the bilateral agenda. The United States and China recently agreed to resume dialogues across multiple channels, but even then interests are still diverging, perceptions are hardening, and competition is intensifying as the two nations jockey for advantage in Asia and globally. The Russian invasion of Ukraine and the recent instability in the Middle East have accentuated these dynamics, intensifying debates about a gradual reordering of the global politics into competing camps.

However, there is more to understanding U.S.-China strategic competition than geopolitics. Domestic politics in both countries are an underappreciated part of the story, acting as both cause and effect of their accelerating competition. Diverse forces within both governments and between state and society are profoundly changing how each country sees the other and the policies and actions adopted in response. Domestic politics in both countries are rapidly becoming an important driver of their interaction and, in some cases, an autonomous one that is potentially beyond the direct control of the top political leaders.

Of course, none of this is truly new to U.S.-China ties. From the first green shoots of rapprochement in the late 1960s, the U.S.-China relationship has been saturated with domestic politics. President Richard Nixon hid the rapprochement process from political opponents and many in his own administration; he then used his February 1972 trip to bolster his reelection campaign later that year. Chairman Mao Zedong tasked his four top “marshals” to come up with a rationale to justify connection with the American “imperialists” (in the face of aggression from the Soviet “revisionists”); then Premier Zhou Enlai used rapprochement to push for an incipient economic opening.¹

In recent years, however, there has been decidedly little research and analysis on the domestic politics of U.S.-China relations, despite excellent work in the past.² Particularly little work has been done on changing domestic dynamics in China and its impact on bilateral ties.³ Most of the current research

1 For detailed accounts of this period, see Patrick Tyler, *A Great Wall: Six Presidents and China* (New York: Basic Books, 2000); James Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton* (New York: Vintage Books, 2000). On Chinese dynamics, see Chen Jian, *Mao's China and the Cold War* (Chapel Hill: University of North Carolina Press, 2000), pp. 238–276; and John Wilson Lewis and Xue Litai, *Imagined Enemies: China Prepares for War* (Palo Alto, CA: Stanford University Press, 2006), pp. 44–74. A translation of an excerpt of the memorandum by the four marshals to Mao can be found at <https://digitalarchive.wilsoncenter.org/document/report-four-chinese-marshals-chen-yi-ye-jianying-xu-xiangqian-and-nie-rongzhen-central>

2 Robert Sutter, *US-China Relations: Perilous Past, Uncertain Future*, 4th ed. (Lanham, MD: Rowman and Littlefield, 2022); Robert Sutter, “Domestic American Influences on U.S.-China Relations,” in David Shambaugh, ed., *Tangled Titans: The United States and China* (Lanham, MD: Rowan and Littlefield, 2013), pp. 103–124; Nancy Bernkopf Tucker, “The Clinton Years: The Problem of Coherence,” in Ramon H. Myers, Michael Oksenberg and David Shambaugh, eds., *Making China Policy: Lessons from the Bush and Clinton Administrations* (Lanham, MD: Rowan and Littlefield, 2001), pp. 44–78; Robert S. Ross, “The Bush Administration: The Origins of Engagement,” in Myers, ed., *Making China Policy*, pp. 21–44; Ross, “The Strategic and Bilateral Context of Policy-Making in China and the United States: Why Domestic Factors Matter,” in Ross, ed., *After the Cold War: Domestic Factors Affecting U.S.-China Relations* (Armonk, NY: M. E. Sharpe, 1998), pp. 3–39; Sutter, “Domestic Politics and the U.S.-China-Taiwan Triangle,” in Ross, ed., *After the Cold War*, pp. 70–106.

3 Some excellent past research on the politics of China's U.S. policy includes Yufan Hao, “Domestic Chinese Influences on U.S.-China Relations,” in Shambaugh, ed., *Tangled Titans: The United States and China* pp. 125–150; Jia Qingguo, “Learning to Live with the Hegemon: Evolution of China's Policy toward the U.S. since the End of the Cold War,” *Journal of Contemporary China*, vol. 14, no. 44 (2005), pp. 395–407; Wang Jisi and Wang Yong, “A Chinese Account: Interaction of Policies,” in Ramon Myers, Michel Oksenberg, and David Shambaugh, eds., *Making China Policy: Lessons from the Bush and Clinton Administrations* (Lanham, MD: Rowman & Littlefield, 2001), pp. 269–296.

has focused on one aspect: congressional activities on China and their impact on U.S. policy.⁴ There are many additional layers in both countries to understanding the influence of domestic politics on U.S.-China relations: the U.S.'s China policy and China's U.S. policy.

This study seeks to address this deficit in the current literature by expanding and updating our understanding of political forces *in both countries* bearing down on the U.S.-China relationship. The study seeks to identify the relevant domestic forces and, when possible, specify their impact on U.S. policy toward China, China's policy toward the United States, and the resulting bilateral dynamics. In short, the study is focused on answering a few fundamental questions: In the era of strategic competition, what domestic forces — in both countries — are influencing the relationship, in what ways, and to what effect?

Answers to these questions are only becoming more relevant as the domestic contexts of both countries change and evolve. In the United States, new congressional activism, electoral politics, public opinion, and the shifting roles of interest groups are all influencing U.S. debates, policymaking, and actions — governmental and nongovernmental alike. Changes are afoot in China as well. The country's paramount leader, Xi Jinping, has substantially centralized decision-making (especially on foreign policy), set new national-level priorities, constrained key actors, empowered others, and sought to remake the party-state system in ways that are directly and indirectly influencing Chinese perceptions, policies, and behaviors toward ties with the United States.

The principal argument of this report is that the domestic political contexts in both countries have evolved substantially in the past decade, especially in recent years.

The principal argument of this report is that the domestic political contexts in both countries have evolved substantially in the past decade, especially in recent years. The complexion of domestic political actors, the ideas promoted by them, and their channels of influence have changed and will continue to do so. Both new and newly active political forces in both countries are influencing the relationship, often accentuating competitive policies. Some of these have a growing, often outsized, influence on policymaking and related behaviors.

Moreover, these changes in domestic contexts are meaningful for U.S.-China ties. They have diminished the role of stabilizing forces and accentuated perceptions of mutual acrimony and a need for competition. Some political forces that historically served as sources of stability have declined or become inactive — or even now function as detractors. This changing constellation of domestic actors, policies, and politics is feeding an action-reaction cycle that has created greater barriers to interaction, communication, understanding, and cooperation. Importantly, a feedback loop, of sorts, is at work, which is accentuated by domestic politics in both nations. In some instances, policymakers views themselves as merely responding to the actions of the other, with a limited sense of their own agency (and their own politics) in fostering distrust and acrimony. Political dynamics in both countries have also diminished the ability of central governments to have complete control over bilateral interactions.

4 For an excellent recent study, see Christopher S. Chivvis and Hannah Miller, *The Role of Congress in U.S.-China Relations*, Carnegie Endowment for International Peace, Working Paper, November 2023, at https://carnegieendowment.org/files/Chivvis_Congress_and_China.pdf; Robert Sutter, "Domestic Politics, Congress, and U.S. Hardening to China," *Georgetown Journal of Asian Affairs*, vol. 8, 2022, at <https://repository.library.georgetown.edu/bitstream/handle/10822/1065415/Sutter.pdf>

To develop these arguments, this report proceeds in the following manner. Section II sets an analytical baseline by examining the historic role of domestic politics on U.S.-China relations. By assessing the first four decades (1970–2010), beginning with rapprochement, this brief section highlights the dominant characteristics of the domestic political forces influencing U.S.-China ties in this period. By design, this section generalizes about the links between domestic politics and policymaking in both the United States and China.

Section III examines current U.S. domestic political dynamics influencing U.S. policy toward China since 2010, with a heavy focus on the past five years. Section IV, using this same time frame, identifies important trends in Chinese domestic politics and assesses their impact on U.S.-China ties.

The conclusion, Section V, explores some of the interactive dynamics between U.S. and Chinese domestic political forces and outlines their multiple implications. It also speculates about the future trajectory of U.S.-China ties based on the evolving domestic landscape in both countries.

RETHINKING THE HISTORY OF DOMESTIC POLITICS AND U.S.-CHINA RELATIONS: 1970–2010

Domestic politics — broadly defined — have long shaped U.S. and Chinese perceptions, policies, and behaviors. While this report is focused on understanding emerging and recurring political forces, to do so requires setting a baseline of analysis: an understanding of past forces and dynamics to appreciate the degree of change.

This section seeks to establish that baseline by analyzing several of the main characteristics of the links between domestic politics and bilateral relations in both countries. The time period examined here is from rapprochement in the early 1970s to about 2010. This 40-year time period requires a necessary degree of generalization for the sake of clarity. Having set this general baseline, the subsequent two sections shift to analyzing domestic political dynamics in the past 10–12 years.

CHANNELS OF INFLUENCE

The first and a fundamental characteristic of the relationship between domestic politics and U.S.-China relations has to do with the multiple and diverse channels through which politics influences policymaking. In the first 40 years of relations, domestic politics *in both countries* influenced U.S.-China ties through four main channels: (1) partisan politics/party politics, (2) congressional politics (U.S. only), (3) interest group politics, and (4) bureaucratic politics.

In the United States, partisan politics have involved the invocation of China-related concerns on a variety of issues (e.g., national security, Taiwan, human rights) for political advantage, usually during an election and usually by characterizing the other party as weak and inattentive to these concerns. Notably, China policy has occasionally been a major, but never a defining, issue in U.S. presidential elections since normalization. In this time period, China was seldom, if ever, a major issue in down-ballot elections, such as for the Senate or House of Representatives. That is changing today, as discussed below.

Notably, China policy has occasionally been a major, but never a defining, issue in U.S. presidential elections since normalization.... That is changing today.

China does not have multiparty partisan politics given the autocratic nature of its system, but it does have its own party politics, whereby relations with the United States became subject to debates and changes within the Chinese Communist Party (CCP). In the late 1960s and early 1970s, Mao made a deliberate effort to set the political foundation for the shift toward better ties with the United States, which was then reflected in state propaganda efforts. Perhaps most notably, in the late 1970s, Deng Xiaoping's transition from Mao and Maoism to his "reform and opening" agenda was a major factor in driving China's normalization of ties with the United States. It is worth recalling that Deng's November 1978 speech outlining his vision for "reform and opening" at the Third Plenum of the 11th Central Committee was just weeks before the normalization of U.S.-China relations in January 1979. Deng made the two decisions — modernization and normalization — in tandem. This created a domestic political logic that persisted for decades,

linking domestic opening to U.S.-China ties. Subsequently, once the reform era began, the CCP's various internal debates and political campaigns, such as the debate over "bourgeois liberalization" launched by the more Leninist factions in the party in the 1980s (which viewed the United States as an unreliable and unwelcome partner) often complicated, or even disrupted, bilateral relations. The political crackdown at home and suspicions of foreigners after the Tiananmen violence in 1989 is another prominent example of this linkage between domestic politics and foreign policy.

By contrast, CCP leaders' desires to rebuild U.S.-China relations after periods of tension, such as after the accidental NATO bombing of the Chinese Embassy in Belgrade, Serbia, in May 1999, then had a dramatic influence on bilateral ties. Despite the Chinese public outcry following that tragic incident, the relationship did turn around in a matter of months due to President Jiang Zemin's support for doing so. U.S. and Chinese negotiators reached an agreement on World Trade Organization (WTO) accession and resumed military relations in November 1999, barely six months after the Belgrade episode.

In the United States, a second channel linking domestic politics and U.S.-China ties is congressional politics. This is perhaps the most impactful and frequent means through which politics affect U.S. policymaking. No such equivalent channel exists in China. This channel often involves congressional activity in the following ways: (1) actions that promote congressional views on China and/or Taiwan issues, (2) actions that question and challenge existing U.S. policies on China, or (3) actions that constrain the executive branch and/or force its hand (such as imposing certification requirements and sanctions). Congress has many means to achieve these outcomes, including hearings, legislation, oversight, reporting requirements, and even the travel of members. For the past several decades since rapprochement, all have been used and often to substantial effect. Myriad examples of such actions range from the iconic Taiwan Relations Act to the annual Most Favored Nation (MFN) debates in the early 1990s; to greater nonproliferation controls in the 1980s and 1990s; support for Taiwan leader

Lee Teng-hui's visa in 1995; to the 2000 approval for a WTO accession agreement; and to many statements on Taiwan, human rights, and trade issues over the years.

Since the early 2000s, an interest group of growing influence has been the PLA; its growing capabilities and activities — such as high-profile military tests and exercises — have often complicated and disrupted relations.

A third channel of influence is interest group politics, which exist in both countries. This has involved the rise and fall of key constituencies that took actions impacting U.S.-China ties. In the United States, this has involved the activism of groups such as the business lobby, Taiwan's proponents, and issue-specific advocates such as human

rights and nonproliferation. They sought to influence Congress and the executive branch in support for their interests, such as pushing for China's WTO accession. In China, this has involved the rise of constituencies such as princelings with business interests, state-owned enterprises (SOEs), provincial leaders, and the People's Liberation Army (PLA), among others, which advanced policies and took actions influencing the conduct of U.S.-China ties. Since the early 2000s, an interest group of growing influence has been the PLA; its growing capabilities and activities — such as high-profile military tests and exercises — have often complicated and disrupted relations.⁵

5 On this latter point, see Suisheng Zhao, "Top-Level Design and Enlarged Diplomacy: Foreign and Security Policymaking in Xi Jinping's China," *Journal of Contemporary China*, vol. 32, no. 139 (2022), pp. 73–86. Also, Linda Jakobson, "Domestic Actors and Fragmentation of Chinese Foreign Policy," in Robert S. Ross and Jo Inge Bekkevold, eds., *China in the Era of Xi Jinping* (Washington, DC: Georgetown University Press, 2016), pp. 137–164.

A fourth channel through which domestic politics have influenced U.S.-China affairs is bureaucratic politics: the competition between and among parts of the respective governments to assert organizational interests (mainly at the central government level). In the U.S. context, the debates between the White House and the State Department in the first 40 years of ties over different aspects of China policy — Taiwan, nonproliferation, trade policy, human rights — are both legion and legendary, as documented in most accounts of U.S.-China relations.⁶ The opacity of the Chinese system precludes the same level of clarity; nonetheless, there is a long history of the internal debates and infighting among differing parts of the Chinese government about its U.S. policy, especially on issues such as China's responses to U.S. actions on Taiwan, human rights, nonproliferation, and military affairs in Asia.⁷

In assessing the channels linking domestic politics with policymaking, a final note worth mentioning is the limited discussion about public opinion. There is very little good data on either country (especially in the 1970s and 1980s) and even less evidence that public opinion had much of an impact on U.S.-China relations during the first four decades of ties. That may be changing now, but past public perceptions showed little variation except following dramatic incidents like the violent crackdown of June 1989; when there were variations, they had very limited impact on policymaking in either country.⁸

A CHANGING TAPESTRY

A second characteristic was the changing tapestry of political forces in both countries. The types, roles and influence of domestic political actors evolved substantially during the first four decades. China's role in U.S. electoral politics, especially presidential politics, waxed and waned in the first four decades of relations; today, its influence is on the rise, including at the state level. This may grow as U.S. politics become more polarized and as Beijing seeks to follow Xi Jinping's admonition to "tell China's story well" through more effective information and disinformation campaigns abroad. Bureaucratic politics were consistently influential on policymaking in both capitals, but the actors and issues evolved, especially given the rise of more capable and assertive government actors on the Chinese side. For example, in both countries, national security, law enforcement, and military organs appear to be rising in their influence on decision-making.

Similarly, interest group politics in both countries evolved during the first 40 years of ties, and they will continue to do so in the years ahead. In the United States, some interest groups declined in activism, some declined in influence, and others have simply ceased to be part of the debate. The evolution in the roles and influence of the Taiwan lobby and the U.S. business lobby is notable in this regard. In China in the Xi era, scholars and analysts appear to have declined in influence on government policymaking; many were much closer to decision-making during the eras of Jiang Zemin and Hu Jintao by contrast. Private companies and SOEs saw a spike in their influence in the late 2000s, but their impact seems to have levelled off as Xi consolidated power, centralized decision-making, and marginalized independent

6 One study notable for its detail about U.S. bureaucratic politics is Robert Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations 1989–2000* (Washington, DC: Brookings Institution Press, 2003).

7 For examples related to Chinese debates about foreign economic policy in the 2000s, see Ye Min, *The Belt Road and Beyond: State Mobilized Globalization: 1998–2018* (Cambridge: Cambridge University Press, 2020). For examples from the 1990s on Chinese diplomacy, see Lu Ning, *The Dynamics of Foreign Policy Decision-making in China* (New York: Routledge, 2000). For multiple recent examples, see Suisheng Zhao, *The Dragon Roars Back: Transformational Leaders and Dynamics of Chinese Foreign Policy* (Palo Alto, CA: Stanford University Press, 2023).

8 Laura Silver, Christine Huang, Laura Clancy, and Moira Fagan, *Americans Are Critical of China's Global Role – as Well as Its Relationship with Russia*, Pew Research Center April 12, 2023, at <https://www.pewresearch.org/global/2023/04/12/americans-are-critical-of-chinas-global-role-as-well-as-its-relationship-with-russia/>

voices. PLA equities and influence on foreign and national security policymaking have consistently increased in accordance with their expanded capabilities and missions.

COMPLICATE, DELAY, DISRUPT

A third characteristic of the links between domestic politics and bilateral relations in the first four decades of the U.S.-China relationship is that domestic politics often complicated, frustrated, delayed, or disrupted the stability of bilateral relations. On the American side, almost literally from day one, politics were at work. In 1971, Assistant to the President for National Security Affairs Henry Kissinger cut out much of the rest of the U.S. government — including the secretary of state — from the rapprochement process. Once Nixon left office in 1974, it took another five years to move to normalization due to political opposition within the Republican Party to breaking ties with Taiwan and President Jimmy Carter’s need for its support on other issues.

Since normalization in 1979, several presidential elections — in 1980, 1992, 2000, and 2020 — have involved debates about China issues and, in some cases, produced policy shifts that substantially complicated bilateral relations for a period of time. In the past 40 years, myriad bureaucratic debates and congressional actions complicated U.S.-China negotiations over trade and investment, Taiwan, defense issues, and in recent years cooperation on regional and global problems. In virtually every channel where politics have influenced U.S.-China ties, multiple examples of politically motivated actions frustrate, delay, or disrupt the conduct of the relationship. To be sure, political forces in the United States can push the executive branch to clarify their policies and to pursue a greater degree of balance. The Taiwan Relations Act is one such action, but many others in the form of congressional legislation ensure that U.S. values and its economic and security interests are adequately advanced in U.S. policymaking toward China.

There are similar examples in China. As noted above, political campaigns in China often changed the domestic political environment in ways that limited engagement with the United States. Prominent examples include the periods after the Tiananmen crisis and the Belgrade bombing, when nationalism and suspicion of foreigners ran high. The PLA has also taken actions without coordination with other Chinese agencies — such as shooting down a satellite or conducting provocative military actions — that complicated and often disrupted U.S.-China ties. The PLA’s deployment of an air defense identification zone around Japan was not well coordinated internally, including with the Foreign Ministry, and generated immediate friction with Washington. In addition to national security, Chinese actors adopted economic policies — such as the high-profile promotion of “indigenous innovation” and management of the renminbi exchange rate — nominally for domestic purposes but which generated sustained friction with U.S. policymakers.

FACILITATING AND ACCELERATING STABLE RELATIONS

A fourth characteristic, dating back to the late 1970s, is that domestic politics have also facilitated, lubricated, and at times accelerated the development of U.S.-China relations. The first prominent example was congressional passage of the Taiwan Relations Act (TRA) in 1979. It initially was the source of much acrimony and tensions in U.S.-China relations, especially the arms sales issue during the early Reagan years. However, once these were addressed with the U.S.-China 1982 communiqué on arms sales to Taiwan, the TRA succeeded in creating a political framework — and a *de facto* political

consensus — that allowed for the management of U.S.-China ties over the subsequent decades. In other words, the legislation was necessary to foster a political agreement facilitating the normalization process and allowing for the development of U.S.-China ties among diverse political constituencies in the U.S. political system. Absent the TRA, Taiwan's U.S. supporters might have constantly tried to relitigate and roll back U.S.-China normalization.

A second example is congressional support for granting China Permanent Normal Trade Relations (PNTR), which allowed U.S. companies and consumers to benefit from China's entry into the WTO. In 1999, U.S. political forces converged in Congress to grant PNTR with a margin of some 30 votes. That decision and the subsequent explosion in U.S. trade with China generated enormous repercussions for U.S.-China relations, both immediate and enduring as well as positive and negative. (China was the fastest-growing exports market for U.S. companies for some 15 years after WTO accession.) Indeed, U.S. support for China's entry into the WTO remains an issue of debate in U.S. political circles, as many reassess the wisdom of having undertaken a policy of "engagement" in the first place. To be sure, PNTR and WTO entry also changed China — its economy and its political economy — and in ways that subsequently impacted U.S.-China ties, positively and negatively. The expansion of the private sector in China's economy and the rise of SOEs in some key sectors are two such examples.

U.S. support for China's entry into the WTO remains an issue of debate in U.S. political circles, as many reassess the wisdom of having undertaken a policy of "engagement" in the first place.

Two prominent examples of this phenomenon occurred in China. The first is Deng's decision in 1992 to conduct his southern tour, after several years of post-Tiananmen austerity and minimal interaction with the outside world. Deng used it to signal the need to reengage the reform and opening agenda. It worked given Deng's gravitas within the CCP, even in his final years. This produced a new wave of U.S. and foreign investment in China's manufacturing sector and precipitated a broader opening in U.S.-China business interactions and overall bilateral engagement. Similarly, Zhu Rongji's aggressive economic reform agenda in the late 1990s — banking reform, SOE reform, and PLA decommercialization — opened the door to support for WTO accession that was a means for Zhu and others like him to drive their structural reform agenda. Jiang Zemin, even more powerful after the 15th Party Congress and Deng's death in 1997, used his political capital to push for WTO accession, even during tough negotiations with Washington (and the public U.S. rejection of the first deal in spring 1999). Indeed, following the accidental NATO bombing of the Chinese embassy in Belgrade in 1999 and the spate of anti-U.S. nationalism in China, Jiang pushed for a resumption of U.S.-China trade talks as a means of stabilizing U.S.-China ties, producing a final agreement a few months later. Jiang effectively protected U.S.-China ties from the Belgrade episode to support his broader domestic goal of WTO accession and the structural reforms that came with it.⁹

QUIESCENT DOMESTIC FORCES

There have also been periods in the relationship when certain domestic forces were *not* active and, in some case, outright quiescent. Following the conclusion of the 1982 U.S.-China communiqué on Taiwan arms sales, for the remainder of the decade the Taiwan lobby and its agenda were not a major driver

⁹ For details on these events, see Robert Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations, 1989-2000* (Washington, DC: Brookings Institution Press, 2004).

of U.S. actions toward China and U.S.-China ties. At that time, bilateral ties were far more focused on trade, nonproliferation, and U.S.-China military cooperation. The Taiwan lobby and Taiwan issues did not reassert themselves until the mid-1990s when the Lee Teng-hui government lobbied Congress for a visa for a private visit to Cornell University. Beginning in 2000 with the election of Chen Shui-bian, the first opposition president, and his alienation from the George Bush administration, Taiwan's political influence in the United States diminished — even as the Taiwan issue was at the center of U.S.-China relations. The number of Taiwan's supporters in the U.S. Congress decreased substantially in this period, as did Taiwan's own political lobbying efforts in the United States. It was not until the election of Tsai Ing-wen in 2016 or even later that Taiwan became newly active in Washington in lobbying on Capitol Hill and in think tanks for greater support, especially military equipment.

It was the rise of Chinese economic nationalism and industrial policy in the mid-2010s that renewed the criticism of some U.S. business and political leaders, especially on cybersecurity and technology issues.

In a similar vein, for many years after normalization, China was not a major issue — and certainly not a defining one — in most of the presidential election campaigns beyond the ones noted above. In this period, seldom did one candidate use any China argument against the opponent in any meaningful manner. It was the onset of COVID and Trump's campaign in 2020 that dramatically changed this period of quiescence. Moreover, for a decade (beginning with China's WTO accession in December 2001), the business lobby was relatively quiet, happy with its ability to expand profitability and market share in

China. It was the rise of Chinese economic nationalism and industrial policy in the mid-2010s that renewed the criticism of some U.S. business and political leaders, especially on cybersecurity and technology issues. During the first 40 years of U.S.-China ties, the nonproliferation lobby emerged as an influential actor in response to Chinese arms sales to South Asia and the Middle East, but then, after peaking in the 1990s, it largely died out as an actor in U.S.-China politics.

THE FIRST 40 YEARS: SOME CONCLUSIONS

The first 40 years of deeper U.S.-China interactions offer several important insights about the relationship between domestic politics and bilateral ties. Based on the five characteristics assessed above, domestic politics have been a central — and often underappreciated — driver of U.S.-China relations. Domestic forces in both countries have clearly influenced and, at times, even shaped U.S.-China ties. However, the nature of the political forces and their influence differed in myriad ways. There was very little equivalence between the two countries, aside from their diversity of domestic forces. The relative influence of these five characteristics evolved over time as the domestic circumstances in both countries changed; the arrival of new leaders and bureaucratic actors as well as the emergence of new domestic priorities and needs affected bilateral ties in these decades.

Moreover, the influence of these domestic forces was not unidirectional and was quite diverse: at times constraining the development of U.S.-China relations and at times enabling it. Some forces had marginal influence and, at times, major influence. While domestic politics were a persistent presence in both countries, these forces tended to only have substantial, defining influence at key moments or turning points, such as during normalization, after Tiananmen or leading up to WTO accession. In these situations, the role of political leaders — often operating under political constraints — was

central to managing U.S.-China ties. Examples include Deng during normalization, President George H. W. Bush after Tiananmen, and Jiang Zemin in 1999 during the WTO accession process.

To be sure, this baseline is not meant to capture every aspect of the domestic politics of U.S.-China ties from the 1970s onward. Rather, it is meant to capture the main forces in both countries and the ways they have influenced bilateral dynamics, albeit, in very different ways. It is those features and characteristics of the first 40 years of U.S.-China relations that establish a basis for understanding the domestic political forces at work today and the ways they influence the bilateral relationship.

NEW POLITICAL DYNAMICS IN THE UNITED STATES

Relative to the historic baseline developed above, the politics of China policy in the United States have changed substantially since 2010 — and especially in the past five years — in terms of both the actors and their influence. This trend is likely to continue in the future.

In general terms, the changes have involved the rise of new political forces, the evolution of existing ones, and the decline of some traditional actors. Of note is the decline of those actors and forces that served as buffers and stabilizers in the relationship, such as the business community's influence in promoting stable ties. These changes in the U.S. political landscape have influenced, directly and indirectly, the tone and content of U.S. China policy and in turn U.S.-China relations. On a net basis, these changes are pushing U.S. China policy and U.S.-China interactions in the direction of emphasizing differences, highlighting risks to U.S. national security interests, stressing competing world views and values, and encouraging the adoption of policies focused on competition with China and containment of Chinese policies and capabilities.

This section begins by identifying the major changes in the U.S. domestic political context with a focus on the diversity of actors and how their relative influence has evolved. Specifically, it will examine congressional politics, electoral politics, interest group politics, public opinion, and bureaucratic politics.

CONGRESSIONAL ACTIVISM

Congressional activism on China policy is not a new feature of U.S.-China relations. Starting even before normalization, Congress used its legislative powers and oversight responsibilities to shape U.S. policy toward China, or at least to shape the context in which China policy was made.

In the 1970s, those dynamics famously delayed formal diplomatic normalization some seven years (from 1972 to 1979). Beyond Nixon's ouster, both Presidents Gerald Ford and Jimmy Carter had other political preoccupations and legislative priorities that required support of conservative Republicans who backed Taiwan, delaying normalization until 1979. In the 1980s, Congress's role in the early years of U.S.-China ties was targeted and episodic. Resulting from the interests of a small group of legislators, congressional actions focused on specific issues such as Taiwan, nonproliferation, and human rights — and often to great effect. The political and geopolitical context was an important factor shaping congressional influence during this period: Taiwan was not a democracy, U.S.-China economic ties were limited and only slowly growing, and Washington and Beijing had become strategic partners in countering the Soviet Union in ways that included some new U.S.-China military and intelligence cooperation.

Much of this shifted in the 1990s when the end of the Cold War and the Tiananmen massacre in 1989 fundamentally changed not only the context of diplomatic relations but also Congress's role in policymaking. As China policy became a greater focus of congressional action, it became a more partisan issue, used by both parties for political gains. According to one study, in the 1990s congressional

activism on China became an “unstructured free-for-all” for most of the decade as it became very partisan.¹⁰ Congressional actions on China were the result of rampant individualism, especially in the House of Representative: members did what they wanted in any congressional venue available. Party lines on China issues became blurred with both parties internally divided on how to approach them and also both supporting diverse actions on China.

Nonetheless, Congress had its moments of influence in the 1990s. It successfully pressured the White House into linking human rights progress to MFN renewal (which President Bill Clinton then abandoned) and into giving the president of Taiwan a visa for a private visit to Cornell. The decade ended with two very different actions: first, in a high-profile congressional investigation into alleged Clinton administration mishandling of sensitive missile technology information and Chinese theft of nuclear weapons secrets. Second, in a major vote following a massive White House–led lobby campaign, Congress approved U.S. support for China’s entry into the WTO.

In the 2000s, these domestic political dynamics evolved in a different way. Congressional interest in and activism on China declined as the entire U.S. national security establishment, including many members of Congress, focused on countering terrorism and on the wars in Afghanistan and Iraq. China was moderately helpful in these enterprises, at least initially. U.S.-China relations remained stable and constructive under President Bush. The U.S. business community was happily generating profits and growing market share in China following its entry into the WTO in late 2001. Concerns about PLA modernization were growing; however, neither those concerns nor other occasional sources of concern ever manifested in consistent legislative activity. Operationally, many members of Congress were also content to have the two new China commissions — the Congressional-Executive Commission on China (CECC) and the U.S.-China Economic and Security Review Commission (USCC) — perform much of their oversight duties on China.

The 2010s and Beyond

After the early 2010s, this all started to change. Congress’s activism and influence on U.S.-China relations again evolved. Congress became far more active on a wider variety of China-related issues and used new tools and tactics to greater effect. Since 2019, in particular, congressional activity substantially expanded. According to one recent study, the number of bills introduced on China increased sixfold between 2013 and 2021.¹¹ The result is that Congress is now a central actor in almost all aspects of America’s China policymaking, using both its legislative and oversight roles in new and different ways that directly affect U.S.-China political, economic, diplomatic, and security affairs.

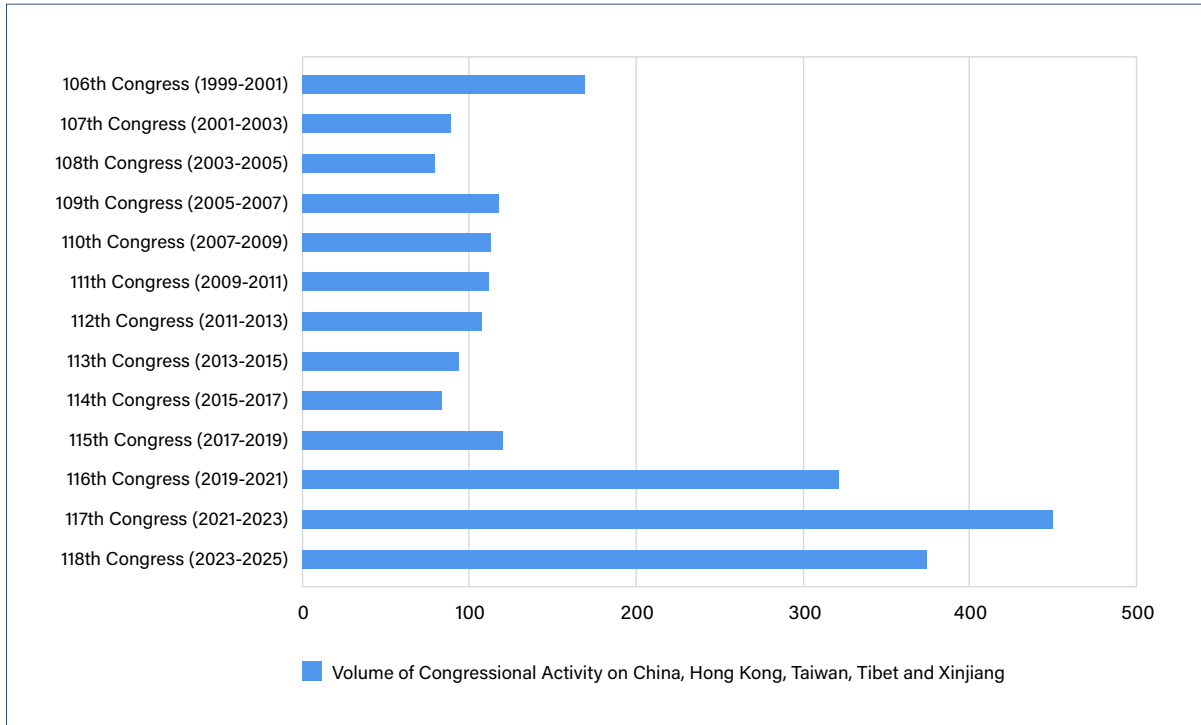
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Congressional actions on China policy (including actions motivated by concerns about China) are also having a direct impact U.S. policy beyond China, such as domestic fiscal policy and financial market

10 Susan Shirk, “Congressional Politics and U.S. China Policy 1996–2000,” in Bernhard May and Michaela Honicke Moore, eds., *The Uncertain Superpower Domestic Dimensions of U.S. Foreign Policy after the Cold War* (Deutsche Gesellschaft für Auswärtige Politik, Springer Fachmedien Wiesbaden, 2003).

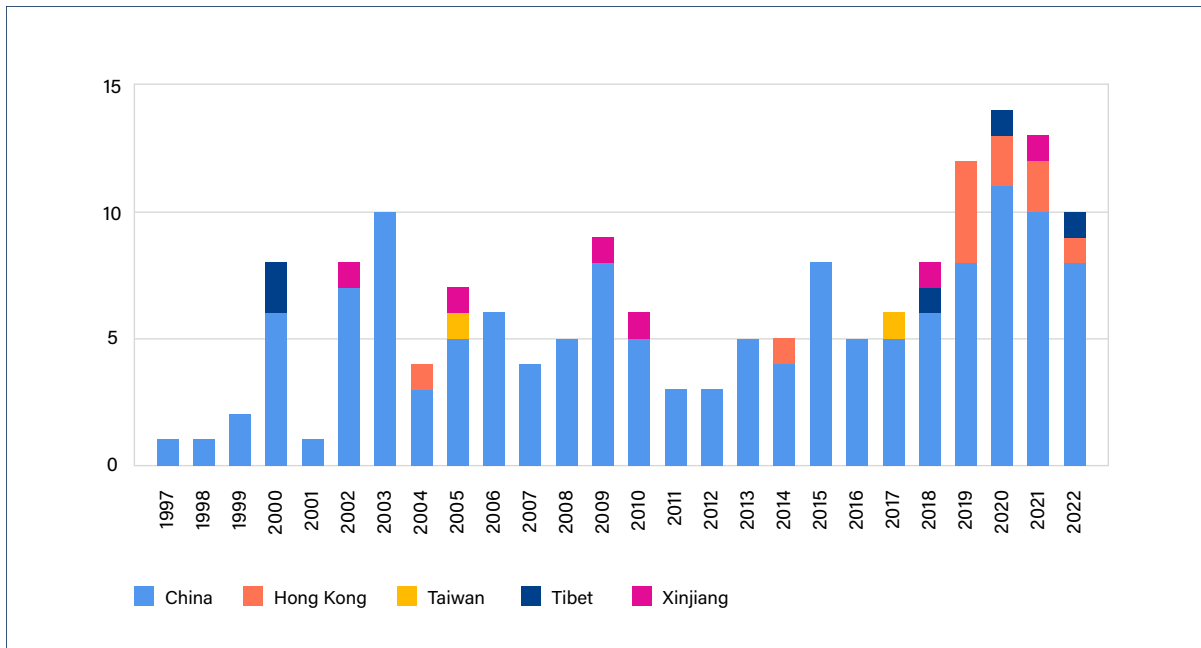
11 Christopher S. Chivvis and Hannah Miller, *The Role of Congress in U.S.-China Relations*, Carnegie Endowment for International Peace, Working Paper, November 2023, at https://carnegieendowment.org/files/Chivvis_Congress_and_China.pdf

FIGURE 1 CONGRESSIONAL ACTIVITY ON CHINA



Source: Author's count based on Congress.gov

FIGURE 2 INSTANCES OF CONGRESSIONAL HEARINGS ON CHINA

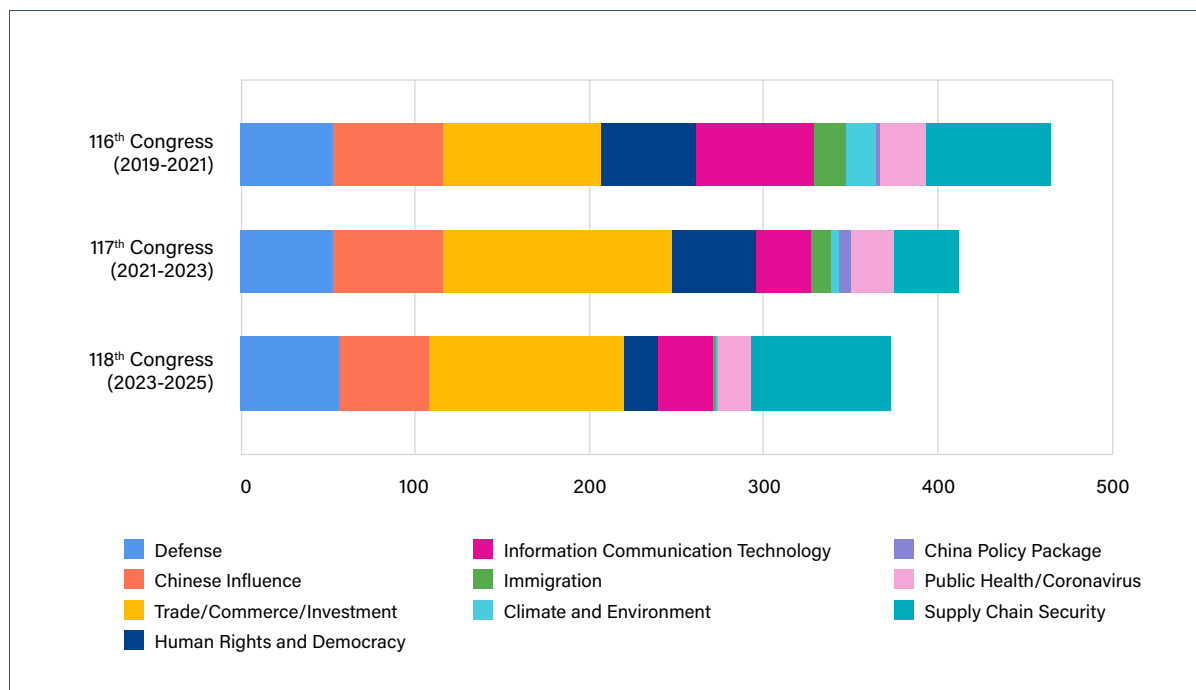


Source: Author's count based on Govinfo.gov

regulation. Much of this is largely the result of what can be termed “a dual convergence” in views about China between (1) the executive and congressional branches of government and (2) the main two political parties in Congress. The shared concerns about the economic and national security challenges posed by China and the need for the U.S. government to prepare for a long-term competition created the conditions for passage of major congressional legislation meant to give the government new tools to address those challenges.

The broad trends in congressional activism are captured in Figures 1 and 2, which cover legislative activity and oversight (hearings and investigations). As these charts show, the amount of activity and the agenda on China were consistent for most of the 20 years between 2000 and 2018. However, beginning around 2019, the amount of congressional activity — both proposed legislation and hearings — shot up. Indeed, in 2019 during the 117th Congress, more bills were introduced on China than on the entire Middle East for the first time in more than a decade.¹² The precise source of this increase is not entirely clear, but the initial focus of many hearings was the deterioration in the political situations in Hong Kong and the treatment of Muslim Uighurs in Xinjiang. But congressional interests soon expanded. Perhaps most notable in this period is the degree to which congressional actions broadened to cover a new diversity of issues, including Chinese military modernization; Chinese economic coercion; the Taiwan question; the human rights situation in China; and China’s more activist approach to its territorial claims in the South China Sea, on the Indian border, and in the Senkaku Islands.¹³

FIGURE 3 TOPICS OF LEGISLATIVE ACTIVITY ON CHINA: TOTAL NUMBER OF CHINA-RELATED BILLS



Source: U.S.-China Business Council, Legislative Tracker, based on Congress.gov

12 This point is from Chivvis and Miller, *The Role of Congress in U.S.-China Relations*.

13 This data does not cover the two independent commissions set up after China’s WTO accession: the Congressional Executive Commission on China (CECC) and the U.S.-China Economic and Security Review Commission (USCC). Since both were created in 2000, they have held numerous hearings and related gatherings each year that seek to highlight Chinese human rights behavior for the CECC and Chinese security and economic coercion regarding the USCC. Both commissions lack the ability to legislate but have become a locus of expertise and focus on Chinese behaviors that challenge U.S. interests and values. Both produce an annual report that serves as a catalogue of Chinese worrisome behaviors in the previous year.

Beyond the aggregate data, a deeper dive reveals the nature of the expanding congressional role: more investigations, hearings, reporting requirements, and legislation *that makes it into law*. Congress is not just doing more on China now but is acting on a broader set of China issues and exerting influence in ways distinct from those of the past (See Figure 3).

Examples of this new activism abound as congressional investigations on China have dramatically increased. Beginning as early as 2012, the House Permanent Select Committee on Intelligence, led by Chair Mike Rogers (R-AL), conducted an extensive investigation into the national security risks posed by Chinese telecommunications firms Huawei and ZTE. This played a role in jump-starting public debates about the risks to U.S. consumers, businesses, and telecom infrastructure companies from using, if not relying on, Chinese telecommunications equipment. Beginning in the latter part of the decade, the Senate Permanent Subcommittee on Investigations, led by Rob Portman (R-OH), produced several reports covering the impact of China's Confucius Institutes on the U.S. education system and China's talent recruitment programs, and the committee's minority staff (Democratic) produced a report on Chinese efforts to influence the U.S. Federal Reserve.¹⁴

While it is difficult to draw a straight line between these investigations and U.S. policy actions, the Trump administrations subsequently did take actions in many of these same areas. As concerns grew about CCP control of Chinese telecommunications companies, the Trump administration took numerous punitive actions against Huawei and ZTE that included placing both on the Commerce Department's Entity List. The administration's Department of Education also conducted a detailed investigation of the donations of foreign governments (and related foreign entities) to U.S. universities, with a focus on

funds from Chinese sources. Trump's Justice Department started a major law enforcement program to investigate Chinese access to and influence on U.S. research institutions, known as "The China Initiative."

The most recent and relevant example of new types of congressional activism is the January 2023 establishment of a House committee led by Mike Gallagher (R-WI) called the House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party.

In addition, congressionally mandated commissions, such as the CECC and USCC, which lack legislative power, appeared to have increased their influence on policy. In 2020, the staff of the CECC produced a report called "Global Supply Chains, Forced Labor, and the Xinjiang Uyghur Autonomous Region" that built on several years of hearings and research. This effort culminated in the Uighur Forced Labor Prevention Act, signed into law in December 2022, which requires U.S. companies to certify that no forced labor is part of the production of goods manufactured in Xinjiang. For its part, the USCC has been using its hearings to examine some of

the central issues related to China's evolving political, economic, and military capabilities that could challenge U.S. interests.

The most recent and relevant example of new types of congressional activism is the January 2023 establishment of a House committee led by Mike Gallagher (R-WI) called the House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party. The

¹⁴ These reports can be found at <https://www.hsgac.senate.gov/subcommittees/investigations/library/>

committee does not have legislative authority but seeks to use all the other powers afforded members of Congress — hearings, travel, investigations, policy recommendations — to highlight a range of Chinese policies, concerns, and actions. It has since emerged as a major actor in U.S. debates about China and the direction of China policy.

To date, the committee's work is focused on five sets of issues: (1) Uighur forced labor and the nexus with U.S. companies' supply chains, (2) Taiwan's security, (3) U.S. private investment in Chinese companies who are linked with the PLA and Chinese security services, (4) U.S. government research funding that ends up helping Chinese military capabilities, and (5) Chinese economic coercion. As of Fall 2023, the Select Committee has conducted research trips to Wall Street and to Silicon Valley to discuss the risks of investing in China, to Wisconsin to discuss China's impact on American manufacturing, and to Iowa to discuss the risks of agricultural trade with China. Rep. Gallagher conducted his own trip to Taiwan in spring 2023. The purpose of this committee is to raise the profile of a variety of China issues the Select Committee believes deserve more attention and to offer non-binding recommendations to the committees of jurisdiction of legislation such as Foreign Affairs and Armed Services, among others. This is a bipartisan group composed of 13 Republicans and 11 Democrats and both the Republican and Democratic chairs have gone out of their way to present an image of consensus on most issues.

Beyond oversight, Congress — both the House and the Senate — has been active and effective on the legislative front, passing laws both directly and indirectly related to China. Numerous important pieces of legislation have become law in recent years, with a heavy focus on human rights and national security issues. Indeed, the number of China-related pieces of legislation passed in the past five years has reached levels unseen in the history of U.S.-China relations. The major new laws follow:

- In February 2018, President Trump signed into law the **Taiwan Travel Act**, which sought to upgrade the level of U.S. officials who can travel to Taiwan under current U.S. policy. The law is non-binding on the executive branch and did not result in a change in executive branch policy.
- In late 2019, President Trump signed into law the **Hong Kong Human Rights and Democracy Act of 2019**. It requires an annual assessment of whether Hong Kong is sufficiently autonomous from China to justify unique diplomatic and economic treatment by the U.S. government.¹⁵
- In mid-2020, the **Hong Kong Autonomy Act** became law, imposing sanctions on Chinese and Hong Kong officials who materially contributed to the degradation of Hong Kong's autonomy.
- In late 2020, President Trump signed into law the **Holding Foreign Companies Accountable Act**. Based on concerns that Chinese companies were manipulating U.S. capital markets, the law requires foreign firms listed on U.S. capital markets to fully comply with Securities and Exchange Commission (SEC) accounting requirements. Several Chinese firms delisted from the New York Stock Exchange because of these new requirements.

¹⁵ The law also requires the Commerce and State Departments to conduct an annual review of Hong Kong's export controls to determine whether the United States should withdraw its unique trade relations with Hong Kong.

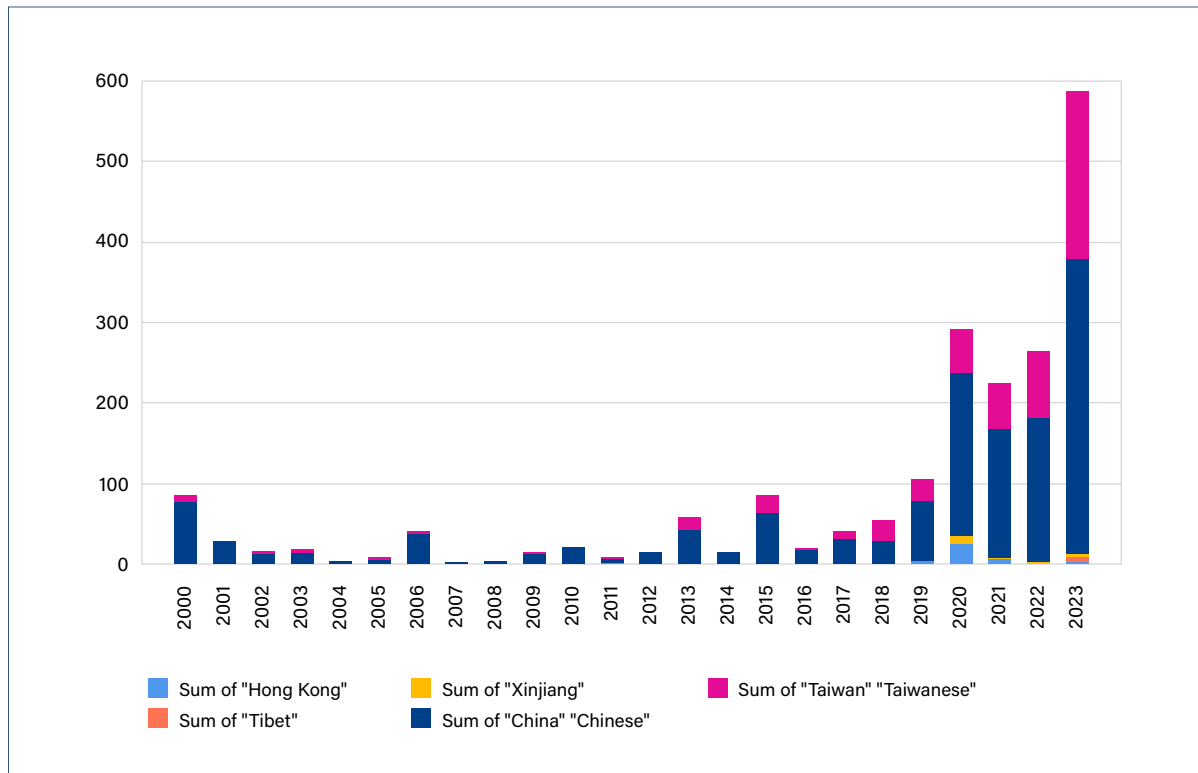
- In December 2021, President Biden signed into law the **Uyghur Forced Labor Prevention Act** (UFLPA), which restricts the importation into the United States of any item produced by forced labor in factories in Xinjiang. This was one of the first pieces of legislation targeting the supply chains of U.S. companies and thereby placing the burden on them to prove the absence of any content coming from forced labor in Xinjiang (and, practically speaking, from Xinjiang).
- The **CHIPS and Science Act** became law in 2022. Concerns about long-term economic and security competition with China were the prime catalyst for the Congress and the president to do something neither had done in decades: approve a \$52 billion multiyear effort at industrial policy to spur semiconductor manufacturing in the United States.¹⁶ This new law represented a sea change in both U.S. foreign policy and U.S. economic policy, and both were driven by concerns about China. This milestone law serves as a prime example of the degree of bipartisan consensus about China, which allowed the bill's supporters to overcome concerns among deficit hawks, among others, to pass the legislation. In fact, both House and Senate Republicans voted in favor of the bill, which is important given that Senate Democrats needed to generate a filibuster-proof majority in a 50-50 Senate at the time of the vote.

One of the most notable features of this legislative activism is the use of new and creative vehicles for lawmaking regarding China, allowing more and more frequent passage of China-related legislation. Perhaps the most prominent tool is the use of the annual National Defense Authorization Act (NDAA), which the Congress always adopts, as a vehicle to pass China-related legislation. Figure 4 captures the increasing focus on China in the NDAA in recent years. A list of the major legislative actions on China passed via the NDAA follows:

- The NDAA of 1999 (Sec. 1202) established the Annual Department of Defense China Military Power Report, in unclassified and classified versions.
- The NDAA of 2001 (Sec. 1238) established the U.S.-China Economic and Security Review Commission.
- In the NDAA of 2019, Congress passed major reforms of U.S. investment screening and export control rules, originally called the Foreign Investment Risk Review Modernization Act (FIRMA) and Export Control Reform Act. These reforms were in reaction to concerns about Chinese access to U.S. capital and technology that were not addressed by existing U.S. law.
- In the NDAA of 2021 (Sec. 1251), Congress established the Pacific Deterrence initiatives to fund new capabilities for Indo-Pacific Command.
- In the NDAA of 2021 (Sec. 1062), Congress legislated that the Defense Department must restrict funds to any U.S. higher education institution that hosts Confucius Institutes.
- In the NDAA of 2023, passed in December 2022, Congress adopted the Taiwan Enhanced Resilience Act or TERA (Title LV, Subtitle A of the James M. Inhofe National

¹⁶ In addition to the \$52 billion in spending, the law also provides a 25% investment tax credit for capital expenses for manufacturing of semiconductors and related equipment.

FIGURE 4 CHINA-RELATED MENTIONS IN NATIONAL DEFENSE AUTHORIZATION ACTS (NDAAS)



Source: Author's count based on Congress.gov

Defense Authorization Act for Fiscal Year 2023, P.L. 117-263). According to the Congressional Research Service, this act authorizes for the first time Foreign Military Financing (FMF) for U.S. arms sales to Taiwan: up to \$2 billion a year in direct loans and loan guarantees and up to \$2 billion a year in grant assistance through FY2027. To date, Congress has not yet appropriated funds for this so Taiwan cannot yet borrow any money under this new law.¹⁷

- In the NDAA of 2023 (Sec. 5949), Congress prohibited the federal government from doing business with U.S. companies to procure electronic goods (such as desktops and laptops) that include semiconductor parts or services from certain Chinese entities, such as Huawei. Many of the companies to which this law applies are existing vendors or suppliers to the federal government. This does not take effect until five years after the enactment of the 2023 NDAA.

17 In addition to the FMF provision, the Taiwan Enhanced Resilience Act amended the Foreign Assistance Act of 1961 to make Presidential Drawdown Authority available to Taiwan, authorizing the drawdown from Department of Defense stocks of up to \$1 billion annually in defense articles, services, and education and training for Taiwan. According to the Congressional Research Service, "In July 2023, the Biden Administration notified Congress of its intent to exercise this authority to transfer \$345 million in defense items to Taiwan." See Caitlin Campbell, "Taiwan: Defense and Military Issues," Congressional Research Service, September 19, 2023, at <https://crsreports.congress.gov/product/pdf/IF/IF12481>

Explaining and Understanding Congressional Activism

Several reasons explain the new congressional dynamics on China in terms of both the quantity and content of the actions. First, the *de facto* coalition among moderate Democrats and moderate Republicans who supported stable and positive U.S.-China relations — principally a collection of pro-trade legislators from both parties — no longer exists. Most congressional legislators' views of China — especially on trade with China — have changed to seeing it instead as an economic, technological, and national security challenge. Notably, the U.S.-China Working Group on China, headed by Representative Rick Larsen (D-WA), that often advocated for better U.S.-China relations has substantially diminished its activities. Contributing to this is the unwillingness and inability of

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many U.S. businesses to form coalitions with one another and with legislators to lobby Congress for constructive relations with China, beyond very narrow and company-specific issues (i.e., tariff exceptions). Both specific companies as well as entire sectors are no longer as aligned with one another and with legislators as they were in the 1990s.

Second, and related to the first explanation, there is now far more bipartisan agreement around the challenges China poses to U.S. interests and values, in Asia and globally. As a result, there is less individualism and factionalism around China policy and more unanimity that relations with China are risky and problematic. U.S. media and scholars now commonly refer to this as a “bipartisan consensus” on China. In addition to the uptick in legislation and oversight, these shared concerns about China are reflected in both the lower activity of the Larsen-led working group and the formation and energy of the House Select Committee on China, fostering an environment deeply skeptical of China. In particular, Congress is at the forefront of blending national security and economic agendas, often referred to as the “securitization” of China policy.¹⁸

To be sure, the degree of this congressional consensus can be overstated; the differences about China among legislators are becoming more apparent over time. While there are widely shared threat perceptions about China, debate is growing among legislators about what to do about it. Major debates have already taken place about industrial policy and Taiwan policy. Even members of the Select Committee on China have clear and public differences about the policy options. Representative Andy Kim (D-NJ) has been outspoken about the U.S. need to adopt a less confrontational posture toward China, arguing, for example, that there is much room for both collaboration and cooperation amid strategic competition.¹⁹

A third explanation for congressional activism is related to the nature of the proverbial bipartisan consensus on China. Many legislators' policy choices on China are not just about strategic concerns but are increasingly about instrumental political advantage and advancing their political priorities. U.S. legislators understand that they can use China to advance their domestic policy goals. Both parties now see China as a vehicle for taking policy actions that support their long-standing political

18 For one of the first references to the idea of securitization of economic policy, see, Evan S. Medeiros, “The Changing Fundamentals of US-China Relations,” *The Washington Quarterly*, vol. 42, no. 3 (2019), pp. 93–119.

19 This event can be seen at <https://www.brookings.edu/events/is-there-room-for-us-china-collaboration-in-an-era-of-strategic-competition/>

and domestic priorities. In other words, the proverbial bipartisan consensus may be as much about advancing domestic partisan agendas as it is about competing with China.

By some metrics, this is becoming an important element of the bipartisan consensus: both sides get something out of strategic competition with China. For Democrats, this has meant using long-term competition with China to advance domestic priorities such as social welfare (e.g., education and childcare), tariffs and trade restrictions, industrial policy, environmental rights, and technology innovation. China also offers Democrats a way to position themselves as strong on national security, denying this argument to their detractors. For Republicans, this has involved advancing a political agenda related to enhanced defense spending, modernizing the defense industrial base, alleging Democrats' weakness on national security, and supporting government spending for technology modernization, including even industrial policy.

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Fourth, the changes in the congressional approach to China reflect shifts in congressional priorities. With the winding down of the U.S. military presence in Iraq and Afghanistan and the end of the war on terrorism, congressional attention began to shift from issues including reauthorization of the Patriot Act and the Authorization on the Use of Military Force (AUMF) to new challenges in the era of great power competition. This is clearly reflected in the growing number of hearings on China in recent years (See Figure 2). Beginning in the 2010s, congressional attention shifted to threats emanating from China including Huawei's activities, Chinese actions in the South and East China Seas, PLA modernization, and the crackdowns and oppression in Hong Kong and Xinjiang. The Russian invasion of Ukraine and Beijing's alignment with Putin further accentuated the belief in Congress that China was a clear and present challenge to the United States in Asia and globally, including increased congressional concerns about the probability of China invading Taiwan and also fostering a grouping of authoritarian states that seeks to undermine democracy globally.

Fifth, and finally, looking farther afield than the past 5–10 years, a series of major global, regional, and bilateral developments have pushed legislators to see China as a long-term challenge and to be more active in addressing it. Starting as far back as 1989, the Tiananmen massacre and the collapse of the Soviet Union damaged the unalloyed support and affinity for China in Congress and the public in the 1980s. The end of the Cold War substantially diminished the belief that China could be a security partner for the United States. The democratization of Taiwan opened political space in the United States for greater support for the island and led Taiwan's leaders to push for an increased international profile. The rapid expansion of China's economy and its adoption in the mid-2000s of barriers to market access and industrial policies all helped foster the perception in the United States that China now posed a long-term threat to U.S. economic, if not national security, interests. Congressional supporters of U.S.-China trade ties faded away in the 2000s as the wave of U.S. concerns about Chinese economic predation grew. China's political system remained consistently repressive to voices calling for democracy and, over time, even civil society organizations more generally, which the CCP also began to see as a threat to its power.

An additional important long-term trend affecting U.S. perceptions and policies is the modernization of the People's Liberation Army (PLA), which has achieved important gains in the past 25 years. The

Pentagon now calls it “the pacing challenge” for the U.S. military. This new reality facing U.S. national security planners had the practical effect of galvanizing many in Congress. The PLA’s focus on preparing for a conflict over Taiwan has also intensified in the past two decades, further gaining the attention of Congress. The PLA’s improved capabilities and growing presence around Taiwan have augmented concerns by U.S. lawmakers about both Taiwan’s security and the U.S. ability to deter China or defeat it in the event of the conflict. As the mainland military threat to Taiwan has grown, Taiwan policy has become more politically contentious in the United States. Some members of Congress want the United States to do more for and with Taiwan, politically, economically, and militarily. Some in Congress express their antipathy for China in the form of greater support for Taiwan, as a fellow democracy that is vulnerable to coercion and aggression from China.

NEW ELECTORAL POLITICS IN THE UNITED STATES

As with congressional politics, U.S. electoral politics — both presidential and down-ballot elections — have also influenced U.S.-China relations and vice versa. U.S.-China ties have been politicized in numerous presidential campaigns going back to just after normalization. In the 1980 election campaign, Ronald Reagan claimed that he wanted to reestablish diplomatic ties with Taiwan, a position he changed once elected. In 1992, Bill Clinton famously criticized George Bush for being too close to Chinese leaders following the Tiananmen crackdown, in his now-famous accusation of coddling the “butchers of Beijing.” As tough as some of this rhetoric was during the campaign, once in office many presidents adopted a moderate approach. Both Reagan and Clinton certainly followed this path in 1980 and 1992, respectively.²⁰

From 1996 to 2012, China was not a major issue in any of the presidential elections. China was raised from time to time but was neither a high-profile nor useful issue for either Democratic or Republican presidential candidates. George W. Bush called China a “competitor” during the 2000 electoral race, but this framing of China was not central to his campaign or the the broader election. Barack Obama’s campaigns in 2008 and 2012 made it a point not to politicize China for electoral gain. John McCain in 2008 and Mitt Romney in 2012 made only limited use of the China card as well.

This trend started to change in 2016 after Xi Jinping had been in office for four years and bilateral tensions began to rise. Then China and U.S.-China ties became a higher-profile issue in electoral politics, largely due to growing U.S. concerns about Chinese economic policies (especially their impact on U.S. manufacturing) and Xi’s more coercive posture abroad. As reflected in the 2016 and 2020 presidential elections as well as in key midterm elections for the House and Senate in 2022, China has now become a high-profile issue in national politics with candidates competing aggressively to appear tough on China as a means of brandishing their credentials as defenders of U.S. economic and security interests. Interestingly, in national-level politics, Taiwan has not yet become a major part of these debates. However, it may soon do so.

In the 2016 presidential campaign, Trump used economic grievances toward China as a core part of his message of “making America great again.” He portrayed Hillary Clinton as part of the establishment that signed trade agreements that “sold out” U.S. workers in return for economic gains from China.

20 For an excellent treatment of this period, see James Mann, *About Face: A History of America’s Curious Relationship with China, From Nixon to Clinton* (New York: Vintage Books, 1998).

Trump's core message was that he was going to scrap existing trade deals and "start an unrelenting offensive against Chinese economic practices."²¹ He pledged to label China a currency manipulator and impose punitive tariffs on Chinese goods if elected (and he then did both). Trump talked about China so often on the campaign trail that his enunciation of the word "China" became a common hallmark of Trump impersonators.

Clinton did not come out as aggressively against China as Trump did in 2016; she played defense to his China offense. For example, while Trump strongly criticized the Trans-Pacific Partnership (TPP) trade agreement negotiated under President Obama, Clinton's position was that TPP was not a good deal for U.S. workers in its then-current form and vowed to renegotiate it. As a candidate, she sought to "hold China accountable" but ultimately did not provide many concrete policy proposals on how she would reconfigure China policy if elected.²²

The politicization of China for electoral advantage escalated in the 2020 presidential elections between President Trump and Joe Biden. Trump portrayed himself as a defender of American interests in the face of Chinese encroachment and unfair economic competition. He presented China as a security threat, an economic threat, and a health threat. During the initiation of his general election advertising campaign in April 2020, he released a xenophobic attack advertisement featuring people of Asian and Chinese descent (including former U.S. officials) to support allegations of the Biden family's business connections in China.²³ In a May 2020 speech in the Rose Garden, he later said, "Hundreds of billions of dollars a year were lost dealing with China. ... China raided our factories, offshored our jobs, gutted our industries, stole our intellectual property, and violated their commitments."²⁴ Trump blamed Democratic party leaders for all these problems; he called the Democratic Party "soft on China" and Joe Biden "weak on China his whole career." In one campaign speech, Trump said, "If I don't win the election, China will own the United States. You're going to have to learn to speak Chinese, you want to know the truth."²⁵ As the 2020 presidential campaign unfolded, Trump even argued that U.S. intelligence reports stated that Beijing was supporting Biden, believing he would not be as tough on Beijing as Trump.²⁶

The politicization of China for electoral advantage escalated in the 2020 presidential elections between President Trump and Joe Biden.

Biden, instead of defending prior Obama policies toward China, mostly focused on countering Trump by arguing that Trump was the one who was "weak" on China.²⁷ Pointing to Trump's various policies

21 Nick Corasaniti, Alexander Burns, and Binyamin Appelbaum, "Donald Trump Vows to Rip Up Trade Deals and Confront China," *The New York Times*, June 28, 2016, at <https://www.nytimes.com/2016/06/29/us/politics/donald-trump-trade-speech.html>

22 Geoff Dyer and Tom Mitchell, "Hillary Clinton: China Hawk," *The Financial Times*, September 5, 2016, at <https://www.ft.com/content/92b23c8e-7349-11e6-bf48-b372cdb1043a>

23 Nick Corasaniti, Jeremy W. Peters, and Annie Karni, "New Trump Ad Suggests a Campaign Strategy Amid Crisis: Xenophobia," *New York Times*, April 10, 2020, at <https://www.nytimes.com/2020/04/10/us/politics/trump-ad-gary-locke.html>

24 Robert C. O'Brien, ed., "Trump on China: Putting American First," The White House, 2020, accessed via the White House archives at <https://trumpwhitehouse.archives.gov/wp-content/uploads/2020/11/Trump-on-China-Putting-America-First.pdf>

25 Kevin Lipak, "Trump says Americans will have to learn Chinese if Biden wins but offers little condemnation of Beijing," *CNN*, August 11, 2020, at <https://edition.cnn.com/2020/08/11/politics/trump-china-biden-learn-chinese/index.html>

26 Natasha Bertrand, "Trump blows past the intelligence to accuse China of backing Biden," *Politico*, September 1, 2020, at <https://www.politico.com/news/2020/09/01/trump-says-china-supporting-biden-407054>

27 Asma Khalid, "Biden and Trump Battle over Who Is 'Weak on China,'" *NPR: Morning Edition*, April 22, 2020, at <https://www.npr.org/2020/04/22/840558299/biden-and-trump-battle-over-who-is-weak-on-china>. To be sure, before the general election and during the primary, Democratic candidates Bernie Sanders and Pete Buttigieg were also critical of China's role in the global economy as well as Trump's trade war diplomacy.

toward China such as the trade war, the Biden campaign argued that Trump was manipulated by China and Americans paid the price for this, having lost \$3 billion in farm income and 300,000 jobs, according to one campaign ad.²⁸ The basic question on China between Biden and Trump became: Who was weaker?

This electoral debate on China took on new political dimensions as well, inciting activists in both parties. The Biden campaign received criticism from those on the left wing of the Democratic Party for using anti-Asian language and images. The anti-China rhetoric was so heated that Asian American and other civil liberty groups became concerned that it was fostering an increase in hate crimes against Asian Americans.²⁹ In the Republican Party, anti-Trump groups seized on the China issue to go after him; one Lincoln Project advertisement said, “No matter what he says, China’s got his number. ... For four years, they’ve rolled him.”³⁰

Focus on China has only escalated in electoral politics since 2020, including in down-ballot elections. China emerged as a major issue in many House and Senate races in the 2022 midterm elections. According to one media analysis, roughly one in nine advertisements aired in Senate and House races mentioned China, for a total of 34,000 airings. These ads were concentrated in rust-belt states such as Pennsylvania, Ohio, West Virginia, and Wisconsin. More than 80% of these 34,000 ads were sponsored by Republicans or conservative groups, but Democrats used them as well.³¹

In one prominent instance, China became the central issue in a Republican primary for a U.S. Senate seat in Pennsylvania: the race between David McCormick and Mehmet Oz (also known as Dr. Oz). During his primary, Oz was the top campaign sponsor nationwide of TV ads mentioning China, with more than double the ads of the next closest Senate primary race in Ohio. Oz blanketed the airwaves with claims that McCormick was “pro-China” because he previously worked for a hedge fund that invested in China. In response, McCormick ran a TV ad declaring: “We all know China created COVID. It’s time to make them pay for it.”

The use of China was both bipartisan and country wide. Representative Tim Ryan (D-OH), vying for a Senate seat, used an ad during his primary that stated, “It is us versus China. America can never be dependent on communist China.” China critiques then showed up in the races for the governors of Texas and Missouri as well. California’s 45th District race received national attention over its anti-Asian rhetoric given that constituents were mostly Asian and both candidates were also of Asian descent. Democrat Jay Chen accused his competitor, Michelle Steel, of “red-baiting” by painting him as sympathetic to China’s authoritarian government. Steel’s advertising accused Chen of bringing “Chinese propaganda into American schools” and said, “he’s perfect for Communist China.”³²

28 A Biden campaign advertisement on China can be found at <https://www.youtube.com/watch?v=6MqCRcLQzGQ>

29 Mara Hvistendahl, “As Trump and Biden Trade Anti-China Ads, Hate Crimes Against Asian Americans Spike,” *The Intercept*, May 11, 2020, at <https://theintercept.com/2020/05/11/china-trump-biden-asian-american-hate-crimes/>

30 Kevin Liptak and Jim Acosta, “Anti-Trump Republican group launches new ad attacking President over China policies,” *CNN*, June 17, 2020, at <https://edition.cnn.com/2020/06/17/politics/lincoln-project-attack-ad-trump-2020-election/index.html>

31 For this analysis, see John McCormick, “China Is Frequent Topic, Especially for GOP, in Midterm Campaign Ads,” *Wall Street Journal*, May 2, 2022, at <https://www.wsj.com/articles/china-is-frequent-topic-especially-for-gop-in-midterm-campaign-ads-11651489201>

32 Stephanie Lai, “In Orange County, a House Race Is Testing What Asian Americans Want,” *New York Times*, September 8, 2022, at <https://www.nytimes.com/2022/09/08/us/elections/orange-county-asian-american-voters.html>

As the 2024 presidential election approaches, China is already emerging as a major campaign issue. Several candidates in Republican primaries have focused on China to distinguish themselves from Donald Trump. Nikki Haley gave a major speech on China in June 2023 and, in a pointed critique, said that “China was ... militarily stronger — when President Trump left office than when he entered. That’s bad.” She added that Trump “did too little about the rest of the Chinese threat” and demonstrated “moral weakness in his zeal to befriend President Xi.”³³

The momentum on China in the Republican presidential primary debates is building. During the first debate among Republican candidates in August, China loomed large from both the candidates in the actual debate and from Trump in his counter programming. China’s close ties with Russia and the need for the US to arm Taiwan were common themes. Curiously, the most frequent China-related claim by all the candidates was that the Biden administration was making Americans dependent on China for energy through subsidies for electric vehicles, solar panels, and wind turbines. In an interview occurring at the same time as the August debate, which he did not attend, Trump lauded the use of tariffs against China, claimed without proof that China had too much influence in Latin America (especially Cuba and the Panama Canal region), that Xi respected him, and that Biden was a “Manchurian candidate” influenced by donations to Biden’s institute at the University of Pennsylvania. These comments have clearly set the stage for China policy to become a key tool for Republicans to attack one another, and Democrats, during the presidential election season.

As the 2024 presidential election approaches, China is already emerging as a major campaign issue.

NEW INTEREST GROUP POLITICS

Domestic interest groups have long been active in U.S.-China relations, advocating for their interests before Congress, the executive branch, the media, and the American public. In the past 20 years, the complexion of the groups active in U.S.-China relations has changed substantially. Some have declined in influence (or even disappeared), some have remained active but changed their agenda and/or tactics, and others have burst on the scene with new force. Measuring the impact of interest groups on actual policymaking has long been a challenge and remains so today. However, it is possible to document the changes in the positions and tactics of these groups in their efforts to have a role in U.S. policymaking toward China. Several trends are notable.

A variety of interest groups have declined in activity and influence. For starters, after much advocacy in the 1980s and 1990s, some nongovernment research organizations focused on nuclear and missile nonproliferation — the nonproliferation lobby — are no longer very active in U.S.-China relations and some no longer exist.³⁴ This is partly a result of China’s improved nonproliferation controls, but China nonetheless remains important to the global efforts to restrain Iran’s and North Korea’s nuclear and missile programs. As China grows the size of its nuclear arsenal in the next 10–15 years, this community may become more involved in U.S.-China issues by advocating for the initiation of arms controls talks with China.

33 See “Remarks and a Conversation with Amb. Nikki Haley on the Future of US-China Policy,” American Enterprise Institute, June 27, 2023, at <https://www.aei.org/events/remarks-and-a-conversation-with-amb-nikki-haley-on-the-future-of-us-china-policy/>; also see Nikki Haley, “Nikki Haley: My Plan to Confront the Chinese Threat,” *Wall Street Journal*, June 26, 2023, at <https://www.wsj.com/articles/my-plan-to-confront-the-chinese-threat-tech-transfer-military-farmland-1d5fbda5>

34 Formerly prominent NGOs that no longer exist include the Nuclear Control Institute. The ones historically active on U.S.-China issues include the Wisconsin Project on Nuclear Arms Control, the Carnegie Endowment for International Peace, the Arms Control Association, and the Center for Nonproliferation Studies.

Groups advocating for greater attention to the plight of ethnic Tibetans in China have declined in advocacy and influence in recent years. Formerly centered on the activities of His Holiness the Dalai Lama and the International Campaign for Tibet (ICT) and other groups, the advocates for Tibetans' rights in China have suffered from the aging of the Dalai Lama as well as the death of Lodi Gyari, one of the ICT's greatest strategists and proponents. The fact that Chinese officials have been unwilling to meet the Dalai Lama's representatives for more than 10 years or even consider talking about Tibetan rights with foreign officials has further frustrated their goals. It is notable that Dalai Lama has not sought to meet either Presidents Trump or Biden, which was a signature priority of the Tibet lobby in past years.

Other groups with a narrow agenda have faced similar atrophy. Those focused on the prison labor system in China — formerly led by the late Harry Wu — as well as organizations focused on religious freedom are far less active with Congress, the executive branch, and the broader society. President George W. Bush cared deeply about religious freedom in China and embraced many of these groups — and even gave the Dalai Lama the Congressional Medal of Honor. However, in the past 10 years, these religious groups have become less involved in debates and discussions in Congress and the media about China policy.

The Business Lobby

U.S. companies' views on doing business with and in China have changed substantially in the past decade; as a result, their activities in Washington have evolved as well. In aggregate, the U.S. business community has become more skeptical of doing business in China — due to a combination of legal, regulatory, supply chain, political, and geopolitical risks (in both China and the United States). Perhaps more interesting is that the business community has become divided in its sentiments about China and

in actions to lobby the U.S. government. Gone are the days of large and diverse coalitions of businesses driving China-related outcomes in Washington.³⁵ While such efforts persist, they tend to be individualistic and focused on narrow sector-specific and company-specific goals.³⁶

U.S. companies' general pessimism about doing business in China has more than doubled from a decade ago.

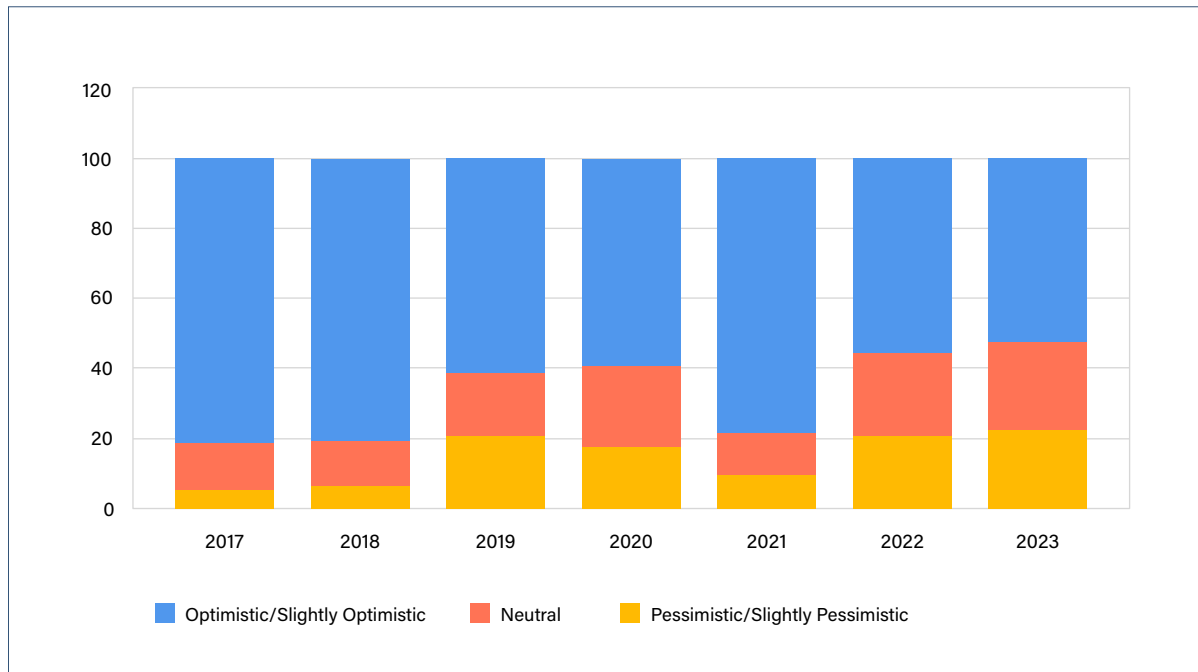
U.S. companies' general pessimism about doing business in China has more than doubled from a decade ago, based on data from the two most prominent time series surveys done by the American Chamber of Commerce in Shanghai and the U.S.-China Business Council.

According to the September 2023 American Chamber of Commerce survey, optimism about the five-year business outlook fell to 52%, the lowest in the survey's history. The share of firms identifying as slightly pessimistic or pessimistic was 23%, even worse than the prior low in 2019 during the U.S.-China trade war; 22% of companies expect to decrease investment, on par with last year, and the highest ever for the manufacturing sector at 29% (See Figure 5). The report stated that the leading reason for decreasing investment was overwhelmingly uncertainty about the U.S.-China trade relationship,

35 For a description of these and other coalitions, see Kerry Dumbaugh, *Ten Years in U.S.-China Policy: Interest Groups and Their Influence, 1989–2000*, Congressional Research Service, Library of Congress, December 12, 2000, at https://www.everycrsreport.com/files/20001212_RL30768_5d89d94549c1884da182fa167302e42db642c43d.pdf

36 Ana Swanson, "Nike and Coca-Cola Lobby Against Xinjiang Forced Labor Bill," *New York Times*, January 20, 2021, at <https://www.nytimes.com/2020/11/29/business/economy/nike-coca-cola-xinjiang-forced-labor-bill.html>

FIGURE 5 FIVE-YEAR BUSINESS OUTLOOK FOR CHINA (AMCHAM SHANGHAI)



Source: China Business Report, The American Chamber of Commerce in Shanghai, 2023

followed by expectations of slower growth in China and uncertainty over future Chinese commercial policies and policy implementation; 40% of survey participants are diverting — or planning to redirect — investment originally planned for China, a six-point increase from last year. Southeast Asia remains the most favored destination, followed by the United States, Mexico, and Europe, which surpassed the Indian subcontinent for the first time.³⁷

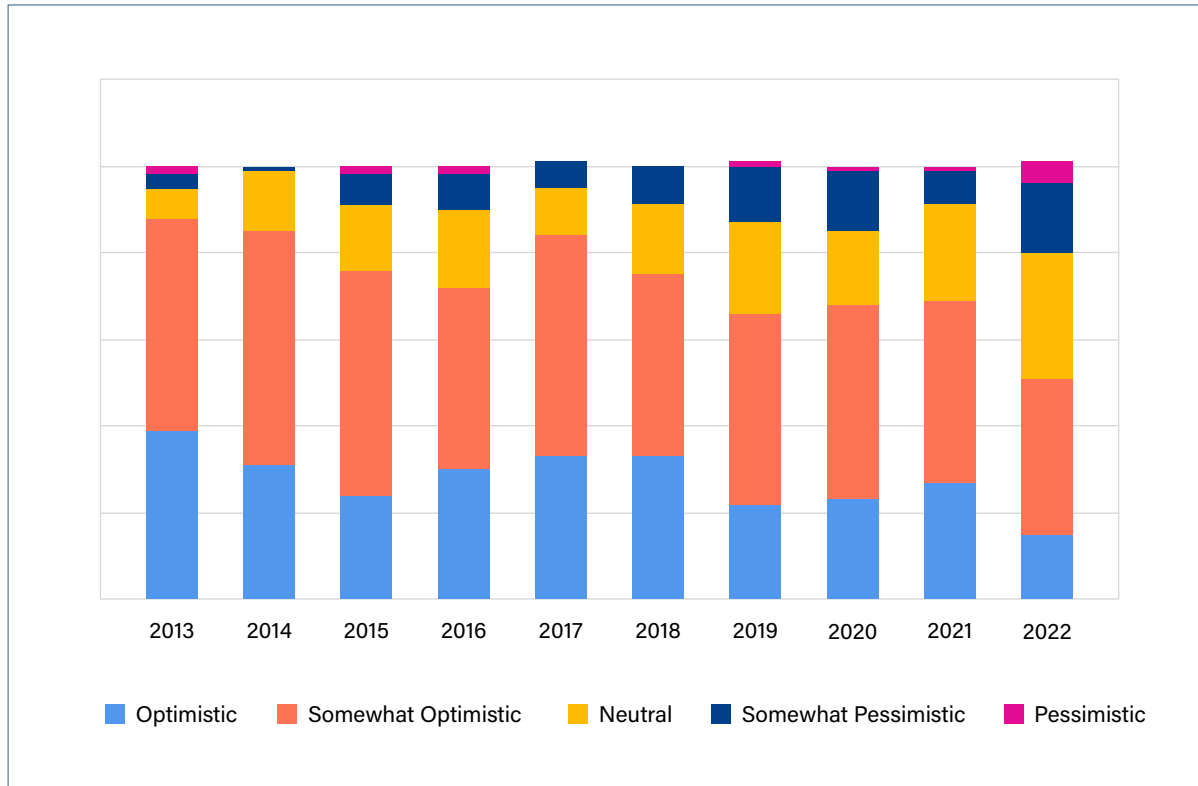
The typically more optimistic survey done by the U.S.-China Business Council explained the sources of these concerns, amid continued pessimism even last year following China's opening after the abandonment of its zero COVID policy. In this September 2023 survey, U.S. companies' five-year business outlooks have continued a downward trajectory. Optimism reached an all-time low and pessimism reached an all-time high of 28%, up seven points from 2022; this was also more than triple the figure from 2021 (See Figure 6). Based on the survey, "companies attribute their five-year outlooks to concerns about geopolitics (77 percent), China's policy and regulatory environment (64 percent), and competition (50 percent), among other issues." In particular, rising U.S.-China tension "over the last 12 months has led to uncertainty, lost sales, and rising costs for more USCBC member companies than ever before."³⁸

To be sure, the business community is far from unified about China, and its views are very much a function of its sectors and associated business models. The key sectors for U.S. business in China include retail and consumer goods, agriculture, manufacturing, financial services, pharmaceuticals,

37 2023 China Business Report, American Chamber of Commerce in Shanghai, 2023, at <https://www.amcham-shanghai.org/en/article/amcham-shanghai-releases-report-business-climate-china>

38 2023 Member Survey, U.S.-China Business Council, Washington, DC, at <https://www.uschina.org/reports/2023-member-survey>

FIGURE 6 FIVE-YEAR BUSINESS OUTLOOK FOR CHINA (US-CHINA BUSINESS COUNCIL)



Source(s): U.S. China Business Council

medical devices, and technology (which itself is heavily diversified into sub-sectors). The upshot of this sectoral breakdown is that the U.S. business community has become quite mixed about doing business in China, and this has affected their role in domestic debates about China policymaking.

U.S. retail companies including Starbucks, Nike, Procter & Gamble, and Walmart have substantial sales throughout China and remain bullish on the prospects of growing market share and profitability as domestic consumption grows, especially among its middle class. Some retailers, such as Walmart and Starbucks, have limited manufacturing footprints in China, which reduces their exposure to problematic local conditions (though local competitors are growing). U.S. manufacturing companies, including Boeing and General Motors, Tesla and Caterpillar, see sales to China and production in China for the China market as central to their global business given the volumes involved, even as market access is a perennial challenge. Financial services companies, such as JP Morgan, Citibank, and Chubb insurance, tend to see China as a growth opportunity as China's financial sector opens up (and the Chinese dangle the prospect of gaining access to some \$40 trillion in Chinese savings in Chinese banks). Interestingly, for most U.S. financial firms, the China market is less about their modest current revenues and more about the future as that market currently remains a very small share of their global revenues.

For other sectors and U.S. companies, China is important but also increasingly challenging. Pharmaceutical and medical technology companies appreciate the size of the market and the growth potential but face a growing amount of Chinese regulation and domestic competition, along with

supply chain issues. Perhaps the sector of greatest division is technology. Some companies such as Meta, Google, X (formerly Twitter), and U.S. cloud computing providers have been largely locked out of the China market. AirBnB and LinkedIn recently left after the regulatory burdens grew. By contrast, Apple used China as a massive production base to meet its global demand but now seems to be shifting to production for the United States out of China and is only producing in China for its domestic market. U.S. semiconductor firms such as Qualcomm and Nvidia profit from sales of their chips to Chinese firms but now face growing U.S. export control burdens.

In sum, despite the aggregate pessimism of U.S. firms toward the China market, there are a diversity of views, with many companies still deeply invested in China. Many firms want to remain active in China (for sales or production, or both); some want to continue but reduce their footprint as the political, geopolitical, legal, and regulatory barriers to doing business there grow. Others see exit as a medium-term imperative.

These changes in both the aggregate and specific business sentiments toward China have changed the role of the business community in U.S. policy debates. They have also meant that Beijing has lost its strongest and most convincing support group in the United States, altering the political economy of U.S.-China relations for the long-term.³⁹ This manifests in several ways.

First, gone are the grand business coalitions that were critical to passing legislation such as MFN renewal and PNTR in the 1990s. Prominent examples include the 1,000-member Business Coalition for U.S.-China Trade, which included the National Association of Manufacturers, the National Retail Federation, the Business Roundtable, the National Foreign Trade Council, and the U.S. Chamber of Commerce. Such grand coalitions are no longer active on China issues with Congress. And this comes at a time when congressional actions to regulate U.S. companies' engagement with China have been growing. Notably, no large coalitions formed to lobby against Trump's tariffs, the Uighur Forced Labor Protection Act, or even new exports controls. To the extent lobbying occurred, none was very successful except for company-specific exemptions.

Second, in the era of U.S.-China strategic competition and concerns about U.S. economic security, many companies have been reluctant to be vocal, in the media or in Congress, in supporting U.S.-China trade. When companies do lobby, they tend to do so individually or under the guise of industry associations such as the U.S.-China Business Council. Their efforts are as low key and nonpublic as possible; they are narrowly focused on companies' interests such as securing exceptions to specific policies, including tariffs.

During the early days of the trade war with China, not only were no such grand coalitions formed to oppose it, but the lobbying by singular trade associations and/or companies was very specific (for exceptions for their goods) and often not public. Some trade groups and individual companies lobbied against all Trump's tariffs and other actions, but none succeeded in stopping them.⁴⁰ While

39 For an impressive assessment of the Chinese policies that have driven the changes in U.S. business sentiments, see Arthur Kroeber, "The Economic Origins of US-China Strategic Competition," in Evan S. Medeiros, ed., *Cold Rivals: The New Era of U.S.-China Strategic Competition* (Washington, DC: Georgetown University Press, 2023).

40 Swanson, "Nike and Coca-Cola Lobby Against Xinjiang Forced Labor Bill," *New York Times*, November 29, 2020, at <https://www.nytimes.com/2020/11/29/business/economy/nike-coca-cola-xinjiang-forced-labor-bill.html>; "U.S. trade group says 'unrealistic' for American retailers to exit China," *Reuters*, August 23, 2019, at <https://www.reuters.com/article/uk-usa-trade-china-retail-idUKKCN1VD255>

many companies opposed the tariffs, none wanted to become a target of the Trump administration or conservatives in Congress. Many also supported Trump's "phase one" trade deal with China but mainly because of the purchase commitments in the agreement's annex. Interestingly, U.S. farmers and retailers opposed the tariffs because they were hurt the most, but this never developed into a broader lobbying coalition (and farmers remained strong supporters of Trump's reelection campaign in 2020). Several U.S. tech companies opposed the October 2022 export control restrictions on semiconductors, but none publicly criticized the Biden administration's actions and certainly have not forged coalitions to lobby Congress or the administration. As a result, U.S. government restrictions on tech trade with China are only growing.

The one area where U.S. companies have been active is their diplomacy toward China. As U.S.-China relations thawed in spring 2023 and travel to China reopened, several U.S. CEOs made high-profile trips to China to underscore their interest in the China market. The list included Tim Cook (Apple), Elon Musk (Tesla), Jamie Dimon (JP Morgan Chase), Albert Bourla (Pfizer), and Ray Dalio (Bridgewater). Beijing has actively courted these CEOs and given them access to the leadership as a way to both reassure them that China remains supportive of their investments and signal that bilateral business affairs should remain a key driver and source of ballast for the broader political relationship. Xi Jinping's willingness to meet with these leaders at a high-profile dinner in San Francisco on the margins of the APEC multilateral meeting in November 2023 is further evidence of China's efforts to encourage this interest group to do more to support U.S.-China relations.⁴¹

Human Rights and Labor

A variety of interest groups focused on human rights and labor issues have remained as active as in past years, but their agendas and tactics have evolved. The approach of human rights organizations to both the executive branch and Congress on the issue of U.S.-China relations has evolved in recent years. They have tended to focus less on the fate of individual cases and dissidents and more on broader

The labor lobby — groups defending workers' rights — continues to be an important and effective force in U.S. debates and policymaking on China.

classes of problems in China, including the plight of the Uighurs in Xinjiang, the crackdown in Hong Kong, the use of technology to subvert basic freedoms in China, and the export of such technology to other repressive regimes abroad. Many human rights groups have worked closely with congressional allies in both parties, and especially with the Congressional Executive Commission on China, to draft legislative actions to improve U.S. tools to penalize China for illiberal behavior. They have

scored some important successes in recent years with two pieces of legislation on Hong Kong and one on forced labor in Xinjiang. Groups such as Human Rights Watch and Amnesty International have been effective at building transnational linkages to experts and officials in such regions as Europe, especially in the EU Parliament, similarly concerned about China's human rights behaviors.

The labor lobby — groups defending workers' rights — continues to be an important and effective force in U.S. debates and policymaking on China. Often captured in the positions of the AFL-CIO and the

41 Orange Wang, "Chinese Foreign Minister Qin Gang Assures US Business Leaders of Beijing's Support," *South China Morning Post*, March 26, 2023; "Chinese Foreign Minister Tells US Businesses They Face 'Triple Benefits' in China, but Regrets 'Cold Spring' in Bilateral Ties," *Global Times*, March 25, 2023, at <https://www.globaltimes.cn/page/202303/1287954.shtml>

Economic Policy Institute, these organizations have long argued *against* more U.S.-China trade, in favor of tariffs, and in defense of the rights of U.S. workers. This interest group scored a major success when Trump imposed tariffs on imports from China beginning in 2018, which they had been advocating for years. Indeed, as an indication of labor's political salience, most of the tariffs remain in place today despite opposition from the business community and even top economic policymakers in Biden's own cabinet.⁴² Labor groups have also been active in more recent U.S. debates about the national security risks of trade and investment with China, supporting more export controls and related restrictions on trade in sensitive technologies. More recently, labor has become a strong advocate for greater U.S. government scrutiny of U.S. companies' production in China and for more reshoring of manufacturing. On the issue of supply chain security, during congressional debates, labor's agenda has converged with that of other interest groups such as human rights, some business groups, and those concerned with national security to get greater attention on this set of issues.

Taiwan

The Taiwan lobby has been a key interest group at the center of U.S. debates about China for decades, though its influence has waxed and waned. This is a collection of government and nongovernment experts and organizations that seek to advance Taiwan's interests before the U.S. Congress, the executive branch, the media, and the broader public. Their activities and influence on policymaking have changed substantially in the past 15 years.

During the George Bush administration, this group's influence in Washington generally declined given the tensions between the United States and Taiwan from 2002 to 2008 and the well-known dislike by President Bush of Taiwanese president Chen Shui-Bian (who left office in 2008). During the Obama administration, Taiwan's official representatives in Washington — in contrast to the 1980s and 1990s — worked more with the administration than through Congress to advance Taiwan's agenda. Taiwan believed that progress was easier in this era given the positive relations between Beijing and Taipei following President Ma's 2008 election and used that to grow U.S.-Taiwan cooperation.

During the Trump administration and up to today, Taiwan's representatives and advocates have been pulling on all levers — Congress, the executive branch, think tanks, and the media — to get more attention to Taiwan's situation and more U.S. cooperation with Taiwan, especially defense cooperation. As a result of these efforts, and of China's increasing assertiveness in the region and especially across the Taiwan Strait, both the Trump and the Biden administrations increased their interactions with Taiwan, such as by offering new types of access and privileges. Notably, in June 2023, the United States and Taiwan signed their first trade agreement, called the U.S.-Taiwan Initiative on 21st Century Trade.⁴³

Taiwan has been perhaps most effective at cultivating support in the U.S. Congress. The membership of the congressional Taiwan lobby has grown in the past five years as Taiwan invested in renewing its ties with members in the face of Chinese coercion. There have been more hearings about Taiwan and pieces of draft legislation. Congressional travel to Taiwan has also become a calling card for both liberal

42 Alan Rappeport and Keith Bradsher, "Yellen Says China Trade Deal Has 'Hurt American Consumers,'" *New York Times*, July 16, 2021, at <https://www.nytimes.com/2021/07/16/us/politics/yellen-us-china-trade.html>

43 The agreement covers the areas of customs administration and trade facilitation, good regulatory practices, domestic regulation, anticorruption, and small- and medium-sized enterprises. See "USTR Announcement Regarding U.S.-Taiwan Trade Initiative," Office of the U.S. Trade Representative, May 18, 2023, at <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2023/may/ustr-announcement-regarding-us-taiwan-trade-initiative>

and conservative members of Congress. The high-water mark of this trend was House Speaker Nancy Pelosi's visit to Taipei in August 2022, only to be followed by a pledge by Speaker Kevin McCarthy to do the same in spring 2023, which he ultimately deferred in exchange for a meeting and press event with President Tsai during a transit visit in spring 2023. Ironically, a clear sign of Taiwan's growing influence with Congress has been its ability to defer the activism of congressional members, such as Speaker McCarthy's desire to travel to Taipei and that of Select Committee Chair Mike Gallagher (R-WI), who wanted to convene a full hearing on Taiwan. Taiwan persuaded both to defer such actions during a period of already substantial Chinese military activity around Taiwan. Nonetheless, the number of members of Congress who have travelled to Taiwan has shot up in the past three years to 40 in 2023. According to a recent CSIS study, this number of congressional visits to Taiwan has more than doubled relative to 2013 as the number of visits to China bottomed out during COVID and has not resumed.⁴⁴

Taiwan's current representative in Washington, Bi-khim Hsiao, has been an important part of this success. As a bilingual and bicultural diplomat (she was raised in New Jersey and attended Oberlin College) who is known to be close to President Tsai, she has been effective at cultivating support in both parties in Washington and for making the case for enhanced trade and defense cooperation. These efforts have been aided by the growing importance of semiconductors to the global economy and the prominence of the Taiwan company TSMC at the center of this conversation because it is the world largest producer of advanced semiconductors. Beyond Congress, the Taiwan government has helped create new U.S.-based think tanks focused just on Taiwan, which have helped sustain a focus on the diplomatic and security challenges facing Taiwan. These include Project 2049 and the Global Taiwan Institute.

Civil Society

Beyond Washington's intense policy debates, an assortment of other civil society interests, such as nongovernmental organizations (NGOs), universities, academics, students, and media also play an important role in U.S.-China relations. These groups historically have served as a source of connectivity and ballast in the relationship because many of these organizations and individuals have historically

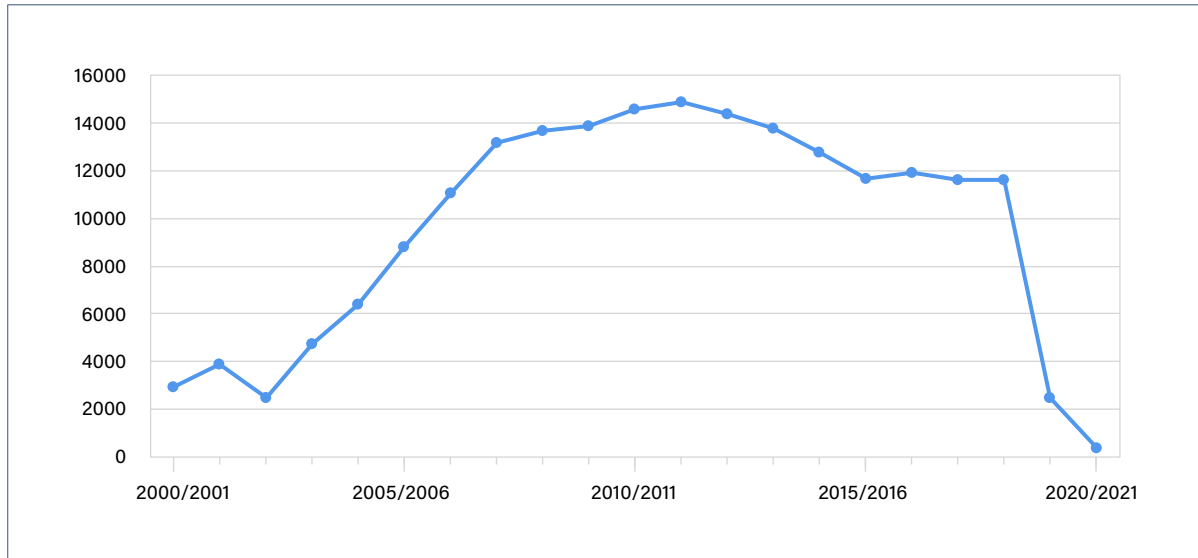
Because of Chinese controls and political sensitivities, interactions between U.S. and Chinese NGOs, journalists, researchers, and students are way down.

been more open to interacting with China. However, in recent years, many have found themselves challenged by the changing landscape of U.S.-China tensions. Because of Chinese controls and political sensitivities, interactions between U.S. and Chinese NGOs, journalists, researchers, and students are way down. At the same time, many Americans have become so concerned about their security in China and Hong Kong that they are reluctant to travel there. To be sure, the reduced interactions are due initially to restrictions from the COVID era, but even in the post-COVID world many interactions have not

returned to prior levels. A driver of reduced interaction is the Chinese government's growing suspicion of the intentions of U.S. NGOs, academics, students, and others who previously interacted more freely with Chinese counterparts and society. Beijing has taken numerous policy actions to restrict such exchanges. Likewise, particularly during the Trump administration, the U.S. government has acted to scrutinize the activities of Chinese organizations, media outlets, and academics in the United States.

⁴⁴ Scott Kennedy, "Codels: Fortifying Congress's Role on China Policy," Center for Strategic and International Studies, Blogpost, October 13, 2023, at <https://www.csis.org/blogs/trustee-china-hand/codels-fortifying-congress-role-china-policy>

FIGURE 7 AMERICAN STUDY ABROAD IN CHINA FROM 2000-2021



Source: opendoorsdata.org

Under Xi's 2017 NGO law, numerous U.S. NGOs involved in issues such as environmental protection, rule of law, and women's rights were forced to either register with the Ministry of Public Security or leave China. As of June 2022, the number of international NGOs deregistered from China was 59.⁴⁵ The number of U.S. students studying in China has declined precipitously to only a few hundred in 2021 from a peak of some 15,000 ten years before (See Figure 7). It is unclear if the number will return to previous levels due to concerns about health and safety. These numbers are even more striking in the context of some 300,000 Chinese studying in the United States in 2022, only slightly off the peak of nearly 370,000 in 2019 (See Figure 8). China's National People's Congress recently proposed an update to the NGO law making it is stricter, which could further reduce connectivity with China.

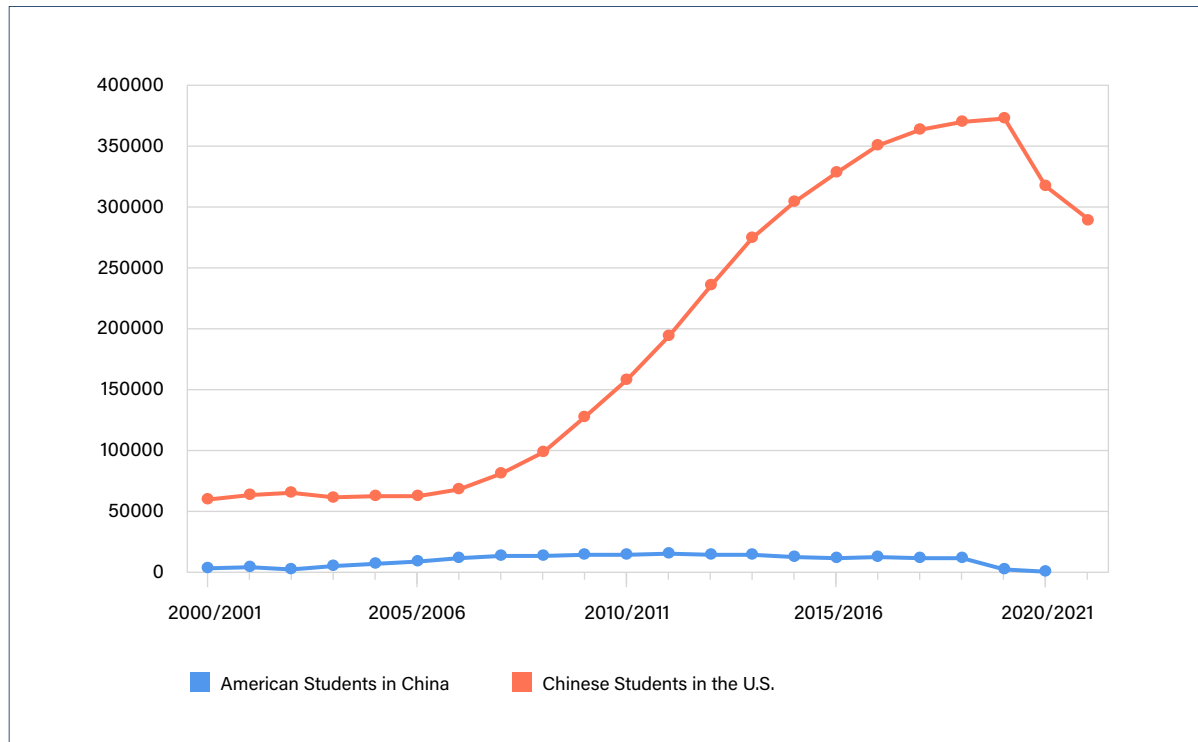
Xi's April 2023 revised espionage law may also impact these trends. The revised law expanded the scope of covered activities considered to constitute a state secret in such a way that it created a new set of legal risks for students, academics, and even consulting firms conducting routine research interviews or undertaking standard due diligence studies. The ambiguity around what kind of documents, data, or materials could be considered relevant to national security will likely continue to have an ever more chilling effect on U.S. social science research in China. In the fall 2023, China's security services initiated a very public campaign to highlight the threats to Chinese citizens from foreign spies, including by releasing details of Chinese allegedly recruited by U.S. intelligence services.⁴⁶

U.S. universities face a variety of new and vexing challenges on China issues, which range from research security (especially for schools in the fields of science and technology) to academic freedom in the classroom and on campus. Legal scrutiny from the U.S. government of universities' interactions with China has also grown in recent years, resulting in some legal actions against U.S. professors. Then

45 See List of De-Registered Representative Offices, ChinaFile, The Asia Society, at <https://www.chinafile.com/ngo/latest/list-of-de-registered-representative-offices>

46 Vivian Wang, "China to Its People: Spies Are Everywhere, Help Us Catch Them," *New York Times*, September 3, 2023, at <https://www.nytimes.com/2023/09/02/world/asia/china-spies-campaign.html>

FIGURE 8 U.S.-CHINA STUDENT EXCHANGE TRENDS



Source: opendoorsdata.org

there is the question of the physical security of Chinese students when they return from abroad to China. In one prominent case, a mainland Chinese student at the University of Wisconsin was arrested in China for a tweet shared when he was on campus in the United States during the previous semester. In another prominent case, a Georgetown University undergraduate student — who was a U.S. citizen by birth — was placed under an exit ban and not allowed to leave China for close to three years, more than half his time at the university. The student and his sibling were finally released when Washington and Beijing resolved the extradition case related to Huawei executive Meng Wenzhou.⁴⁷

In addition to academics, more and more media outlets have had their foreign correspondents denied visas to work in China. Beijing has substantially restricted the staffs of entire media outlets in China including: the *New York Times*, the *Washington Post*, and the *Wall Street Journal*. As a result, many in the media have become more negative about operating in China. According to the 2022 survey of the Foreign Correspondents Club of China, 51% of respondents said the fear of losing their visas had affected their reporting a little, and 41% said that it regularly disrupted their ability to report adequately. In sum, the changing political environment in China has had a major impact on the perceptions of many aspects of U.S. civil society and reduced its role as a mechanism for contact, communication, and understanding.

47 Michael Forsythe, Chris Buckley, and Katie Benner, "American Siblings Barred from Leaving China for 3 Years Return to U.S.," *New York Times*, September 27, 2021, at <https://www.nytimes.com/2021/09/27/us/politics/china-americans-released.html>

PUBLIC OPINION

U.S. public opinion toward China has changed rapidly and substantially in recent years. It has become much more negative, with steep drops in the past four years. This is a striking and worrisome development, but what this implies for U.S. policymaking is a separate question and one elucidated by some polling data as well. A persistent challenge with this kind of polling data is determining if it is a leading or a lagging indicator.

First and foremost, for the past 20 years, the historic variation in U.S. views of China — from most favorable to least favorable — has been stable. Based on Pew Research Center data, from 2005 to 2019, favorable views of China vacillated between a high of 50% and a low of 35%, and unfavorable views of China vacillated between a high of 55% and a low of 36%. Yet in 2020, this all began to change. Unfavorable views of China started rising and reached an all-time high of 83% in April 2023. This now includes 44% who are “very unfavorable” toward China, also an all-time high for the Pew survey. The percentage of Americans who describe China as an enemy increased 13 percentage points, from 25% in March 2022 to 38% in 2023, which is the highest recorded by Pew since 2021.

U.S. public opinion toward China has changed rapidly and substantially in recent years. It has become much more negative.

Pew data is corroborated by other time-series polling. Gallup polling, which dates to 1979, recorded a historic low in 2023 of 15% of Americans who view China favorably.⁴⁸ This is less than half of the favorability toward China (34%) following the Tiananmen violence in 1989. The 2023 favorability number represents one of the steepest declines in data that goes back 44 years. According to the Gallup data, “More than eight in 10 U.S. adults have a negative opinion of China, including 45 percent who view it very unfavorably and 39 percent mostly unfavorably.”

Moreover, the age and political breakdowns of these numbers suggest the negative sentiments will persist. According to Pew data, 75% of those aged 18 to 29 have an unfavorable view of China, an increase in the past two years. Based on Pew focus groups, young Americans believe the United States and China are locked in a long-term geopolitical competition. There are also no longer sharp divisions along partisan lines: 89% of Republicans and Republican-leaning people have an unfavorable view of China, and 81% of Democrats and Democratic-leaning people have an unfavorable view. Among Republicans, those holding very unfavorable views represent a much larger percentage than among Democrats. Democrats are more likely than Republicans to say the United States and China can cooperate on key issues, especially regarding health security and climate change where the difference between the two parties is more than 20%. Both parties are most positive about cooperating with China on economic policy and on student exchanges, with Democrats’ support exceeding Republicans’ support by 16% and 14%, respectively. That said, the percentage of Democrats who see China as an enemy has increased from 12% to 27%, with the number for Republicans at 53%, an increase of 11 percentage points from 2022.⁴⁹

48 Gallup has tracked China’s image in the United States at least once a year since 1996 and, prior to that, measured it six times between 1979 and 1994. Favorability of China was highest in early 1989, at 72%, but it fell to 34% later that year in the aftermath of the Tiananmen Square incident. From that point until 2017, China was viewed in a positive light by 33% to 50% of Americans. For just the third time in the trend, favorability rose to the majority level in 2018 (53%). However, it fell to 41% in 2019, 33% in 2020, and 20% in 2021 and 2022 during the height of the COVID-19 pandemic. Before this year’s 15% rating, 20% was the lowest on record. See Megan Brennan, “Record-Low 15% of Americans View China Favorably,” Gallup News, March 7, 2023, at <https://news.gallup.com/poll/471551/record-low-americans-view-china-favorably.aspx>

49 Gallup data tells a similar story. Republicans’ favorable views of China (at 6%) have remained lower than Democrats (at 17%) and independents (at 18%). But in both parties, favorable views have fallen steadily over the past five years. Nearly 90% in both parties see Chinese military power and economic power as a threat, with 80% of Republicans and 60% of Democrats seeing this as a “critical threat.”

Americans' primary concerns are China's policies toward Russia, human rights, and Taiwan.⁵⁰ Notably, American concerns about Taiwan are rising. According to Pew's spring 2023 data, 47% of Americans say that China-Taiwan tensions are a serious problem — a record high for the Pew survey. Based on the Gallup data, 77% have a favorable opinion of Taiwan, which is the highest of the eight readings Gallup has taken since 1996 and is five points higher than the previous one in 2021. According to Gallup data, 78% of Republicans, 81% of Democrats, and 75% of independents now have a positive view of Taiwan, another all-time high. These changes extend to the possibility of conflict; 47% of those surveyed by Gallup called the conflict between China and Taiwan a "critical threat," with another 42% calling it an "important threat." For Gallup these numbers are a big change from past years: in 2004 and 2021, 23% and 30%, respectively, of U.S. adults said the China-Taiwan conflict was a "critical threat," while slim majorities said it was an "important threat."

Americans' primary concerns are China's policies toward Russia, human rights, and Taiwan. Notably, American concerns about Taiwan are rising.

What does this all mean for China policy? New and more detailed September 2023 polling data indicates that it does not mean the American people support a confrontational approach — the opposite, in fact. Based on the polling done by National Security Action,⁵¹ a center-left advocacy organization, "while most voters see China as a competitor, they want a smart and firm approach that avoids war and invests in America's strengths." Although 73% say the United States should hold high-level diplomatic talks with China, only 13% want an aggressive approach, and 5% want a confrontational one. Like the Pew and Gallup findings, these views were bipartisan: 73% of Democrats and 73% of Republicans consider avoiding war very important. In terms of specific policy actions, the poll found that 78% said U.S. leaders should focus more on avoiding military conflict, whereas only 22% said U.S. policymakers should focus on preparing for one.

Taiwan was part of this poll as well. In response to questions about potential U.S. actions after a Chinese invasion of Taiwan, the respondents did not prioritize an immediate U.S. invasion: 78% support working with allies to sanction the Chinese government; 65% support sending weapons and military supplies, but not U.S. troops; and only 42% of voters favored sending U.S. troops to support and defend Taiwan.

NEW BUREAUCRATIC POLITICS

The bureaucratic politics of China policy — the interactions between and among government agencies — is a final but nonetheless critical area affecting China policy. As China became more important to a diversity of U.S. economic, diplomatic, and security interests in the 2010s, China policy effectively "globalized," which meant it touched regions and functional issues far from Asia. As a result, the bureaucratic politics of decision-making on China became vastly more complex. The even more recent advent of the era of "strategic competition" played an especially important role in this evolution by

50 Most Americans – 62% – view China's relationship with Russia as a "very serious problem." This is an increase from last year and back to the levels following Russia's early 2022 invasion of Ukraine. Interestingly, about 50% of Americans see China's human rights policies as a very serious concern, which is similar to past years. This is a bipartisan concern, though conservative Republicans and liberal Democrats are more concerned than their moderate counterparts.

51 Alexander Ward and Matt Berg, "2024: The Foreign Policy Election?" *Politico*, October 20, 2023, at <https://www.politico.com/newsletters/national-security-daily/2023/10/20/2024-the-foreign-policy-election-00122691>. The national survey was conducted in early September 2023 by Hart Research Associates among more than 1,200 registered voters, plus additional interviews to increase the sample sizes for AAPI voters (n=249), after a series of focus groups by GBAO Strategies. The results can be found at <https://www.politico.com/f/?id=0000018b-4ddf-deb8-ad8b-dfdf3c660000>

supercharging agencies to find more expertise, more access to information, and new organizational structures to formulate and implement U.S. policy. Several changes are notable.

The first big change is the proliferation of actors within the U.S. government involved in U.S.-China relations. With China not just a global actor but also a global risk, and U.S. policy focused on strategic competition, China now touches issues and agencies far beyond the traditional locus of policymaking: the State and Defense Departments, the economic agencies, and the intelligence community. As a result, there are more agencies with more equities at the table, and many have their own agendas. This is a long-term trend but one that has intensified in the past ten years and especially the past five.

The diversification of the China portfolio is best captured in the expansion of the staff of the National Security Council (NSC) devoted to China. Until 2013, there was a single China director at the NSC, who reported to the senior director for Asia, the president's top Asia advisor. That grew to two directors in the later years of the Obama administration. The Trump team expanded it to four and made the lead China director a deputy senior director, a new title in the NSC system. The Biden administration further upgraded coverage of China to a senior director for China, supported by some three to four directors covering China and Taiwan issues. These people were responsible for coordinating the interagency policymaking related to China on a day-to-day basis. The Biden NSC also added a technology directorate, as distinct from cyber issues, which focused heavily on coordinating U.S. policy toward the emerging technology competition with China.

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This proliferation of China equities in policymaking influenced outcomes in several ways. Basically, it created far more policy outputs but also more conflicts and trade-offs as decision-makers sought to balance functional issues, bilateral issues, and regional priorities. As China became more active in areas outside Asia, policymakers needed to balance multiple regional agendas at the same time. For example, the U.S.-Canada relationship became consumed by the extradition case of a Huawei executive for some three years. The U.S. effort to stop countries from using Chinese technology for 5G telecommunication had a major impact on U.S. bilateral relations with many countries, ranging from the UK to Brazil. And, more recently, the question of microchips and the ecology of the so-called Silicon Triangle among Taiwan, China, and the United States became an issue of immense consequence to global supply chains and markets.

Another common policymaking challenge was the lack of China expertise across the bureaucracy to make sound policy. Agencies often lacked the capabilities to contribute to policy debates on China. Even in mainline agencies such as Treasury and Commerce, the amount of China expertise was narrow in scope and limited in number. The bureaucracy also lacked the decision-making structures to deal with this complexity — both the new sets of issues confronting policymakers (e.g., cybersecurity) and the multiple and competing interests at stake. For many agencies, China-related decisions involved such difficult trade-offs and it was only an agency's top officials — secretaries or deputy secretaries — who had the authority to adjudicate among competing priorities. The need to constantly elevate decisions slowed decision-making and, in some cases, politicized it. That condition persists today.

A second feature of the evolving bureaucratic politics of U.S. China policy is the creation of new organizational structures to manage policymaking in the era of strategic competition. In fall 2022, the State Department created the China House, a reference to the Soviet House during the Cold War. This new structure aspires to create a large cadre of China experts in the East Asia Bureau, led by a coordinator who is supposed to be a Senate-confirmed official.

The core innovation of the China House is that it does not just manage U.S.-China affairs but coordinates U.S. diplomatic policy toward China worldwide and treats China as a global portfolio, covering both regional and functional issues. Unlike a traditional regional bureau, China House has the authority to reach across the department to track China-related events and coordinate policymaking across a traditionally stove-piped system, including regional bureaus and embassies all over the world. The purpose is to prevent each bureau — such as Europe, the Middle East, nonproliferation, and refugees — from having its own China policy.

In addition, China House seeks to train a new cadre of China hands who are placed throughout the State Department and at key embassies around the globe. China issues are now taught in every A100 Foreign Service introductory course for incoming diplomats and more areas of mandatory training on China are under development. A final goal of China House is to be a repository of China information, including from the intelligence community. This is meant to improve the flow of critical information to bureaus involved in China policy that would not typically have access to such information and intelligence.

A second new structure at the State Department is the Global Engagement Center (GEC), which was established to coordinate U.S. government efforts to counter foreign state and non-state propaganda and disinformation efforts. Although not focused specifically on China, Beijing's propaganda efforts have been a central focus of its work, including by calling out various disinformation campaigns run by China. The GEC, for example, has been at the forefront of documenting parallel disinformation campaigns by Russia and China about U.S. activities in Ukraine meant to advance the Russian narrative to justify its 2022 invasion. Other GEC reports have focused on issues such as "PRC Efforts to Manipulate Global Public Opinion on Xinjiang."⁵²

The intelligence community (IC), too, made similar organizational moves by creating a China Mission Center (CMC).⁵³ The CMC represents an upgrade in the IC's prioritization of China, with more resources, people, and attention focused on the country. According to one media report on the CMC, "The CIA will deploy more officers, linguists, technicians and specialists in countries around the world to gather intelligence and counter China's interests."⁵⁴ The new CMC faces several challenges. One is the need to acquire a substantial amount of China expertise given the demands of the new mission center, as well as increased counterintelligence concerns about recruitment of personnel who have studied

52 This and other reports on China can be found on the GEC homepage at <https://www.state.gov/bureaus-archive/global-engagement-center/>

53 Shane Harris, "CIA Creates New Mission Center to Counter China," *Washington Post*, October 7, 2021; former CIA director Mike Pompeo established Iran and North Korea Mission Centers in 2017, but these were not absorbed by larger components of the CIA.

54 Harris, "CIA Creates New Mission Center to Counter China."

or lived in China.⁵⁵ Another is the ability to disseminate the research and analysis to the agencies in a timely manner so that it can inform and influence policy decisions.

A third and final feature of the new bureaucratic politics is the emergence of newly created bureaucratic actors — or newly empowered ones — who have a substantial impact on U.S.-China relations. A recent and prominent example is the Department of Justice's (DOJ's) 2018 China Initiative that targeted Chinese economic and national security espionage in the United States, with a focus on critical infrastructure and the private sector.⁵⁶ The DOJ launched the initiative because it assessed that the level of Chinese espionage and nontraditional intelligence collection had reached a tipping point that demanded attention.

Run by the DOJ and the Federal Bureau of Investigation (FBI), the initiative opened more than 2,000 investigations since its inception and, according to FBI Director Chris Wray, in 2021 it was opening new cases every 10 hours.⁵⁷ The initiative's work has been the subject of much controversy. The FBI and the State Department disagreed about how to handle a sensitive situation involving Chinese Ministry of State Security officials traveling in the United States.⁵⁸ The initiative's focus on Chinese activities with U.S. academics and universities resulted in some high-profile arrests but also in high-profile cases against Chinese Americans that were ultimately dismissed, generating criticism of anti-Asian bias in the FBI's activities.⁵⁹ The DOJ formally closed the China Initiative in February 2022, but many investigations continue as Chinese espionage remains a priority for the FBI.

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Another important bureaucratic structure that has existed for decades but has grown substantially in influence is known as the End-User Review Committee (ERC). Chaired by the Commerce Department, it is an interagency organization responsible for decisions regarding additions to, removals from, or changes to the Entity List and the Military End User (MEU) list; the ERC also makes the decision about whether to apply the foreign direct product rule on a foreign company.⁶⁰ (The foreign direct product rule basically says that if a product was made using American technology, the U.S. government has the power to stop it from being sold — including products made in a foreign country.)

55 For U.S. counterintelligence personnel, the Glenn Duffie Shriver case, in which a young Michigan man was recruited by China's Ministry of State Security during his study abroad in China to apply to first the State Department and then the CIA, has perversely increased scrutiny and concern about hiring the very types of people who have the necessary China expertise and language ability. See <https://www.justice.gov/opa/pr/michigan-man-sentenced-48-months-attempting-spy-people-s-republic-china>

56 The original fact sheet announcing the China Initiative can be found at <https://www.justice.gov/opa/speech/file/1107256/download>

57 Mike Conte, Christian Sierra, and Ben Westcott, "FBI opens a new investigation into China 'every 10 hours'; bureau director says," *CNN*, April 14, 2021, at <https://edition.cnn.com/2021/04/14/politics/fbi-director-china-investigations-intl-hnk/index.html>

58 Kate O'Keeffe, Aruna Viswanatha, and Cezary Podkul, "China's Pursuit of Fugitive Businessman Guo Wengui Kicks Off Manhattan Caper Worthy of Spy Thriller," *Wall Street Journal*, October 22, 2017, at <https://www.wsj.com/articles/chinas-hunt-for-guo-wengui-a-fugitive-businessman-kicks-off-manhattan-caper-worthy-of-spy-thriller-1508717977>

59 For assessments and critiques of the China Initiative, see Eileen Guo, Jess Aloe, and Karen Hao, "The US Crackdown on Chinese Economic Espionage Is a Mess. We Have the Data to Show It," *MIT Technology Review*, December 2, 2021, at <https://www.technologyreview.com/2021/12/02/1040656/china-initiative-us-justice-department/>; Matt Shiavenza, "How the China Initiative Went Wrong," *Foreign Policy*, February 13, 2022, at <https://foreignpolicy.com/2022/02/13/china-fbi-initiative-spying-racism/>; Margaret K. Lewis, "Criminalizing China," *Journal of Criminal Law and Criminology*, 145 (2020), at <https://scholarlycommons.law.northwestern.edu/jclc/vol111/iss1/3>

60 The ERC is composed of representatives of the Departments of Commerce, State, Defense, Energy, and where appropriate Treasury. The ERC is chaired by the Department of Commerce and makes all decisions to add an entry to the Entity List and MEU List by majority vote and all decisions to remove or modify an entry by unanimous vote. See <https://www.bis.doc.gov/index.php/documents/validated-end-user/21-supplement-no-9-end-user-review-committee-procedures/file>

The ERC's designations carry major economic implications because they can bankrupt companies and disrupt U.S. supply chains. The ERC has become a powerful and important organ of policymaking in the era of U.S.-China strategic competition. For example, U.S. actions against Chinese telecommunications firms Huawei and ZTE in 2018 played an important role in escalating the technology competition and in shifting Chinese views about overall U.S. strategic intentions. The ERC was central to the decisions made in October 2022 about expanding controls on U.S. exports of advanced semiconductor chips and their production equipment to China. An open question about the ERC is whether it has the capabilities to evaluate the economic costs for U.S. companies of certain designations and how it makes its judgments in advance of a designation. The ERC presides over a process that now touches multiple diplomatic, economic, and national security equities central to bilateral relations today. In short, it has become one of the central elements in the new operating system determining the future of U.S.-China relations

The changing bureaucratic landscape in the U.S. government is as complex as it is consequential. Both new and newly enfranchised actors are tackling a wide array of issues that seems to grow each week. Both institutions and people are being pulled and stretched in their ability to manage China policymaking, often resulting in a bureaucratic blocking and tackling. In many ways, the trends described in here mirror the broader phenomena analyzed in the section as a whole: the diversification, pluralization, and activism of domestic actors — government and NGO — who are influencing China policy at all levels of the U.S. system. The report now turns to an examination of similar trends in Chinese politics and policymaking toward the United States.

NEW POLITICAL DYNAMICS IN CHINA

Assessing the influence of domestic politics on China's U.S. policy has long been a challenging enterprise. Chinese politics and policymaking are far less transparent than those in the United States, by both design and default. The CCP covets opacity as a source of power, both internally and externally. That opacity is particularly robust around the perceptions, debates, and decisions of the top leaders, especially on foreign and national security policymaking. Adding to the challenge, the components of Chinese policymaking — personnel, institutions, perceptions, and incentives — have changed substantially since the rise of Xi Jinping in the past decade. Thus, the black box of Chinese domestic political dynamics and policymaking makes understanding of its demands and requirements — and the implications for China's U.S. policies — difficult to discern with substantial clarity.

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In addition, there is the question of Xi Jinping as leader and the personal perceptions and worldviews he brings to China's U.S. policy. Regardless of how one chooses to factor this element into understanding China's politics and policymaking, such "Big Leader Kultur" makes considerations of Xi's perceptions and mindset important because Xi tends to dominate the CCP's decision-making process, especially on external priorities such as U.S.-China ties. Thus, Xi's thinking, as challenging as it is to evaluate, is central to understanding the domestic politics of China's policymaking toward the United States.

To be sure, a dark opacity does not prevail in all aspects of Chinese politics and policymaking. Since China's growth model requires a degree of openness to function properly and top Chinese policymakers meet with international counterparts on a regular basis, analysts do get some glimpses into the system's political interstices. This provides us with a diversity of vantage points to evaluate how people, organizations, policies, and ideas are influencing policymaking, including as it relates to U.S.-China relations.

Unlike in the past, there are now more and more diverse windows through which to observe policymaking in China. Chinese officials and experts are more willing to discuss certain Chinese policies (such as economic decisions) in part to explain and justify them, which many feel the need to do more so these days. A growing body of evidence now shows that domestic political dynamics — both related and unrelated to U.S. policies — directly influence the tone and content of China's strategies and policies toward the United States.

This part of the study evaluates the links between Chinese politics and policymaking toward the United States in the following manner. The first section examines the unique attributes of Xi's thinking and approach to foreign affairs and U.S.-China ties, as distinct from those of his predecessors. To the extent that one can say that Xi's foreign policy has a personality, its traits are explored in this section. The CCP calls this "Xi Jinping Thought on Diplomacy in the New Era," drawing on the nomenclature adopted

at the 19th Party Congress in fall 2017.⁶¹ The second section examines the role of people, institutions, and policymaking processes under Xi. This includes a discussion of Chinese public opinion. A third section examines the influence of Xi's policy priorities on China's foreign relations and specifically on policymaking toward the United States.

Using this three-part framework, this report argues that the attributes and requirements of Chinese politics — perceptions, actors, institutions, processes, and incentives — have changed substantially in the Xi era and especially after the 20th Party Congress. Many of the features of Chinese politics today — both existing and emerging — have direct implications for U.S.-China relations; in some cases, Chinese policy choices (e.g., on economic policy) are a result of U.S.-China dynamics, and, in other cases, politics drive policy choices toward the United States (e.g., increased threat perceptions). This study argues that most of the domestic dynamics in China today are accentuating the competitive aspects of U.S.-China relations and shrinking the space for meaningful cooperation, and these forces are likely to grow in the future.

PERSONALIZATION OF FOREIGN POLICY

There are, at least, two dimensions of the unique mindset that Xi brings to bear on foreign policy and China's U.S. policy. The first is his perception of global politics and of the United States today, and the second is his leadership style as applied to Chinese diplomacy.

First, Xi's perceptions of China's external environment and the role of the United States have deteriorated substantially, and in a relatively short period of time. In 2018, in the first year of his second term and just after the 19th Party Congress, Xi remained positive — almost ebullient — about global affairs. At the Foreign Affairs Work Conference in 2018, he said, “China has been in the best period of development since modern times, while the world is undergoing the most profound and unprecedented changes in a century; and these two aspects are intertwined and interact with each other. China enjoys many favorable external conditions to carry out work related to foreign affairs at present and in the years to come.”⁶² Indeed, as an indicator of China's growing confidence, at this conference Xi said for the first time 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.”⁶³ This set in motion an international agenda that has involved a greater activism by China in shaping international rules, norms, and institutions to be more consistent with Chinese interests, especially within the UN system.

By 2020 and after several actions by the Trump administration, Xi's optimism started to temper. There was some debate in China about whether the country still enjoyed a “period of strategic opportunity” (战略机遇期), largely due to rising U.S.-China tensions under President Trump and the pandemic.

61 For a classic example of this, see Yang Jiechi, “Deepen the Promotion of Foreign Affairs Work in the New Era Guided by Xi Jinping Thought on Diplomacy,” *Qiushi*, August 2018, as accessed on *CSIS Interpret: China*, at <https://interpret.csis.org/translations/deepen-the-promotion-of-foreign-affairs-work-in-the-new-era-guided-by-xi-jinping-thought-on-diplomacy/>

62 “习近平：努力开创中国特色大国外交新局面” [“Xi Jinping Urges Breaking New Ground in Major Country Diplomacy with Chinese Characteristics”], *Xinhua*, June 24, 2018, at http://www.xinhuanet.com/politics/2018-06/23/c_1123025806.htm

63 “坚持以新时代中国特色社会主义思想为指导 努力开创中国特色大国外交新局面” [Adhere to the guidance of socialist diplomacy with Chinese characteristics in the new era and strive to create a new situation in major-country diplomacy with Chinese characteristics], *Remin Ribao*, June 24, 2018, at <http://cpc.people.com.cn/n1/2018/0624/c64094-30079017.html>

Nevertheless, the official discourse was that the period persisted, albeit with some scholars raising questions about this conclusion.⁶⁴

As late as January 2021 and during the height of the global pandemic, Xi's assessment remained positive but was also outwardly changing due, in part, to U.S.-China tensions. One of Xi's top thinkers, Chen Yixin — who was then the secretary-general of the Central Committee's Political and Legal Committee (and who is now the Minister of State Security) — argued the China was confronting a world challenged by the “triple severe shocks” (三重严重冲击) of COVID, recession, and great power competition. This was the first public usage of this formulation by such a senior official. Regarding the United States, Chen's essay was unusually frank for a Xi confidant responsible for security affairs. He said, “American containment and suppression are a great threat, which could be both a sudden encounter war and a protracted war with China” (美国遏制打压是一大威胁, 既是遭遇战也是持久战). Yet, Chen in this essay also argued that the “east is rising and the west is declining” and the overall conditions for China remain very favorable, citing the successes and growing appeal of “China's solution” or “China's wisdom” (中国方案/中国智慧). He concluded that China is still in a period of strategic opportunity and “in general the opportunities are greater than the challenges.”⁶⁵

[W]ithin a year, and notably after Biden's first year in office and following the Russian invasion of Ukraine in February 2022, Xi's assessment became notably more pessimistic.

Yet, within a year, and notably after Biden's first year in office and following the Russian invasion of Ukraine in February 2022, Xi's assessment became notably more pessimistic. During the 20th Party Congress in October 2022, Xi's speech and his full work report were replete with negative conclusions about the external conditions facing China, and they were especially frank about the threats posed by the United States.⁶⁶ Examples include the following:

- “The hegemonic, high-handed, and bullying acts of using strength to intimidate the weak, taking from others by force and subterfuge, and playing zero-sum games are exerting grave harm. The deficit in peace, development, security, and governance is growing.”
- “The global economic recovery is sluggish, regional conflicts and disturbances are frequent, and global issues are becoming more acute. The world has entered a new period of turbulence and change.”
- China faces “drastic changes in the international landscape, especially external attempts to blackmail, contain, blockade, and exert maximum pressure on China.”
- “External attempts to suppress and contain China may escalate at any time” and China “must therefore be more mindful of potential dangers, be prepared to deal with worst-case scenarios.”

64 On this debate, see Evan S. Medeiros, “China Reacts: Assessing Beijing's Response to Trump's New China Strategy,” *The China Leadership Monitor*, Issue 59, Spring 2019, at https://www.prcleader.org/_files/ugd/10535f_215ae166e24d4be0a094a3b49c71e6ab.pdf

65 For a summary of the speech, see “新发展阶段新在哪里？陈一新从八个方面进行阐释,” [What is new in the new development stage? Chen Yixin explained from eight aspects], January 15, 2021, at https://www.sohu.com/a/444668793_118060?mc_cid=d028ea4f3c&mc_eid=f7f4a56338

66 Xi Jinping, “Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects,” Report to the 20th National Congress of the Communist Party of China, *Xinhua*, October 16, 2022, at <https://english.news.cn/20221025/8eb6f5239f984f01a2bc45b5b5db0c51/c.html>

- China will have to “crack down hard on infiltration, sabotage, subversion, and separatist activities by hostile forces.”

These latter two quotations very likely refer to the United States. These negative sentiments — in these documents and earlier ones — about the United States then culminated in Xi’s unusually targeted criticism of U.S. policy during a discussion with provincial officials on the margins of the annual National People’s Congress meeting. In his March 6, 2023, comments, Xi stated, “Western countries led by the United States have implemented all-around containment, encirclement and suppression of China, which has brought unprecedented severe challenges to our country’s development.” Coming on the heels of the incident involving a Chinese spy balloon that operated over the United States, Xi’s

comments represented one of the few times that he referenced the United States by name publicly in discussing containment and other competitive policies.⁶⁷

In contrast to his predecessors, Xi publicly advocated for more assertive strategies in which China sought to push back against the actions of other countries.

This thinking persisted over the remainder of 2023 even as U.S.-China ties experienced some stabilization after the spy balloon incident earlier in the year. In late May 2023, Xi chaired the first meeting of the National Security Commission of the 20th Central Committee where he made some stark claims about external challenges. He stated that the international conditions facing China are “considerably more complex and much more difficult to be resolved.” Xi then stressed the necessity

of being ready to withstand “high winds, choppy waters, and even dangerous storms” that many Chinese scholars claim is a clear reference to a possible U.S.-China conflict.⁶⁸

A second unique feature of Xi’s approach to the United States — a personality trait, of sorts — was his break from the careful strategies of past Chinese leaders who tended to prioritize stability in U.S.-China ties. Examples include Deng’s approach of “keeping a low profile” and “hiding your capabilities and biding your time,” Jiang’s advocacy of “peaceful development” (and not peaceful rise), and Hu Jintao’s promotion of the classic Confucian philosophy “accommodating divergent views” (和而不同). In general, China’s reform-era leaders followed Deng’s internal strategy toward the United States — which was not a public term — known as “struggle but do not break” (斗而不破). This reflected Deng’s view that the U.S.-China relationship would never be too good or too bad.

In contrast to his predecessors, Xi publicly advocated for more assertive strategies in which China sought to push back against the actions of other countries. But he did so in a way that explicitly tolerated, if not invited, risk and friction with other countries. During his second term, and beginning around 2019, Xi publicly started calling for policymakers to “dare to struggle,” “embrace a fighting

67 Xi’s statement can be found here: “新发展阶段新在哪里?陈一新从八个方面进行阐释” [When Xi Jinping visited the members of the Joint Committee on Civil Engineering and Construction and Industry and Commerce who attended the CPPCC meeting, he emphasized that we should correctly guide the healthy development of the private economy and high-quality development], *Xinhua*, March 6, 2023, at http://www.news.cn/politics/leaders/2023-03/06/c_1129417096.htm

68 “习近平主持召开二十届中央国家安全委员会第一次会议强调 加快推进国家安全体系和能力现代化 以新安全格局保障新发展格局” [Xi Jinping presided over the first meeting of the 20th Central National Security Committee and emphasized that we should accelerate the modernization of the national security system and capabilities and ensure the new development pattern with a new security pattern], *Xinhua*, May 30, 2023, at http://www.news.cn/politics/leaders/2023-05/30/c_1129657348.htm

spirit,” and engage “bottom line thinking.”⁶⁹ Indeed, during the May 2023 meeting of the National Security Commission noted above, Xi said, “we must adhere to bottom-line thinking and worst case scenario thinking (极限思维),” which is Xi’s first public use of the latter term.

These guidelines from Xi were reflected in both the statements and actions of Chinese policymakers and diplomats in the past decade but especially after 2019. China, in this time period, was much more assertive in advancing Chinese territorial claims on land and at sea, including several major incidents with India (in 2020 and 2021) and multiple actions in the South and East China Seas, including especially aggressive tactics with the Philippines in fall 2023. China used military and paramilitary capabilities to push back more forcefully against foreign militaries operating near Chinese airspace and sea space, and around Taiwan. China used economic coercion more frequently — in nearly 20 instances — and in a more high-profile manner, such as punitive trade actions against Australia.⁷⁰

During COVID, Chinese diplomats engaged in aggressive rhetorical battles with their foreign counterparts, especially with the United States, to defend Chinese positions and discredit other countries. China’s assertive diplomatic tactics, which have become known as “wolf warrior diplomacy,” had their roots in this period and clearly in Xi’s call for diplomats to be more forceful in defending China. This statecraft was especially common regarding management of U.S.-China relations, where Chinese diplomats engaged in some of their harshest public exchanges. China’s use of misinformation and disinformation directed at the United States expanded in this period as well. China sought to promote false narratives about U.S. actions to justify China’s diplomatic positions, such as its support for the Russian invasion of Ukraine. While some of China’s harshest rhetoric has subsided (and key diplomats linked to it have been moved to other positions), Chinese statements and actions continue to reflect Xi’s call for policymakers to engage in more “struggle.” China’s unusually aggressive public defense of its spy balloon during its flight over the continental United States in spring 2023 — denying its original mission and blaming the United States for overreacting — offers a recent example of the persistence of this approach in China’s public diplomacy.

Chinese statements and actions continue to reflect Xi’s call for policymakers to engage in more “struggle.”

PERSONNEL, INSTITUTIONS, AND PROCESSES

Xi’s perceptions of the world and his policy preferences are also reflected in the roles of people, institutions, and processes. Two main forces have been at play here: centralization and politicization. Both forces have influenced and continue to influence Chinese foreign policy and Beijing’s approach toward the United States.

69 “习近平在省部级主要领导干部坚持底线思维着力防范化解重大风险专题研讨班开班式上发表重要讲话” [Xi Jinping delivered an important speech at the opening ceremony of a special seminar for leading cadres at the provincial and ministerial levels to adhere to bottom-line thinking and focus on preventing and defusing major risks], *Xinhua*, January 21, 2019, http://www.xinhuanet.com/politics/leaders/2019-01/21/c_1124022412.htm; “Xi emphasizes ‘struggles’ to achieve national rejuvenation,” *People’s Daily Online*, September 4, 2019, <http://en.people.cn/n3/2019/0904/c90000-9611854.html>. For a useful summary of the instances in 2019 of Xi’s uses of these terms see: “习近平激励年轻干部发扬斗争精神” [Xi Jinping incentivizes young cadres to exercise fighting spirit], *Dang Jian Wang Wei Pingtai*, September 9, 2021, at <https://m.gmw.cn/baijia/2021-09/09/35150338.html>

70 Victor D. Cha, “Collective Resilience: Deterring China’s Weaponization of Economic Interdependence,” *International Security*, vol. 48, no. 1 (2023), pp. 91–124; Peter Harrell, Elizabeth Rosenberg, and Edoardo Saravalle, *China’s Use of Coercive Economic Measures*, Center for New American Security, June 2018, at <https://www.cnas.org/publications/reports/chinas-use-of-coercive-economic-measures>; Matthew Reynolds and Matthew P. Goodman, *Deny, Deflect, Deter: Countering China’s Economic Coercion*, Center for Strategic and International Studies, March 2023, at https://csis-website-prod.s3.amazonaws.com/s3fs-public/2023-03/230321_Goodman_CounteringChina%27s_EconomicCoercion.pdf?VersionId=UnF29IRogQV4vH6dy6ixTpfTnWvftd6v

Since Xi Jinping came to power, one of the dominant features of his leadership has been the centralization of power. This has involved the concentration of power around Xi and around the Central Committee apparatus more broadly, resulting in a diminished role for the State Council and many of its constituent ministries. Xi rewired the party-state system in his and the CCP's favor.

In the past 10 years within the Central Committee system, Xi has elevated the role and influence of existing leading small groups (领导小组) into commissions (委员会), and he has created new commissions to guide policymaking on critical issues ranging from cybersecurity to innovation policy. Xi is the nominal chair of most of these organizations, putting himself at the center of all major policy issues, especially those that directly and indirectly touch the U.S.-China relationship. Here Xi's own centrality in the leadership parallels his conception of the centrality of the CCP, of which he has proclaimed: "Party, government, military, civilian, and academic, east, west, south, north, and center, the party leads everything."⁷¹

Xi's creation of a National Security Commission (NSC) in 2013 and his expansion of its role in both domestic and external security issues are a classic example of the centralization phenomenon. At the commission's May 2023 meeting, Xi called for the formation of a "new national security architecture" run by the NSC. The corresponding cost of this centralization is that it has enhanced the role of the Ministries of State Security, Public Security and Propaganda and, in doing so, diminished the role of other ministries, such as the Ministry of Foreign Affairs and the Ministry of Commerce, in both foreign policy formulation and execution. In aggregate, the State Council and its premier are much weaker institutions under Xi Jinping than under his predecessors.

This centralization of decision-making authority took a major step forward during the 20th Party Congress in fall 2022. Xi not only secured a third term but also left very open-ended his future as the top leader; this allowed him to concentrate even more power in his hands by removing major incentives by other politicians to stall or circumvent his policies for another five-year cycle. In addition, Xi's ability to install his hand-picked confidants into both the Politburo Standing Committee (PBSC) and the broader Politburo removed possible sources of opposition to his policies, creating an even more permissive environment for his preferences to dominate. Notable promotions to the PBSC included Wang Huning, who is now the fourth ranking member of the body. Wang studied in the United States in the late 1980s and is known to be very critical of U.S. society and politics, perhaps encouraging the commonly held view in the CCP that the United States is in rapid and terminal decline and that China's governance choices represent a viable and welcome alternative to the U.S. system.⁷² At the Party Congress, the CCP also created several more commissions related to financial sector management and technology innovation to further advance the centralization of decision-making and policy implementation within the Central Committee apparatus.

Overall, the events at the 20th Party Congress created a unique set of personnel, institutional, and intraparty incentives that allows Xi to drive policymaking in ways unlike any Chinese leader in the

71 Charlotte Gao, "The CCP Vows to 'Lead Everything' Once Again," *The Diplomat*, October 28, 2017, at <https://thediplomat.com/2017/10/the-ccp-vows-to-lead-everything-once-again/>

72 See N. S. Lyons, "The Triumph and Terror of Wang Huning," *Palladium*, October 11, 2021, at <https://www.palladiummag.com/2021/10/11/the-triumph-and-terror-of-wang-huning/>; Chang Che, "How a Book about America's History Foretold China's Future," *The New Yorker*, March 21, 2022, at <https://www.newyorker.com/books/second-read/how-a-book-about-americas-history-foretold-chinas-future>

reform era. Not only does Xi fully control the key levers of power in the Central Committee system but, unlike under Deng Xiaoping, for example, there are no political peers who could credibly undermine his authority. The resonance with the Mao era — but not the replication of it — are hard to deny.

As a result of the centralization of policymaking in the Central Committee apparatus and the heavy reliance on Xi's views, policymaking in the past decade has become more politicized — reflecting Xi's political goals and his version of the party-state system rather than a pure national interest calculation. This politicization is reflected in numerous ways, including constraints on traditional foreign policy actors and empowerment of the Central Committee and the national security apparatus.

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Examples of this politicization on foreign and national security policymaking abound. The Ministry of Foreign Affairs (MFA) has become increasingly politicized and marginalized in actual policymaking in recent years. In 2017, Xi changed the party secretary (and deputy foreign minister) from a career diplomat to a CCP official with no diplomatic training or experience. The CCP started appointing ambassadors to countries that were not directly linked to their career paths, in a break from past practice. High-profile examples include the appointment of Xi's former confidant Qin Gang as ambassador to the United States and Zheng Zeguang, a noted U.S. specialist, as ambassador to the UK. These and other moves were focused on breaking up bureaucratic fiefdoms within the MFA. Then in a move somewhat akin to the political appointee process in some Western countries, Xi appointed Qin Gang as foreign minister after serving for less than two years as U.S. ambassador even though he had no other senior overseas ambassadorial postings. The summer 2023 removal of Qin, amid rumors of corruption and/or espionage, and his replacement with Wang Yi are yet other signs of how intensely political these top jobs have become under Xi. Moreover, the Qin case raises all sorts of sensitive questions about the personnel system under Xi: did Xi know about Qin's issues; if so, then why promote him; if not, then why wasn't Xi informed; and was Xi's credibility damaged by this episode?

In other parts of the foreign affairs system, Xi in 2022 appointed another confidant and experienced diplomat, Liu Jianchao, to run the CCP's International Liaison Department. He is now rumored to be a leading candidate to be the next foreign minister, appointed at the March 2024 NPC meeting. Xi eschewed age limits and also appointed a longtime friend and close advisor, Song Tao, to be head of the Taiwan Affairs Office (TAO) during a sensitive time in cross-strait relations. In a break from past practice, Song retired from the Central Committee in 2022 (due to his age) but was allowed to assume this minister-level position at the TAO.

An important driver of this politicization of foreign policy has been Xi's establishment of a policymaking system that prioritizes personal loyalty to Xi. As a result of both changes to the institutional structure and personnel choices, Xi has signaled to much of the foreign policy bureaucracy that loyalty to Xi is more important than professionalism. This creates several distortions in the system, including an environment in which policy stasis prevails until the top leader's intentions are clear, and then they are never questioned regardless of the costs. It also fosters incentives for policymakers to excessively implement policy guidance to avoid the perception of disloyalty to Xi's policy choices. The origins of

China wolf warrior diplomacy become obvious in this political context.⁷³ The risks of policy failures as a result of both distortions is substantial and may already be occurring.

Moreover, politicization of policymaking is reflected throughout the broader national security apparatus. Since coming to office, Xi's unrelenting focus with the PLA has been on removing corrupt officials, promoting loyalty to himself and the CCP, and building the PLA into a real fighting force. Using the anti-corruption campaign and other political campaigns, Xi has largely accomplished these goals. In his first five years in office (2012–2017), Xi removed more than 100 senior PLA commanders in anti-corruption purges alone, including two vice chairmen of the Central Military Commission (CMC). He then replaced them with officers aligned with Xi's thinking and approach. In 2015, early in his tenure, Xi pushed through a historic reform of the PLA that shrank the size of the CMC and began the process of restructuring it and the entire PLA into a joint force. In doing so, he broke up various power centers. In another striking move, in summer 2023 Xi replaced the top two commanders of the strategic rocket forces (SRF) with two military commanders from the navy and air force who have no prior experience with the SRF; this has never been done before given the expertise needed to lead China's missile forces. Perhaps most striking of all, in October 2023, Xi purged his hand-picked defense minister, Li Shangfu, probably owing to both political motives and corruption.

One of the greatest examples of the politicization of policymaking is the evolution of the national security system under Xi.

During the formation of the new CMC in fall 2022, Xi demonstrated that he was prepared to discard past practice to get the military leaders he wanted: ones who are both loyal and capable. He appointed two generals with operational experience to lead the CMC (in the past, one had a political commissar background). He also discarded age norms to retain 72-year-old Zhang Youxia as one of the vice chairmen. Finally, it is notable that Xi has still not appointed a civilian successor to be a vice chairman of the CMC, as both Hu Jintao and Jiang

Zemin did before becoming the top leader. Xi's political control over the military could not be more robust today even as he continues to push it to become a lethal fighting force.⁷⁴

One of the greatest examples of the politicization of policymaking is the evolution of the national security system under Xi. His creation of the National Security Commission was not just about centralizing decision-making in the CCP apparatus (with a focus on strategic planning and crisis response) but was also about promoting Xi's own ideas on national security through the entire Chinese system, both party and state. Based on both the commission and his "comprehensive national security concept" (总体国家安全观), Xi initiated the creation of a national security system that now exists at all tiers of the party system down to the county level. According to U.S. National Defense University scholar Joel Wuthnow, this commission "sits atop a new organizational hierarchy that strengthens Xi's ability to set the agenda and improves the party's ability to coordinate national security affairs."⁷⁵ In recent years, this system has been augmented by new laws on cybersecurity, data protection,

73 See chapter 6 in Zhao, *The Dragon Roars Back*.

74 Lyle J. Morris, "What China's New Central Military Commission Tells Us about Xi's Military Strategy," Asia Society Policy Institute, October 27, 2022, at <https://asiasociety.org/policy-institute/what-chinas-new-central-military-commission-tells-us-about-xis-military-strategy>

75 Joel Wuthnow, "A New Chinese National Security Bureaucracy Emerges," *China Brief*, vol. 21, issue 23, October 2021, at <https://jamestown.org/program/early-warning-brief-a-new-chinese-national-security-bureaucracy-emerges/>; Wuthnow, "China's New 'Black Box': Prospects for the Central National Security Commission," *China Quarterly* 232 (2017), at https://www.uscc.gov/sites/default/files/2022-01/Joel_Wuthnow_Testimony.pdf

counterespionage, and foreign NGOs in China as well as personnel changes in both the state security and public security systems.

All these organizational and legal changes have given these recent institutions the latitude to be more aggressive in their activities toward interactions with many parts of U.S. society, from businesses to students to NGO representatives operating in China. The advent of wolf warrior diplomacy was an early manifestation of these personnel and organizational changes and the incentives inherent in them. During the COVID pandemic in 2020, Chinese diplomats in Beijing and posted abroad were encouraged to use caustic language to criticize other countries, demanding reparations for “anti-China” behavior and in some cases imposing penalties on countries and individuals who criticized China. Much of this activity was directed at the United States and its allies, especially during the peak of the COVID pandemic in 2020.⁷⁶ Australia’s experience of having multiple tariffs imposed on its exports to China stands as a notable example.

In other areas, numerous U.S. NGOs, such as the American Bar Association, were forced to leave China after the adoption of the 2017 foreign NGO law. The spring 2023 raids and inspections of U.S. consulting firms in Beijing and Shanghai offer a recent and high-profile example of the newly empowered role of national security organs in China’s economic affairs. These firms, such as Mintz Group, CapVision, and Bain & Co., were raided by the Ministry of State Security (MSS) because they were reportedly conducting research and gathering information on business sectors and companies that touched on national security issues. Some of these investigations continued well into 2023, including the detention of a Japanese pharmaceutical executive and the fall 2023 arrest of an executive and two former employees of WPP, one of the world’s largest advertising companies. This appears to reflect a new mandate for these national security organs that previously was the responsibility of economic organs. The fact that Chen Yixin, the head of the MSS was put in charge of a crackdown on foreign consulting firms is a strong indication of not only Xi’s priority on national security but also of his willingness to use the MSS instead of economic technocrats to address these issues. Xi appears to be willing to alienate foreign companies, including U.S. firms, in his effort to better protect China’s economic and ideological security.⁷⁷

If the economic bureaucracy in China becomes increasingly subordinate to not just the CCP apparatus but also to the national security bureaucracy, then China’s economic relations with the United States and those linked with its China strategy will become even more challenging.

For Xi, these activities are about using state power to advance a broad conception of national security that sees the United States as an existential threat to China’s political system and economy, even at the risk of alienating Western companies and governments.⁷⁸ If the economic bureaucracy in China becomes increasingly subordinate to not just the CCP apparatus but also to the national security bureaucracy, then China’s economic relations with the United States and those linked with its China strategy will become even more challenging.

76 For a comprehensive study of this phenomena, see Peter Martin, *China’s Civilian Army: The Making of Wolf Warrior Diplomacy* (Oxford: Oxford University Press, 2021).

77 Lingling Wei, “China Puts Spymaster in Charge of Corporate Crackdown,” *Wall Street Journal*, May 18, 2023, at <https://www.wsj.com/articles/china-crackdown-foreign-companies-chen-yixin-9b403893>

78 Wei, “China Puts Spymaster in Charge of Corporate Crackdown.”

PRIORITIES AND INCENTIVES

A third broad channel through which to understand the relationship between domestic politics and policymaking in China is by examining Xi's priorities and the incentives that flow from them. Xi's political, economic, and diplomatic priorities reveal important preferences and policymaking dynamics in China, including those related to U.S.-China relations. Xi has made major changes in all these areas over the past 10 years, offering a window into his thinking and approach to politics. These political priorities create the context and the incentives in which people and institutions in China formulate and execute policy toward the United States.

Xi's domestic political agenda in the past decade has been nothing short of revolutionary (or counterrevolutionary). It has embraced several key new components. First, Xi has undertaken a substantial overhaul of the party-state system in ways that collectively amount to historic changes in how it operates and how it relates to society. To avoid the fate of the Soviet Union, Xi started on day one to clean up the CCP to rejuvenate its organizational, ideological, and political integrity. All of this was meant to stem the CCP's decay and inject new mission and vitality into it, with a focus on organizational resilience and ideological discipline. As a result of these changes, Xi has increased the role of the CCP in all aspects of the political, economic, and social life of Chinese citizens. The CCP now has greater authority — *de facto* and *de jure* — in government administration and policymaking, as well as in the civic life of Chinese citizens. Simply put, China is now a more political place to live and operate than at anytime in the past 20 years.

Second, Xi has sought to update the social contract in China. Xi shifted the CCP's priority from the accumulation of growth and individual wealth to a focus on higher-quality growth and meeting the people's need for a better quality of life. This was captured in the redefinition of the principal contradiction — the CCP's iconic justification of its rule — during the 19th Party Congress in 2017, which was the first time this was done since 1982. Xi has since focused on reducing income inequality, poverty alleviation, and most recently the articulation by Xi of a focus on common prosperity as it relates to the private sector in China. For Xi, addressing economic inequality is essential to ensuring social stability and support for the CCP for the long term. It is among his top political priorities.

A third domestic political priority for Xi is forging a comprehensive national security state. From the earliest days of his tenure, Xi has articulated a view of national security that sees threats emanating from all corners of society and which posits at least 11 forms of national security. Xi and the CCP apparatus talk about political security and ideological security with urgency. Given the salience of national security in Xi's China, the CCP has sought to build the organizational and ideological basis for protecting China from this diversity of threats. This has manifested in new capabilities to anticipate, identify, and respond to threats from within China, with a particular focus on the link between external ideas and actors and their effect — direct and indirect — on Chinese society. The laws on foreign NGOs, data protection, counterespionage, and most recently on foreign affairs are examples of such tools. Xi has in recent years sought to operationalize these new capabilities with greater invasiveness of national security organs into commercial, financial, and social affairs of Chinese and foreign companies and peoples.

Xi's political priorities are also reflected in his economic agenda. Economic growth is no longer the top priority for him. When he discusses the "top-level design" of China's economy, he is not just focused

on growth and has demonstrated a willingness to tolerate some austerity to achieve his visions. In contrast to leaders of the past 40 years, Xi is now focused on growth in *addition* to national security, self-sufficiency, technological upgrading, and innovation and social equity.

Xi is concentrating on building an economy that is both technologically innovative and self-reliant, and also more driven by the state rather than the private sector. He wants an economy in which technological breakthroughs drive productivity and growth, as opposed to relying on the old growth drivers of construction, manufacturing, and exports. Xi is even skeptical of consumption as a major growth driver, fearing that China will face the political problems confronting many Western economies, such as deindustrialization and income inequality. For Xi, technology upgrading for advanced manufacturing is key to sustained growth over the long term now that China's economy has grown and matured. Xi wants China to remain a manufacturing superpower but for China to be at the center of advanced manufacturing in sectors such as electric vehicles, batteries, green technology, and robotics and automation. In short, Xi wants China's economy to look more like that of Germany (i.e., driven by advanced manufacturing) and less like that of the United States (i.e., driven by consumption and services).

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At the same time, Xi wants China's economy to be more self-reliant in all aspects, which means reducing exposure to and dependency on external markets, resources, technologies, and capital. Xi's goal is to minimize the chances that China could be coerced by other countries during a future crisis due to its dependencies. As the global environment becomes more challenging and volatile, Xi wants China to rely more on domestic demand and domestic suppliers. This is captured most prominently in Xi's promotion of the idea of building a "dual circulation" economy, first articulated in 2020; this approach does not seek to cut off China from the world, but for China to rely more on domestic suppliers and demand to reduce its exposure to external forces, especially the threat of Western sanctions. Tensions are inherent in these agendas of innovation, which require access to foreign technology and self-reliance, which seeks to reduce exposure to it. And it remains unclear how Xi seeks to navigate these, especially during a period of slowing Chinese growth.

Xi's economic agenda is reflected in several distinct policy actions during his first two terms: adoption of the Made in China 2025 plans for investing in 10 critical strategic sectors, adoption of the 14th Five Year Plan in spring 2021 that uniquely included an entire chapter on national security calling for reduced exposure to external dependencies, and a greater focus on energy security and food security in China's external affairs following the Russian invasion of Ukraine. Xi's goal is to harden and fortify the Chinese economy in the face of growing geopolitical tensions and the necessary changes taking place in China's economy. To do this, Xi seeks to build an economy focused on advanced manufacturing — not unlike Germany's — but driven mainly by domestic demand and far less reliant on external sources of supply and demand, especially the United States and the countries aligned with it.

On foreign policy, Xi has pursued a very different agenda than that of his predecessors, reflecting the domestic political dynamics discussed above. He was more willing to assert Chinese interests, especially on sovereignty disputes; to articulate a vision for China's role in the world, including values that clashed with those of other countries; and to use punitive policies to punish lesser powers that challenge him, including when it generates tensions with them.

Xi is particularly known for his use of coercive military and economic actions in the past decade. This has included greater military and paramilitary presence in the South and East China Seas, multiple clashes on the land border with India in 2017 and 2020, and greater military activities around Taiwan — not to mention the formation of the PLA's first overseas base, with more likely coming in the next decade. In general, under Xi, the PLA's global footprint and activities have expanded significantly, often in pursuit of diplomatic and economic goals. Xi also increased the use of economic and diplomatic sanctions in response to diplomatic disputes with countries including Norway, Australia, Japan, Canada, Lithuania, South Korea, India, Vietnam, and the United States, as well as against Taiwan.

Xi also advanced an approach to geopolitics that sought to draw an explicit contrast with the U.S.-promoted “liberal rules-based order.” China challenged common understandings of the UN Convention of the Law of the Sea with land reclamation at seven artificial islands in the South China Sea. Xi initiated an effort to “lead the reform of the global governance system,” which involved advancing Chinese interests and values. China became more active in the UN system and other global organs and even sought to insert Chinese priorities, like Xi's Belt and Road Initiative, into UN documents. As China became the largest creditor in the world, it resisted for years becoming part of the existing multilateral mechanisms to manage developing country debt. In recent years, Xi advanced a comprehensive Chinese vision of global order captured by the Global Development Initiative, Global Security Initiative, and Global Civilization Initiative, with the latter focused on promoting Chinese values. China led the effort

There is a direct link between Xi's foreign policy and his domestic political agenda.

to expand the members of the BRICS (Brazil, Russia, India, China, and South Africa) coalition from five to eleven in summer 2023, with a clear mission to challenge certain “Western” ideas and policies such as the prevalence of the U.S. dollar in the global economy.

From the vantage point of late 2023, Xi sought to create new institutions, push for changes in existing ones, undermine existing rules and norms such as on human rights and territorial rights, and shape new norms on emerging issues such as cybersecurity. Chinese scholars say that China does not seek to revise the current international system but just reform and update it. Nevertheless, some of the differences with the U.S. approach to international politics are fundamental to how the UN system operates and to the current norms of state-to-state interaction more broadly.

There is a direct link between Xi's foreign policy and his domestic political agenda. Many of Xi's external actions are about defending and/or increasing the legitimacy of the Chinese political system — demonstrating that it is just as legitimate, if not more so, than the model of democratic capitalism. This has been reflected in China's efforts at the UN and in regional organizations to undermine support for liberal values and to highlight the weaknesses of democracies. Xi has advanced these ideas by using new tools to expand China's media capabilities to make them more global (and less obviously Chinese) and by being more aggressive in promoting China's narratives of its successes. Xi also increased the activities of the “United Front” system of influence operations to better shape the views of the overseas Chinese communities in many countries and to encourage non-Chinese to support China's positions (or, at least, not to actively oppose them). Regarding the latter, under Xi the United Front system directly intervened in the political affairs of democracies such as Australia, Canada, and New Zealand to try to influence their policy debates related to Chinese interests.

In short, foreign policy under Xi has become both a reflection of his domestic political priorities and his personal style (i.e., stressing external threats and legitimizing the CCP) and a driver of domestic political dynamics: using China's responses to external events to shore up the CCP at home. Under Xi, the links between foreign policy and domestic politics became more numerous and tighter. In short, the symmetry is growing between what Xi is doing at home and what he is seeking to do abroad.

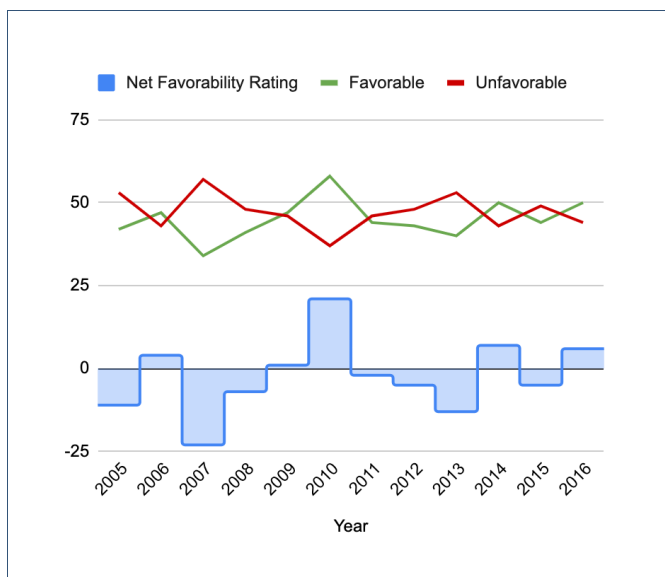
BEYOND ELITE POLITICS: CHINESE PUBLIC OPINION

Moving beyond the world of elite politics in China, there is one additional window through which to assess the relations between domestic politics and foreign policy: public opinion. As in the United States, it is difficult to draw clear and consistent links between public opinion and U.S.-China relations. Nonetheless, public opinion in China about the United States does form a part of the environment in which policy is made and implemented. It is no coincidence that even in Xi's China, the propaganda apparatus does seek to justify itself to the public via the state-run media during periods of both enmity and amity. To date in 2023 alone, two classic episodes of criticism have been followed by courtship: during the spy balloon incident in February and the lead-up to Xi's trip to the United States in November 2023 to attend the Asia-Pacific Economic Cooperation (APEC) meeting.

Public opinion polls have shown a deterioration in Chinese views toward the United States since 2016. Data from the Pew Research Center's Global Indicators Database (Figure 9) provides some clarity into Chinese public opinion toward the United States between 2005 and 2016.⁷⁹ The survey results suggest some volatility in Chinese public opinion between 2005 and 2010, with a low net favorability rating of -23 in 2007 and a high of +21 in 2010. These large swings in opinion were less prominent following the 2010 high and saw a +6 favorability in 2016, the last year Pew tracked Chinese public opinion.

Since 2016, credible public opinion polling on Chinese views has been more difficult to find. One survey, conducted by the U.S.-China Perception Monitor (USCNPM) in February 2021 (Figure 10), demonstrates a drastic change in Chinese views toward the United States, as compared to the data from 2016.⁸⁰ The USCNPM poll revealed that 63% of the participants held unfavorable views of the United States, with more than a third holding very unfavorable views, resulting in a net favorability rating of

FIGURE 9 CHINESE OPINIONS TOWARD THE U.S., 2005-2016

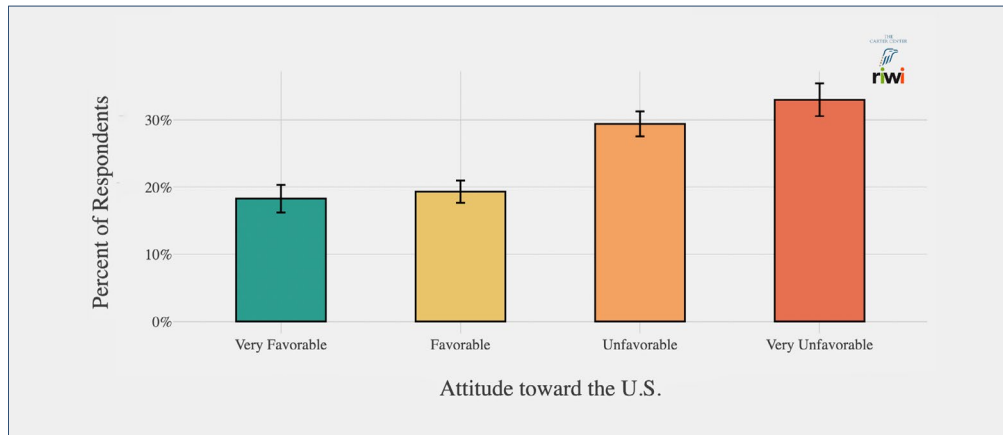


Source: Data from the Pew Research Center global indicators database

79 "Opinion of the United States - China." Pew Research Center, Washington, DC (updated in March 2022 with polling data from Spring 2021 Global Attitudes Survey) at <https://www.pewresearch.org/global/database/indicator/1/country/cn>

80 "The Pulse: Chinese Public Opinion." The Carter Center and RIWI. Survey conducted in September 2021, at <https://uscnpm.org/the-pulse/>

FIGURE 10 “WHAT IS YOUR VIEW OF THE UNITED STATES?”



Source: Graph taken from the U.S.-China Perception Monitor survey conducted in conjunction with RIWI.

–26. It is important to note that the methodologies of Pew and USCNPM surveys differ, and so these results should not be directly compared. Nevertheless, the steep decline from a +6 rating in 2016 in Pew’s surveys to a –26 rating in the USCNPM survey in 2021 does suggest that Chinese favorable public opinion toward the United States has declined substantially or at the least indicates a more volatile Chinese public opinion.

When did Chinese views toward the United States begin to shift? One dataset suggests 2020 as a pivotal year for shifting Chinese sentiments toward the United States. According to a Eurasia Group Foundation (EGF) survey (Figure 11), net favorability of Chinese views toward the United States was +40.3 in 2019 but decreased to +11 in 2020, with a higher percentage of people holding neutral opinions and more than double the number of respondents holding somewhat unfavorable opinions of the United States in 2020.⁸¹ This decline may not be surprising given the heated rhetoric on China by then President Trump in response to COVID-19, with Trump calling the coronavirus the “Chinese virus”⁸² and later the “kung flu,”⁸³ as well as suggesting COVID-19 to be a product of a lab leak from the Wuhan Institute of Virology.⁸⁴

THE EFFECTS ON U.S.-CHINA RELATIONS

The preceding analysis of China’s political scene begs important questions: Under Xi, how and why have domestic politics actually influenced U.S.-China relations? Given Xi’s substantial centralization of authority, is there much room for political forces to influence policy toward the United States in any meaningful way?

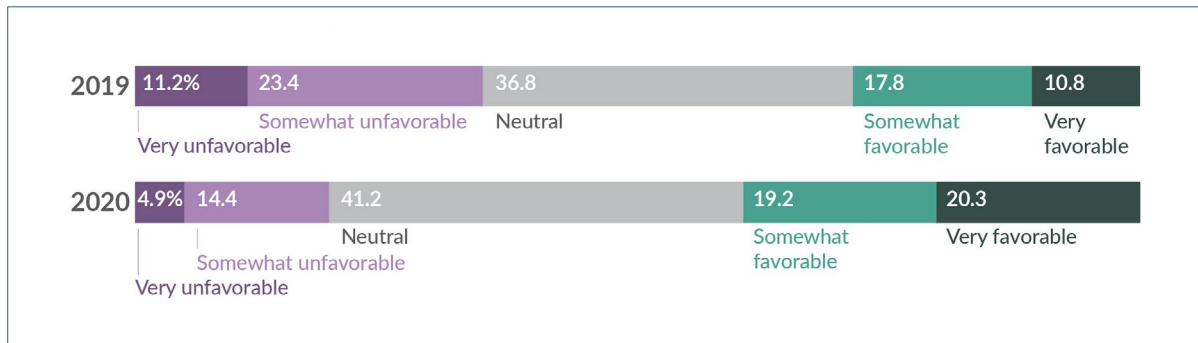
81 “Modeling Democracy.” Eurasia Group Foundation, May 18, 2021, at <https://egfound.org/2021/05/modeling-democracy-democracy-in-disarray/#china>

82 Michael Kunzelman, “Trump dubs COVID-19 ‘Chinese virus’ despite hate crime risks.” *AP News*, March 18, 2020, at <https://apnews.com/article/donald-trump-ap-top-news-asia-crime-virus-outbreak-a7c233f0b3bcd72c06cca6271ba6713>

83 “Donald Trump Calls Covid-19 ‘Kung Flu’ at Tulsa Rally.” *The Guardian*, June 20, 2020, at <https://www.theguardian.com/us-news/2020/jun/20/trump-covid-19-kung-flu-racist-language>

84 Maanvi Singh, Helen Davidson, and Julian Borger. “Trump Claims to Have Evidence Coronavirus Started in Chinese Lab but Offers No Details.” *The Guardian*, April 30, 2020, at <https://www.theguardian.com/us-news/2020/apr/30/donald-trump-coronavirus-chinese-lab-claim>

FIGURE 11 DO YOU HAVE A FAVORABLE OR UNFAVORABLE OPINION OF THE U.S.?



Source: Eurasia Group Foundation

At least two conditions shape the link between Chinese politics and policymaking toward the United States. First, Chinese political leaders know and accept that their bilateral relationship with the United States is China's most important relationship in the world. U.S. statements, policies, and actions undeniably have a major impact on Chinese interests. The United States is still the one country that is both essential to and could frustrate, if not stop, China's rise. U.S.-China economic interdependence has only become more apparent and consequential to Chinese policymakers in recent years. For Chinese policymakers, the United States cannot be marginalized or ignored. China must pay close attention to its U.S. policy; thus, Xi needs to manage relations well — and be seen by elites at home as doing so. Second, Chinese suspicion of the United States — while always substantial — has increased under Xi. Many Chinese have now concluded that the United States is seriously focused on containing China's economic and technological rise and undermining, if not overthrowing through “peaceful evolution,” its political system. Chinese actors, such as the MSS and the PLA, have been empowered to act on these concerns. Reconciling these two imperatives — the importance of the United States and the deep and growing distrust of it — are at the heart of the domestic Chinese debate about its U.S. policy.

Many Chinese have now concluded that the United States is seriously focused on containing China's economic and technological rise and undermining, if not overthrowing through “peaceful evolution,” its political system.

Thus, there now appears to be a certainty in key parts of China's political leadership about U.S. strategic intentions and the need to protect China against U.S. actions, current and future. This is motivating much of China's foreign policy, which is focused on both advancing Chinese alternatives and undermining U.S. ideas and policies. These motivations affect China's U.S. policy in several ways as enumerated below.

First, decisions about the tone and content of China's U.S. policy are centered on Xi Jinping. As foreign policy decision-making has become more politicized and centralized, Xi appears to be the only one in the system that can make major decisions about U.S.-China ties. Few meaningful actions toward the United States can be taken without his approval, creating both opportunities as well as constraints. Relatedly, other sensitive foreign policy issues, such as China's Russia policy and the Belt and Road Initiative (BRI), are signature Xi policies and carry major implications for U.S.-China ties. Thus, most of the meaningful movements in U.S.-China relations have only occurred — and probably can only occur — when the two leaders talk.

Since President Biden assumed office in 2021, leader-level meetings have been central to managing relations and the main arena where real work gets done. The first Biden-Xi video call in November 2021 was critical to stabilizing relations during Biden's first year after a tense first meeting among top advisors in Alaska in April 2021. At the November video meeting with Biden, Xi articulated a framework for stable relations that the Chinese system needed and used to guide their policymaking. Then in March 2022, the two leaders held a second video meeting right after the Russian invasion of Ukraine and used it to set the parameters of U.S.-China ties at such an uncertain time. Their first in-person meeting occurred in Bali in November 2022 and produced what the Chinese called the "Bali consensus" about managing sensitive issues in relations. A core accomplishment of that meeting was to stabilize relations following the Pelosi visit to Taiwan the prior summer. Biden used his direct conversations with Xi to reassure him about U.S.'s Taiwan policy — for example, that Washington does not support Taiwan independence — and to provide others assurances about U.S. strategic intentions.⁸⁵ Much of this stability was derailed by the early 2023 spy balloon incident.

The November 2023 summit meeting outside San Francisco on the margins of the APEC multilateral meeting put the relationship back on the track of dialogue and communication. The agreements reached at the summit added a degree of direction and momentum that U.S.-China ties lacked for much of the Biden administration. In the lead-up to the meeting, the Chinese agreed to the resumption of eight new dialogue channels: two at the Treasury Department, two at the Commerce Department, and four at the State Department. During the meeting, the Chinese agreed to resume several military-to-military dialogues (e.g., at the operator, theater commander, and senior levels), a deal to control Chinese exports of fentanyl precursors to the United States, and a new dialogue on artificial intelligence. The leaders also held important conversations about sensitive global issues including China's position on the Ukraine war, the crisis in the Middle East, and the upcoming Taiwan election. Follow through and implementation of these commitments will depend on Xi's direct and sustained involvement.⁸⁶

Xi's comprehensive national security outlook — with its 11 definitions of national security — is fostering even greater suspicion of the United States.

Second, Xi's comprehensive national security outlook — with its 11 definitions of national security — is fostering even greater suspicion of the United States. Many in China now see strategic intentions of the United States as dedicated to "containment, encirclement, and suppression" as Xi publicly said in March 2023. The deep suspicion undermining the ability of Beijing and Washington to manage this complex relationship, the results of the November summit notwithstanding, could challenge implementation of the summit commitments. In addition, in such a political environment in China, the lines become blurred between the U.S. government and U.S. private businesses, scholars, and civil society. All Americans become a possible threat to China's internal stability and serve as a source of suspicion. This hardening of Chinese perceptions of the United States is the direct result of Xi's expansive approach to national security. The degree to which the November

85 The Chinese claim that the United States made the following commitments in Bali, "the United States stated that it did not seek to change China's system, did not seek a 'new Cold War', did not seek to strengthen alliances against China, did not support 'Taiwan independence', and had no intention of conflict with China." See https://www.mfa.gov.cn/eng/topics_665678/xjpfmgjxzmshwtsxapec/202311/t20231116_11181442.html

86 Conversations with senior U.S. officials, November 2023. The official readouts of the meetings can be found at https://www.mfa.gov.cn/eng/topics_665678/xjpfmgjxzmshwtsxapec/202311/t20231116_11181442.html and <https://www.whitehouse.gov/briefing-room/statements-releases/2023/11/15/readout-of-president-joe-bidens-meeting-with-president-xi-jinping-of-the-peoples-republic-of-china-2/>

2023 summit changes this approach to the United States will be an important test of the depth and influence of these perceptions.

Third, Xi's ideas about national security and the national security system he is building are creating substantial barriers to more U.S.-China contact, interactions, and communication. The growing and expanding suspicions about the United States are producing diverse constraints on all aspects of bilateral interactions. For example, the recent crackdowns on U.S. consulting and research firms (especially given that this was done by the MSS and not an economic agency) are having a chilling effect on U.S. investors and U.S. companies operating on the mainland. Similarly, new data protection and counterespionage laws have produced enhanced scrutiny of foreign scholars traveling to China, leading to a reduction in academic interactions. The dense web of people-to-people connections at the heart of U.S.-China ties is long gone and may never return to prior levels.

Fourth, the political environment in China fosters incentives for the internal security actors to take more aggressive actions against U.S. persons and organizations operating in China. Xi's recent decision to employ the MSS and not economic agencies to address information security issues at U.S. consulting firms may be a harbinger of the future actions against international businesses. As a result, many in the U.S. business community are reluctant to travel to China and to invest more there.⁸⁷

In addition to business affairs, China's internal security services are now playing a greater role in other decisions related to U.S.-China ties. They now have a greater weight in the visa review process, resulting in numerous anecdotal accounts of visas being denied (and not being granted) or visas being granted but U.S. visitors being refused entry at the border. A related but distinct aspect of this is more aggressive Chinese intelligence collection activities in the United States, fostering an action-reaction cycle between U.S. and Chinese intelligence services, both civilian and military. The spy balloon incident in spring 2023 — and the broader collection program it revealed — was perhaps the most brazen example of China's growing risk tolerance in its intelligence collection programs.⁸⁸

A fifth arena where Chinese domestic politics affect U.S.-China ties is in the commercial relationship. China's policy of dual-circulation and self-reliance aims to reduce dependence on U.S. demand, capital, commodities, resources, and technologies, comprising a Chinese version of "decoupling." China sees reliance on any and all such U.S. inputs as a vulnerability that the United States could exploit in a crisis. This priority intensified in 2022 following the massive global sanctions on Russia following its invasion of Ukraine.

Xi's self-reliance agenda has manifested in policies to both reduce exposure to the United States and to expand reliance on sources not aligned with the United States. China's long-term effort to reduce its direct exposure to the U.S. dollar, especially in its foreign exchange reserves, has intensified. One of the sanctions on Russia that caught China's attention was the freezing of Russian central bank reserves located outside Russia. China has similarly reduced purchases of U.S. agricultural goods (e.g., corn,

87 Demetri Sevastopulo, "US Chamber of Commerce Warns of Rising Risk of Doing Business in China," *Financial Times*, April 28, 2023, at <https://www.ft.com/content/0ae1825b-1515-4293-8b93-5f86766b1c2f>; Chip Cutter, "China Is Becoming a No-Go Zone for Executives," *Wall Street Journal*, October 6, 2023, at <https://www.wsj.com/business/china-is-becoming-a-no-go-zone-for-executives-626250dd>

88 James Mulvenon, "Non-Traditional Security Competition: The Espionage Realm," in Evan S. Medeiros, ed., *Cold Rivals: The New Era of U.S.-China Strategic Competition* (Washington, DC: Georgetown University Press, 2023).

wheat, and soybeans), while increasing purchases from others, such as Brazil. (U.S. farmers remains very reliant on exports to the Chinese market.⁸⁹) On energy security, China has similarly expanded imports of oil and gas from Russia and the Middle East, while trying to reduce imports of natural gas from U.S. suppliers. Chinese direct investment into the United States continues to decline, owing to the view that it is an inhospitable environment for Chinese investors. In 2022 and 2023, all the major Chinese SOEs (seven in total) listed on the New York Stock Exchange (NYSE) delisted from the exchange so that they would not be subject to intrusive inspections of their financial audits. To be sure, the Chinese goal is not to cut itself off from trade and investment with the United States — far from it. China wants to sell more to the United States. Rather, Xi’s goal is to reduce critical dependencies that create vulnerabilities for China while increasing the asymmetric reliance of the United States on China. For China, the more it can sell to the United States and the less it can buy from it, the less vulnerable it may be and the more leverage it may have in a crisis.

Finally, Chinese domestic politics influence U.S.-China ties by fostering a political environment in China that, in recent years, has not been conducive to dialogue, compromise, and cooperation — and in some instances has been hostile to them. This has undermined China’s willingness to conduct diplomacy, a process that requires dialogue and negotiation on both sides. The collective impact of

growing suspicions, incentives to “struggle” against the United States, zealous security organs, politicized agencies, and hyper-centralized decision-making has reduced the political space for dialogue and cooperation in U.S.-China ties.

The resulting rapid shift in China’s posture toward the United States — welcoming dialogue with U.S. officials and promoting positive narratives of U.S.-China friendship — further validates the prominence of politics in China’s U.S. policy

The 2023 spy balloon incident offers one such example of how quickly distrust can resurface and constrain dialogue. Occurring only a few months after the November 2022 Bali summit, the Chinese response was to not engage in dialogue with the United States and explain its actions. Rather, it was to deny the true purpose of the balloon and then deflect responsibility from China

to the United States. Chinese officials and the media blamed the United States for a hysterical response and claimed that response as validation of the domestic political narrative that the U.S. goal was to contain China, further bolstering support for Xi and the CCP at home. Beijing shut down most of the major U.S.-China dialogue channels for months, including by leaving the Chinese ambassador to Washington position open for an unprecedented eight months, from October 2022 to May 2023.

Subsequently, bilateral dialogue channels only opened up beginning in summer 2023 when Beijing realized it needed to create the conditions for Xi to travel to the United States in November for the APEC meeting. The resulting rapid shift in China’s posture toward the United States — welcoming dialogue with U.S. officials and promoting positive narratives of U.S.-China friendship — further validates the prominence of politics in China’s U.S. policy: using foreign policy to bolster legitimacy. The CCP needed to create the political conditions for Xi to travel to the United States, especially after years of promoting negative views of America. In the weeks before Xi’s trip, he met with several U.S. visitors who might not normally see him, including Senator Chuck Schumer and California Governor Gavin

89 Chad P. Bown and Yilin Wang, “China Is Becoming Less Dependent on American Farmers, but US Export Dependence on China Remains High,” Peterson Institute for International Economics, March 21, 2023, at <https://www.piie.com/research/piie-charts/china-becoming-less-dependent-american-farmers-us-export-dependence-china>

Newsom. Days before Xi's travel, the propaganda apparatus started promoting positive descriptions of the United States and U.S.-China relations. *Xinhua* even published a five-part series in Chinese on "Getting China-U.S. Relations Back on Track."⁹⁰ The November 2023 summit outcomes will be a test of the depth of the CCP's suspicions about the United States. Will they function as structural barriers to cooperation? The ultimate test may be the next bilateral crisis when the new dialogue channels and pledges of cooperation will either persist or be shut down again.

90 Vivian Wang and Joy Dong, "As Xi Heads to San Francisco, Chinese Propaganda Embraces America," *New York Times*, November 14, 2023, at <https://www.nytimes.com/2023/11/14/world/asia/china-xi-propaganda-america.html>

CONCLUSION: THE CURRENT AND FUTURE TRAJECTORY OF U.S.-CHINA RELATIONS

This study has sought to reveal a new and important reality about U.S.-China relations: the era of strategic competition is rapidly becoming as much about domestic politics as it is about geopolitics, and perhaps more so. Political factors have always been a persistent presence in relations, but their influence is now expanding: shaping the context, setting priorities, and even directing actions. Entities and forces in both countries are newly active and influential in policymaking. Many now have equities in this relationship — and in the competition — unlike in the past. This constellation of people, organizations, ideas, and forces is not only shaping the context in which decisions are made but, in some cases, is also directing the content of decisions, often to their narrow interests. U.S. policy toward China and China's policy toward the United States will now reflect — perhaps more than ever — a complicated balancing act among competing domestic political agendas and forces.

As argued throughout this study, these political forces are not just becoming more relevant; they are changing, evolving, and diversifying. Prior actors are becoming more involved, such as the U.S. Congress and the Chinese security services, and some less so, such as the U.S. business community and civil society. Some are becoming involved in different ways, such as the prominence of China issues in U.S. electoral politics. A variety of domestic forces, such as the Chinese impulse toward self-sufficiency and the U.S. desire for technological supremacy, will have enduring influence. As domestic circumstances in both countries change, this complexion will evolve further. The recent economic slowdown in China appears, for now, to have contributed to a resumption of U.S.-China dialogue at the highest levels. This cyclical trend could continue or it could taper off depending on other events in China and in the United States.

If there is one consistent trend evident from this study, it is that domestic political forces are now putting downward pressure on U.S.-China relations — increasing tensions and pushing the two countries apart. And this is unlikely to end anytime soon. Perceptions of each other are hardening, and this is motivating policies that incentivize more competition on a greater set of issues. These perceptions and policies also create barriers to dialogue, communication, and other policies supporting stability in the relationship. For example, the sanctions on U.S. and Chinese senior government officials are at an all-time high, fostering personalization and individual animus in both capitals. The barriers to removing such individual sanctions are largely political on both sides. The same is true for tariffs and related trade actions.

In recent years, these dynamics have been most evident on economic and technology policy, where an action-reaction cycle is emerging to restrict trade and investment, especially on advanced technologies and the raw materials to make them. In many cases, domestic politics are at the center of encouraging these actions, while other domestic actors have failed to prevent them. The specific constellation of domestic conditions may be unique to these issues, but the net effect on the relationship is the same: complicating management of relations, creating barriers to dialogue and understanding, increasing

incentives for competition, expanding the scope of competitive policies, augmenting the risks of escalation, and reducing the political space and access to tools for managing disagreement and crisis. The risks of an escalation from both deliberate and unintended actions are only growing.

This evolving constellation of domestic conditions not only places stress on policymakers in Washington and Beijing; it also raises the possibility of unintended crises. The increasing influence of domestic politics in the U.S.-China relationship opens the door to autonomous actions that materially affect the ability of top leaders to have full control over bilateral ties at sensitive periods. Leaders in both countries now face a greater number of domestic pressures on them — often competing ones — that constrain their ability to implement a consistent policy, or at least a policy that reflects a consistency of interests. The resulting dynamics are already raising questions about the degree of agency, if not control, of top U.S. and Chinese leaders managing this relationship.⁹¹

The increasing influence of domestic politics in the U.S.-China relationship opens the door to autonomous actions that materially affect the ability of top leaders to have full control over bilateral ties.

All of this is happening at the very time that sources of ballast in the relationship and the firebreaks against rising tensions are atrophying, largely due to the changing domestic political environment in both countries. The typical buffers and stabilizers to moderate these political forces are no longer active or influential. In the United States, this has historically involved coalitions among legislators and business leaders, the interventions of top U.S. policymakers, support from civil society, and the cautions from U.S. allies who don't want to get dragged into unending rivalry with China. For China, the sources of stability are harder to discern with precision. In the past, the policy interventions of China's top leaders at sensitive periods have been critical to sustaining relations. The Chinese leadership's national-level priorities — economic growth and diplomatic stability — have been essential to maintaining the direction of China's US policy. The willingness and ability of China's top policymakers to constrain some actors and to enable others was important to the consistent development of U.S.-China relations over the last four decades.

Looking forward, the trends in both Chinese and U.S. domestic politics are worrisome. We are in a new era of Chinese politics. Many of the old assumptions about the personnel, institutions, and policymaking processes no longer apply. Xi has decidedly moved away from the following: political decentralization, muted ideological demands, a greater role for market forces, and decision-making that privileges national interests and values consensus among the leadership. These hallmarks of the prior decades are all vanishing over a most uncertain horizon, not in the least because of Xi's dominant position on top of a hyper-hierarchical system with no clear successor in sight. His willingness to use coercive methods internally has only supercharged his approach and altered incentives within the party-state.

The implications of the changes in Chinese politics for U.S.-China relations are substantial and accumulating. They create and sustain incentives to see the United States as an long-term strategic and ideological adversary and, as a result, to minimize communication and cooperation; this is even

91 For China, such questions arose during the spring 2023 spy balloon incident. For the United States, House Speaker Nancy Pelosi's summer 2022 trip to Taiwan raised similar issues.

true when immediate economic and political needs require tactical diplomatic adjustments such as following the November 2023 summit. Xi has created a political system that leaves little room for negotiation with Washington without his explicit approval and direct involvement. He has similarly created a political climate that preferences resistance against U.S. policy and offers limited incentives for policymakers to work with their U.S. counterparts, raising questions about the durability of periods such as today. Xi's new top-level policy priorities — national security and self-sufficiency — directly imply reduced connectivity with the United States and accentuate competition with it in other regions. Furthermore, as Xi has changed the Chinese political system, the contrasts with the U.S. system could not be more obvious, heightening concerns in the United States about an ideological competition. Of course, these differences have been apparent for decades, but Xi is more deliberate and transparent about defending them while pointing out — and exploiting — the perceived weaknesses of democracy. Thus, Xi's changes to Chinese politics are actively fostering an ideological competition with Western democracies.

The domestic politics of America's China policy are also changing and create their own challenges to managing such a complex relationship. As detailed throughout this study, the U.S. domestic political landscape has changed much over the past 40 years of official relations and especially in the past five

We are now in a political era where China is being used instrumentally to advance specific political interests.

years. Today, multiple layers matter: congressional politics, electoral politics, interest group politics, bureaucratic politics, and public opinion all influence U.S. policymaking in their own way. China is not just a relevant factor but a driving force in the dynamics in each of these categories. Congress has entered a new phase of activism on China policy that has included both robust legislative and oversight agendas. Congress is a new locus of policymaking on China. Interest group politics now support more scrutiny and greater competition, with minimal support for trade, investment, and interchange. China is rapidly moving to the center of U.S. electoral politics. We are now in a political era where China is being used instrumentally to advance specific political interests, and some China policy decisions become a proxy for domestic partisan interests. Political actors — on both sides of the aisle — can and have co-opted China policy as a tool for promoting their political goals and to advance domestic agendas. These trends are likely to continue if not become more pronounced.

As we enter the fifth decade of deeper U.S.-China ties since normalization, this relationship works best when some form of strategic *modus vivendi* operates between them. This need not be a recreation of the proverbial anti-Soviet balancing coalition of the 1980s but rather a shared belief that U.S. and Chinese interests converge — or at least do not diverge — on a variety of issues important to both sides. The convergence of economic interests in the 1990s and 2000s offers one example but even then it was narrow, short-lived, and problematic. No such understanding exists today, and one seems far off.

The other key to stability — as demonstrated throughout this report — is the need to match the strategic *modus vivendi* with the development and sustainability of a political consensus in both countries about U.S.-China relations. This is easier in Xi's autocracy than in the U.S. democracy, but both systems require diversity of stakeholders to support such a policy. Building and sustaining this kind of political consensus will be a challenge in this world of new domestic dynamics and diverging strategic interests. It will require the cooperation of many actors: policymakers, legislators, business leaders, scholars, and

the domestic publics in both countries. Yet, this is only becoming harder as the entities and interests involved in debating and deciding policy are diversifying each day. At the same time, such a domestic consensus is now not just a useful condition — but also a critical one — for avoiding conflict between these two geopolitical rivals.

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