Nationalism and the Domestic Politics of Chinese Foreign Policy: Lessons for the United States

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U.S. policy toward China must be grounded in a strategic assessment of the landscape of domestic politics and public opinion underneath the Chinese Communist Party (CCP)’s rule. China is not a monolith. Far from an imagined “Beijing consensus,” there is a spectrum of opinion, ideology, and interests inside China, with differences over everything from the appropriate role of the state in the market to when the government should use force to advance China’s national interests. Washington must consider carefully how different courses of action will affect the domestic dynamics and debate inside China about how a more powerful China should use its growing power and influence.

Chinese nationalism poses short-term risks and challenges for U.S. deterrence and leverage, but in the long-term Chinese nationalism will hinder Beijing’s bid for global leadership and influence. To reduce the risk of war with China, reverse the decline in U.S. global power and prestige, and restore trust in U.S. democracy, Washington should adopt an asymmetric strategy that avoids mirror-imaging Beijing’s worst tendencies. U.S. leaders and voters seeking a more effective strategy for meeting the China challenge should recognize both the limits of China’s international appeal as well as the dangers of catering to American nationalism. Better to let Chinese nationalism run its course, or run aground, on its own, as Ali Wyne and I wrote in “America, Don’t Try to Out-China China,” for the New York Times.

U.S. policy toward China must be grounded in a strategic assessment of the landscape of domestic politics and public opinion underneath the Chinese Communist Party (CCP)’s rule. Without sufficient attention to the shifting currents of nationalism in Xi Jinping’s China, U.S. policymakers risk pursuing strategies that will backfire rather than succeed in shaping China’s foreign policy choices. Chinese nationalism poses short-term risks and challenges for U.S. deterrence and leverage, but in the long-term Chinese nationalism will hinder Beijing’s bid for
global leadership and influence.\(^1\) The United States should avoid nationalist policies of its own, which would only inflame Chinese nationalism. Better to let Chinese nationalism run its course, or run aground, on its own, as Ali Wyne and I wrote in a 2020 op-ed for the *New York Times*, “America, Don’t Try to Out-China China.”\(^2\)

China is not a monolith. Far from an imagined “Beijing consensus,” there is a spectrum of opinion, ideology, and interests inside China. Washington must consider carefully how different courses of action will affect the domestic dynamics and debate inside China about how a more powerful China should use its growing power and influence.\(^3\) Even if self-described liberals are less publicly visible beneath the increasingly repressive leadership of Xi Jinping, there are still ongoing and unsettled debates in China over everything from the appropriate role of the state in the market to when the government should use force to advance China’s national interests.

To reduce the risk of war with China, reverse the decline in Washington’s global power and prestige, and restore trust in U.S. democracy, Washington should adopt an asymmetric strategy that avoids mirror-imaging Beijing’s worst tendencies. U.S. leaders and voters seeking a more effective strategy for meeting the China challenge should recognize both the limits of China’s international appeal as well as the dangers of catering to American nationalism.

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Nationalism is a malleable constraint, not a direct driver of Chinese foreign policy

Nationalism is one of several central pillars—or legitimating strategies—that the CCP uses to justify its authoritarian rule. Other central pillars include delivering economic growth and maintaining stability, or holding “chaos” (luan) at bay. Nationalism has both the potential to rally as well as devastate the CCP’s domestic support. It is a powerful source of legitimacy, but one that is also contingent on performance. Mobilized nationalism – whether online or in the streets – increases the costs of conciliation and shapes the domestic decision-making environment. To be sure, the Party has substantial leeway to shape public opinion through its propaganda and education system, allowing Beijing to reduce the costs of compromise and restraint. But popular nationalism often provides the spark for international confrontation as Chinese netizens go global in their efforts to defend China, as the NBA controversy showed in 2019.

To rally the public and bolster domestic resolve for a protracted confrontation with the United States, the CCP under Xi Jinping has increasingly relied on nationalistic rhetoric and propaganda. As the U.S.-China trade war escalated, Chinese media rebroadcast Korean War-era films to remind the public of the Chinese people’s ability to wage a prolonged fight against the United States. In a September 2019 speech, Xi called on Chinese cadres to “dare to struggle, and be good at fighting” when faced with risks and challenges that threaten the CCP’s leadership and the great rejuvenation of the Chinese nation.5

The January 2020 phase-one trade deal produced a temporary softening in Chinese rhetoric, but the CCP turned again to “wolf warrior” diplomacy after COVID-19 broke out in Wuhan and spread around the world, prompting widespread criticism of China’s initial reporting delays and suppression of local doctors’ warnings. Chinese diplomats hit back by using social media and other platforms to attack foreign critics and highlight the inadequacy of foreign responses to the coronavirus, even peddling conspiracy theories about the U.S. origins of the novel coronavirus.

Yet the pandemic has also clarified the CCP’s priority on different pillars of its legitimacy in times of acute domestic crisis. The CCP worked first to contain the coronavirus and restore confidence in public safety, even cracking down on Chinese internet users that promoted conspiracy theories about the coronavirus being a U.S.-made bioweapon. Only once the virus was largely contained within China did top diplomats and state media brag about the superiority of the Chinese system and indulge conspiracy theories about the U.S. origins of the coronavirus. Finally, the CCP prioritized stabilizing employment and restarting the economy, which had been allowed to contract during the first quarter of the year for the first time in decades. Rather than setting a target growth rate as the metric of economic performance, Premier Li Keqiang emphasized the “six stables” and “six secures” in his work report to the National People’s Congress.

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Nationalism poses short-term challenges and risks for U.S. leverage and deterrence

The more that the CCP leans on nationalism to bolster its domestic legitimacy, the less leverage the U.S. and other external powers have with Beijing. In crafting strategies to deter or punish Beijing, foreign governments should beware of counterproductive forms of international pressure.

The more an issue resonates with nationalist sensitivities among the Chinese public and elites, the more likely foreign threats and actions are to provoke rather than deter by galvanizing domestic pressure on Beijing for a tough response and countermeasures against the range of foreign interests that benefit from access to China.

To placate domestic audiences while limiting the risk of military incidents and escalation to war, Beijing has often used symbolic military moves and rhetorical bluster. For example, after the United States sent a U-2 spy plane through an area that Beijing had temporarily closed for military exercises in August, China tested two “aircraft-carrier killer” missiles in the South China Sea. When U.S. naval ships conducted freedom-of-navigation patrols near Chinese-claimed islands in the South China Sea in 2020, Beijing proclaimed that the Chinese military had expelled them from the area.

Similarly, when tensions escalated with Japan over the East China Sea in 2013, Beijing employed fiery words and demanded that foreign aircraft identify themselves and comply with

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Chinese instructions when flying over the East China Sea—instead of using force.\textsuperscript{11} In 2001, after a midair collision with an American spy plane, China defused the crisis by mourning the “martyred” pilot while avoiding a repeat of the anti-American demonstrations that had swept the country in 1999.\textsuperscript{12}

Such moves help the government appease nationalist demands for a more assertive stance while prioritizing economic and strategic interests in avoiding outright conflict. And nationalist rhetoric can help the government shore up public approval by reminding citizens of the nation’s long struggle and emphasizing that China will ultimately prevail by biding its time for future success.

But this is a tricky balancing act. In order for U.S. deterrence efforts to succeed, the Chinese government must absorb public opinion costs for not taking action in the face of U.S. “provocations.” As domestic disapproval costs mount in Beijing, deterrence failure may lead us to think that China’s leaders harbor expansionist aims. But Washington should recognize that the Chinese leadership’s calculus also reflects domestic insecurity.

And while Beijing’s bluster may temporarily appease nationalist demands, it may also increase domestic appetite for military conflict later. As such, crafting policies to shape the trajectory of China’s behavior and influence must consider both short- and long-term effects; policies to force near-term Chinese restraint may also make medium- or long-term belligerence more likely by hardening overall opinion inside China.


Domestic divisions help explain inconsistencies in CCP rhetoric and policy

What “China” wants also obscures substantial domestic heterogeneity. Some issues, like Taiwan and Hong Kong, unite rather than divide domestic opinion. Other issues, like trade and the environment, involve a range of competing domestic interests. Even when there is a domestic consensus about the desired outcome, such as Chinese sovereignty claims to islands in the East and South China Sea, there is often still heterogeneity in views about the appropriate means and timeframe for achieving those goals.

Surveys show that Chinese internet users and elites are especially inclined to call on the Chinese government to invest in and rely more on military strength. And younger Chinese, while not necessarily more nationalist in their reflexive support of or belief in China’s inherent superiority, are still more hawkish and opinionated than older generations. Question wording also matters, implying that public preferences about means are relatively malleable and context-dependent.

The Chinese government’s nationalist slogans, like the “Chinese dream” or “national rejuvenation,” are also flexible enough to accommodate changing circumstances and strategic realities. While key statements and slogans set a direction or overarching strategic objectives, they are also vague by design. Such slogans do not reveal key details: how these goals and interests are defined in practice, what means will be deemed appropriate to achieve them, what costs the government is willing to absorb when key objectives collide, and how success in

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achieving an objective will be defined.\textsuperscript{15} Inevitably, these details will be contested within the overarching principles that define the boundaries of acceptable domestic debate in a repressive, one-party system. Such slogans are also often modified and adapted to defuse domestic as well as international opposition.\textsuperscript{16}

Consider the term “rejuvenation,” which has become far more frequent in Xi Jinping’s speeches than his predecessor Hu Jintao’s.\textsuperscript{17} This increased emphasis indicates a change in domestic legitimation strategy toward a greater reliance on nationalism. But the foreign policy connection is more flexible. For example, military hawks like retired major general Qiao Liang warned Chinese internet users in May 2020 that the time was not right for using force to take back Taiwan, stating that “Taiwan is not the complete story of our rejuvenation, not even the major part of it. Because the main essence of the rejuvenation project is the happiness of 1.4 billion people.”\textsuperscript{18}

Such interpretations widen the goalposts for achieving national rejuvenation, allowing for success in defending other types of national sovereignty—including Qiao Liang’s emphasis on “resource sovereignty, food sovereignty, investment sovereignty, biological sovereignty, cultural

\textsuperscript{15} As Joel Wuthnow writes, “party documents, while sometimes containing useful information, are often light on concrete details. Taking the CCP’s final military objective as an example, the meaning of the phrase ‘world-class forces’ (世界一流军队) is ambiguous. Does this suggest a military with state-of-the-art weapons and equipment? One that can prevail against the United States in a regional war? One able to operate globally to protect China’s interests? All of the above? Or something else entirely? Absent further details, we cannot know what the desired end state is or even whether senior party officials themselves know.” Joel Wuthnow, “Deciphering China’s Intentions: What Can Open Sources Tell Us?” The Asan Forum, July 29, 2019, http://www.theasanforum.org/deciphering-chinas-intentions-what-can-open-sources-tell-us/.

\textsuperscript{16} See, for example, the evolution of “peaceful rise” to “peaceful development.” On domestic opposition to and the evolution of the Belt and Road Initiative, see Min Ye, “Fragmentation and Mobilization: Domestic Politics of the Belt and Road in China,” Journal of Contemporary China 28, no. 119 (September 3, 2019): 696–711, https://doi.org/10.1080/10670564.2019.1580428.


\textsuperscript{18} Qiao Liang, “台湾问题攸关国运不可轻率急进 [The problem of Taiwan concerns our national destiny. We must not be reckless.]” Tianya, http://blog.tianya.cn/post-4061293-131324684-1.shtml, April 18, 2020.
In so doing, CCP elites reframe national rejuvenation as encompassing a more holistic effort to strengthen the nation, offsetting the focus on reunification with Taiwan.

Rhetoric and slogans also change over time with shifting domestic and international conditions. Such shifts in rhetoric do two things—they reorient to changing circumstances, but they also try to signal continuity by providing an ideological gloss on policies that appear at odds with previous principles. For example, as the CCP increasingly turned to capitalism and private enterprise to fuel economic growth, its leaders “recognized the need to update the official ideology to match the unofficial practice of co-opting entrepreneurs into the party,” political scientist Bruce Dickson told me in an interview for the Washington Post Monkey Cage blog. “Many in China mocked this expansive definition as self-serving, but the move reflected the CCP’s need to justify its actions with an ideological gloss, even if it meant rewriting its ideology.”

The result tends to be a set of mixed messages that often are vague and lack internal coherence, but nonetheless are rolled out to enforce a veneer of political conformity – with differences surfacing in how these broad slogans are actually upheld and interpreted. This mixing of messages also means that analysts should be very careful about which segments of Chinese rhetoric they quote as evidence of China’s true intentions.

These dynamics mean considerable tension—one might even say “internal contradictions”—between the official rhetoric used to describe Chinese foreign policy and the explicit and implicit principles that actually appear to guide its conduct. While the CCP’s official ideology is still Marxism, it has had limited influence on the actual conduct of Chinese foreign

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policy since Mao’s death.\footnote{See, for example, Yan, Xuetong. “Chinese Values vs. Liberalism: What Ideology Will Shape the International Normative Order?” Chinese Journal of International Politics 11, no. 1 (Spring 2018): 1–22, \url{https://doi.org/10.1093/cjip/poy001}.} John Culver, retired National Intelligence Officer for East Asia (2015-18), writes that nominal Marxism may have even acted as a restraint on China’s foreign policy after Mao, as the CCP feared being the target of U.S. regime change efforts and focused instead on economic development as the basis of its rise.\footnote{John Culver, Twitter, September 1, 2020, \url{https://twitter.com/JohnCulver689/status/1300751700639330304}.}

As such, it may be more appropriate to regard references to Marxist-Leninism as signaling a superficial continuity with the past rather than guiding policy in the present: polishing Mao’s revolutionary legacy and ideological inheritance while embracing little of the leftism that the CCP practiced in that era. Indeed, the CCP’s crackdown on student Marxist groups and labor organizing reflects the gulf between official rhetoric and reality. As sociologist Eli Friedman says, “Perhaps the state is particularly discomfited by these young activists precisely because they embody the Marxist principles the CCP has long since abandoned in practice.”\footnote{Jessica Chen Weiss, “Cornell University Suspended Two Exchange Programs with China’s Renmin University. Here’s Why,” Washington Post, November 1, 2018, \url{https://www.washingtonpost.com/news/monkey-cage/wp/2018/11/01/cornell-university-suspended-two-exchange-programs-with-chinas-renmin-university-heres-why/}.}

None of this is to say that we should ignore Chinese statements and speeches as meaningless cheap talk. On the contrary, they can be useful indicators of shifts in strategy and tactics, as long as we are attentive to the multiple audiences they are intended for, international as well as domestic. In this regard it is particularly important to pay attention to surprising forms of rhetoric – ones that go against the type or reputation of the speaker. Examples include Qiao Liang cautioning against a hasty decision to use force over Taiwan, or “wolf warrior” diplomats like Zhao Lijian saying “China never ‘exports’ the Chinese model to anyone, nor has it ever

\cite{Culver2020}
asked anyone to ‘copy Chinese homework.’”\textsuperscript{24} Such shifts are important indicators of a possible tactical moderation in Chinese foreign policy, where after a period of aggressively signaling resolve, the CCP leadership realizes it has gone too far and is now willing to calibrate a bit—rather than rushing headlong toward a conflict with the United States that the CCP would rather avoid.

The success of international pressure depends on the domestic balance of Chinese interests.

Understanding the domestic landscape inside China can also help U.S. policymakers assess when international pressure is likely to succeed or backfire. On international issues that are less central to the CCP’s domestic legitimacy, such as most issues before the United Nations, the Chinese government has often been willing to compromise or cooperate with international frameworks.\textsuperscript{25} But on issues that are central to the CCP’s survival – such as its self-defined “core interests” in Taiwan, Xinjiang, and other homeland and maritime disputes – Beijing has insisted rigidly on national sovereignty and refused to compromise. Take Hong Kong, where Beijing fears both democratic contagion and a separatist threat to national sovereignty. Threats of economic sanctions have been ineffective at deterring Beijing from pushing through new national security legislation that effectively ends Hong Kong’s autonomy.

On other issues, there is greater domestic polarization about what Chinese policy should try to achieve, not only the means and timeframe for doing so. On the issue of China’s exchange rate, for example, tradable industries that favor a depreciated currency have lobbied against non-

\textsuperscript{24} Foreign Ministry Spokesperson Zhao Lijian, April 9, 2020: “外交部：中国从不‘输出’中国模式，也从未要求‘抄作业,’” \url{http://world.people.com.cn/n1/2020/0409/c1002-31667894.html}.
tradable industries and the banking sector, which favor a more market-oriented exchange rate.\(^{26}\)

On such issues, foreign governments can try to play one strong constituency off the other.

On currency appreciation, this was partly successful; U.S.-led multilateral pressure helped accelerate revaluation of the renminbi between 2005 and 2012, even if the Chinese government had to compensate domestic losers with subsidies and other preferential policies.\(^{27}\)

Such a strategy is not about getting China to do something that is not in China’s interests, but about getting China to do something that is in the interests of some powerful domestic constituencies, while minimizing the opposition of others.

In turn, the relative balance of power among competing domestic interests will influence whether such a strategy is feasible. On currency appreciation, there were powerful interests on both sides. On other issues, one domestic actor may have an outsized stake in the outcome, capturing or dominating the policy process without opposition from less vested interests. For example, the Chinese military’s interest in continuing to use land mines drove the government’s refusal to sign the Ottawa Treaty despite international pressure, as Iain Johnston notes.\(^{28}\)

On internet governance, as Molly Roberts shows in her research, censorship acts like a regressive tax, with elites having the means to circumvent the great firewall, while less wealthy or educated citizens do not, with many – up to half the internet population – not even being aware of the great firewall’s existence.\(^{29}\) Because powerful constituencies in China do not suffer, while the weak and affected have little ability to demand change, China’s internet governance is


an unlikely candidate for a strategy of foreign pressure helping a domestic reform-minded coalition to succeed.

Underneath the CCP’s grand slogans of a “Chinese dream” and a “shared future for humankind,” there is significant issue-by-issue variation in China’s attitude and behavior toward the international order. China has been a conservative defender of some international institutions, like the UN, while opposing others, like the International Criminal Court. Table 1 summarizes the variation and policy recommendations across issue areas, defined by the centrality of the issue to the CCP’s survival and the degree of domestic contestation.


### Table 1: Issues by Degree of Centrality and Heterogeneity – with Policy Recommendations

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<thead>
<tr>
<th>High Centrality</th>
<th>Low heterogeneity</th>
<th>High heterogeneity</th>
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<tbody>
<tr>
<td></td>
<td>“Homeland” issues like Hong Kong, Tibet, Xinjiang</td>
<td>Internet governance</td>
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<td></td>
<td>Sovereignty claims to Taiwan and East and South China Sea (“core interests”)</td>
<td>Climate change</td>
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<td></td>
<td>Beware counterproductive international pressure, as rhetorical response can harden long-term attitudes</td>
<td>Trade</td>
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<td></td>
<td>Need countervailing, central incentive to shift policy</td>
<td>Belt and Road Initiative</td>
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<td></td>
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<td>Exchange rates</td>
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<tr>
<td>Low Centrality</td>
<td>Most issues before the United Nations, e.g. peacekeeping</td>
<td>Iran nuclear deal</td>
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<td></td>
<td>Ottawa Treaty banning landmines</td>
<td>Multilateral pressure can succeed, but may confront enforcement issues</td>
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<tr>
<td></td>
<td>Multilateral pressure can be effective, unless a powerful domestic actor has captured policy</td>
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Greater heterogeneity is likely to produce tougher and more drawn-out international negotiations as well as increasing the likelihood of implementation failure, requiring more monitoring and possibly enforcement in international agreements. Partial compliance may in turn make it more difficult for other governments to assess Beijing’s intentions to determine whether Beijing reneged after negotiating in bad faith or simply lacked the capacity to bring wayward domestic actors in line.

**What does China want? It depends**

Taking seriously the heterogeneity of Chinese ideas and interests means recognizing that any description of “what China wants” involves a constantly moving target. And the compromise
or balance between competing interests and ideas can shift with changes in the domestic and external environment. Understanding Chinese grand strategy as a function of domestic and international political contestation means that China’s intentions cannot simply be reduced to historical analogies (such as Stalin’s CPSU), ideological traditions (such as Marxism-Leninism), or theoretical models of international relations (such as neorealism).

Rhetoric, even authoritative statements by party leaders, is not a definitive guide to a state’s grand strategy or intentions. Such rhetoric is itself a performance, aimed at multiple audiences, domestic and international. And such words often amount to bluster—used to signal solidarity with and placate domestic constituencies even when policies fall short of their desires and demands. China’s behavior is also important to consider, even if actions are also imperfect as a guide to strategic intentions. Behavior reflects both the reality of material constraints and opportunities as well as the competing interests and efforts of domestic actors, which may not always be well-coordinated.

At the end of the day, analysts need to look at Chinese rhetoric and behavior—and resist the urge to base threat assessments primarily on Chinese rhetoric, because there is often a significant gap between rhetoric and reality, and because that rhetoric is also likely to shift as domestic and international circumstances change. Assuming that China’s foreign policy is guided by a unified or unchanging grand strategy or “master plan” risks a) assuming more strategic coherence than exists in practice, b) glossing over domestic debates about what ends and means Chinese foreign policy should pursue, and c) overlooking the role of international interactions in shaping Chinese strategy.

To be sure, there are limits to what international pressure can achieve, and indeed international censure appears to be no match for the CCP’s growing paranoia about the risks of
“splittism” and its abrogation of Hong Kong’s autonomy and attempted cultural genocide in Xinjiang. If anything, the CCP has invoked the threat of foreign subversion to justify its increasingly repressive policies, including the National Security Law for Hong Kong. Yet there is still enormous uncertainty – and internal debate – about how quickly or aggressively Beijing might act to use force vis-à-vis Taiwan, let alone the rest of the region and the world.

**Nationalism handicaps Beijing’s influence and appeal**

In assessing China’s international influence, Washington should recognize that the nationalism that the Chinese Communist Party has nurtured and continues to harness for its domestic legitimacy will constrain China’s global appeal and quest for international leadership. Beijing faces a global backlash over its crackdown in Xinjiang and in Hong Kong, its activities in the South China Sea, and its fighting with India in the Himalayas. Brash diplomacy, along with repression and xenophobia at home, undermine China’s efforts to project an image of benevolent leadership, undercutting its “mask diplomacy” and other concerted efforts to provide assistance in fighting COVID-19.  

Internal Chinese reporting suggests that global anti-China sentiment is at its highest since the 1989 crackdown at Tiananmen. This reporting matches growing signs of recognition among Chinese experts that Beijing’s over-the-top triumphalism and bragging has backfired. These reflections may help explain the modest softening of China’s nationalist rhetoric. In recent months, top Chinese diplomats have denied any intention to export a “China model” or ideology,

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including Foreign Minister Wang Yi, Vice Foreign Minister Le Yucheng, and Foreign Ministry spokesman Zhao Lijian himself.34

Chinese officials have also begun to signal an interest in mitigating the growing hostility and across-the-board confrontation with the United States, even if domestic nationalism and regime insecurity constrain the kinds of concessions Beijing is willing to make to defuse international pressure. Even as Xi Jinping has declared that “the Chinese people will never allow any individual or any force to impose their will on China through bullying,” he has also emphasized that the Chinese government will “firmly stay on the path of peaceful development.”35 Senior Chinese officials from Yang Jiechi to Wang Yi have signaled an interest in stabilizing China’s diplomatic relations, even as Beijing has retaliated against international sanctions to demonstrate to domestic and international audiences alike that China will not be intimidated or pushed around.36

Washington should adopt an asymmetric strategy—strengthening liberal democracy and avoiding Beijing’s nationalist tendencies

But if the CCP continues along its nationalist bent, Beijing’s bid for greater influence and global leadership is likely to be self-limiting. That means the United States can afford to avoid tit-for-tat measures that risk the nationalist, statist tendencies that handicap Beijing’s

international appeal. Whether in China or in the United States, xenophobic nationalism is more likely to repel than attract global support. “America first” and white supremacist tendencies in American politics are the Achilles’ heel of a liberal international order premised upon U.S. leadership. The Biden administration has signaled a strong interest in putting more inclusive values at the forefront of US foreign policy and reinvigorating many of the international institutions and partnerships that the Trump administration had quit or derided. But the legacy of Trump, the January 6 insurrection, and refusal of most Republican members in Congress to certify the 2020 election results has raised doubts about the appeal and staying power of the United States as a model for liberal democracy. A more effective and sustainable strategy to defending liberal democracy must start at home, refurbishing the power of U.S. example by overcoming racism and partisan polarization.

In crafting U.S. policy to deter or compete with China, analysts must be cognizant that international interactions, along with changing capabilities, are important drivers of change in Chinese strategic thinking.\(^\text{37}\) It is especially important for analysts to be attentive to domestic contestation within China, at all levels, even if this domestic contestation does not go by traditional left-right or center-local labels.\(^\text{38}\) There is a spectrum of views inside China, with some voices advocating a much more aggressive effort to proclaim and promote a China model, and others arguing that China’s success has owed more to the unleashing of markets and private enterprise than state-directed efforts. In hedging against the most threatening version of a potential Chinese grand strategy, they must be careful not to create the conditions for the very grand strategy they most fear.

\(^\text{37}\) See Goldstein, “China’s Grand Strategy under Xi Jinping.”
Under Xi Jinping, the Chinese government has been aggressive in combating perceived threats to regime security and territorial sovereignty in Xinjiang and Hong Kong, fighting with India along their disputed border, and fortifying Chinese claims in the South China Sea and East China Sea. And China has tried to promote its image abroad and intimidate dissent where it threatens the CCP and its perceived national interests, encroaching on freedom of speech in democracies like the United States.

These are real threats to U.S. values and interests, but they do not yet amount to an existential, you-live-I-die contest. The CCP’s paramount concern is regime security – a world safe for autocracy, and a global order that makes room for and reflects China’s interests – not to destroy democracy and capitalism around the world. The CCP is holding up its example as proof that countries can develop without democratizing, but Beijing is not bent on remaking other countries in its own image. Chinese companies are selling high-tech surveillance technology around the world for profit, but Beijing is not starting coups, arming Communist guerillas, or invading and installing communist regimes around the world.

Washington should be especially careful not to imply that U.S. policy seeks regime change in China, which could backfire by rallying domestic audiences around Xi Jinping’s leadership rather than demanding that his government address acute domestic problems, like unemployment, inequality, and pollution. Stepped-up efforts at regime change in China could

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also prompt the CCP leadership to retaliate in kind, abandoning any effort to reassure others that “We do not export ideology, nor do we intend to engage in institutional competition,” as Vice Foreign Minister Le Yucheng put it in September.43 In addition to promoting China’s image and intimidating criticism of the CCP, Beijing might decide to throw its weight behind Russian-style efforts to sow chaos and disrupt democracy in the United States.

The United States can and should push back against the CCP’s worst transgressions, but U.S. policymakers should hone scalpels rather than brandish hammers. For example, broad sanctions for China’s growing repression in Hong Kong could end up hurting the city’s residents more than the Chinese government, adding financial precarity to lost autonomy and freedoms. As former U.S. Consul General in Hong Kong Kurt Tong writes, U.S. policy should aim to preserve and strengthen the city’s vitality—while ensuring that retaliatory sanctions “do no harm” to Hong Kong.44 It would be more useful to reinvigorate asylum policies to help refugees from Hong Kong, as well as ethnic minorities persecuted in Xinjiang and elsewhere in mainland China, resettle in the United States.45

In the Asia-Pacific, Washington should be more selective and judicious than the Trump administration was about when and how it conducts high-profile military patrols in the South China Sea or through the Taiwan Strait.46 Efforts to deter Chinese military aggression in the region must be conducted in ways that minimize domestic pressure on the Chinese government

to respond to U.S. “provocations,” whether through harsh rhetoric or military maneuvers of their own. Washington should also resist more nationalist policies at home, like sweeping restrictions on and investigations of Chinese scholars and students, which suggest hostility and even racial animosity toward anyone of Chinese nationality or descent. The vast majority of Chinese STEM students in the United States want to stay. And they contribute enormously to U.S. research and innovation, particularly in the advanced technologies that define the future. Importantly, the United States’ ability to innovate and compete in advanced technologies will depend on reversing policies and practices that have made the United States a less attractive destination for global talent and research. Before the pandemic, nearly 90% of international PhD students in artificial intelligence planned to stay in the United States after graduating. In 2020, F visas dropped by 86% for Chinese students and 64% for Indian students due to pandemic restrictions. With visa processing still tightly restricted amid a growing backlog, the 2021-2022 academic year could see further diversion of international students away from the United States toward other countries. Encouraging innovators and entrepreneurs of Asian ethnicity to remain in the United States will also require combating the spike in anti-Asian racism during the

pandemic, exacerbating concerns that citizens of Asian descent remain “perpetually foreign” in the United States.  

As for individuals suspected of espionage and intellectual property theft, the U.S. government should respond with more proportionate and targeted policies than the Trump administration’s “China Initiative” or the closure of the Chinese consulate in Houston. Scholars also raised concerns that ethnically Chinese researchers had suffered disproportionate scrutiny and often baseless allegations under the Justice Department’s “China Initiative,” requiring a wholesale review and restructuring of the program to ensure that efforts to counter illicit knowledge transfer and academic misconduct do not “alienat[e] the very communities that the Department of Justice must collaborate with to effectively identify malign actors,” Elsa Kania and Joe McReynolds note. To avoid encouraging top Chinese researchers to return to China and contribute their talents there—as McCarthyism forced out Chinese rocket scientist Qian Xuesen in the 1950s, where he helped develop China’s missile program—efforts to address the risks of Chinese-made technology and social media apps in the United States should be embedded in broader measures to protect individual privacy and data security, regardless of a company’s country of origin.

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Right-sizing the China threat means that U.S. policymakers can and must respond in ways that strengthen liberal values and institutions, not diminish them. A strategy based on tit-for-tat reciprocity cedes the initiative to Beijing and risks a race to the bottom—sacrificing the very openness and liberalism that U.S. policy aims to protect. Particularly in areas where the United States has comparative strengths – education, innovation, and scientific research – Washington should avoid policies that “out-China China.” And U.S. policymakers should be careful that efforts to punish China in the name of reciprocity do not hurt more than help U.S. values and interests—risking a pyrrhic victory.

Globally, it has become painfully obvious that many existing institutions are ill-equipped to address the pressing problems we confront today. Rather than ceding the field to China, the United States must help lead the discussion of how the rules-based order should be reformed to reflect the changing circumstances and challenges of the 21st century. And China’s participation in international frameworks to fight pandemics and mitigate climate change will be necessary to address these life-or-death threats.

Washington’s best response to an increasingly nationalistic and authoritarian China is to adopt an asymmetric approach. This means revitalizing the international partnerships and institutions that have long been the hallmark of U.S. leadership—not to contain China, but to shape its calculations in the Asia-Pacific and around the globe. And it means reinvesting in the openness and dynamism of U.S. society, and upholding democratic values and institutions—

starting right here in America. Without rebirthing liberalism at home, the United States will be unable to re-envision a liberal order abroad.