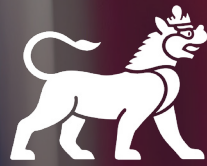


UC San Diego

SCHOOL OF GLOBAL POLICY AND STRATEGY  
21st Century China Center



ASIA SOCIETY  
CENTER ON  
U.S.-CHINA  
RELATIONS

# MEMO ON U.S. POLICY TO CHINA

GPS

MARCH 2025

## About The Task Force

The **Task Force on U.S.-China Policy** is a consortium of leading China specialists who analyze and engage on issues in the U.S.-China relationship, in a non-partisan way. It is comprised of China specialists from around the U.S. convened by Asia Society's Center on U.S.-China Relations and the University of California San Diego's 21st Century China Center. Co-chaired by **Orville Schell** and **Susan Shirk**, the group includes former U.S. government officials, scholars, and think tank researchers, many of whom served under both political parties and every U.S. president since the Nixon administration.

The Task Force issued two policy reports to the first Trump administration: *U.S. Policy Toward China: Recommendations for a New Administration* (February 2017) and *Course Correction: Toward an Effective and Sustainable China Policy* (February 2019). It released a report in September 2021 on *China's New Direction: Challenges and Opportunities for U.S. Policy* at a time when the Biden Administration is recalibrating U.S. international priorities.

This project was made possible by a grant from the Carnegie Corporation of New York, with additional support from The Annenberg Foundation Trust at Sunnylands, The Janet and Arthur Ross Foundation from the Asia Society, and supporters of the 21st Century China Center at UC San Diego's School of Global Policy and Strategy.

For a list of Task Force participants: please check either of the following two webpages: [Asia Society Center on U.S. China Policy](#) or [21st Century China Center](#).

## Asia Society Center on U.S.-China Relations

The Center on U.S.-China Relations was founded in 2006 and is based at Asia Society's New York headquarters. The center undertakes projects and events which explore areas of common interest and divergent views between the two countries, focusing on policy, culture, business, media, economics, energy, and the environment. Learn more at [asiasociety.org/center-us-china-relations](https://asiasociety.org/center-us-china-relations).

## The 21st Century China Center

Through cutting-edge research and collaboration between expert scholars, UC San Diego's School of Global Policy and Strategy's 21st Century China Center is driving innovative policy solutions on a global scale. Its mission is to produce and disseminate impactful, evidence-based research about China and to enhance U.S.-China mutual understanding by advancing scholarly collaboration, convening policy discussions, and actively communicating with policymakers and the general public in both countries. Learn more at [china.ucsd.edu](https://china.ucsd.edu).

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This report is not a formal consensus statement signed by all members of the Task Force but a distillation and synthesis of key insights from many discussions among the Task Force participants. Neither the Asia Society Center on U.S. China Policy nor UC San Diego School of Global Policy and Strategy's 21st Century China Center take any institutional positions on matters of public policy and other issues addressed in the report.

## FOREWORD

The world has entered a tumultuous historical moment, when unprecedented U.S. actions have upended long-standing norms and protocols, casting uncertainty over previously accepted understandings. This uncertainty is further compounded by a global surge in nationalism and autocracy. At this inflection point, we must reconsider how we, as citizens and members of civil society organizations like ours, can engage with our government in ways that remain meaningful and effective.

The Task Force on U.S.-China Policy, an almost decade-old group of some of America's most experienced China specialists and former diplomats, has been grappling with these questions. Many of us are deeply unsettled by our own government's actions and find ourselves navigating uncharted waters.

That said, we remain committed to our responsibilities as citizens in a democracy and believe it is essential to make our voices heard. Recognizing that course corrections are sometimes necessary in U.S. policy, we offer the following recommendations as a constructive contribution to the policy debates that inevitably accompany the transition to a new administration.

This report reflects multiple rounds of discussion among Task Force members on how U.S. policy toward China can most effectively serve our national interests. Compiled by two members of the Task Force—Susan Shirk, research professor and director emeritus of the 21st Century China Center at UC San Diego's School of Global Policy and Strategy, and Rick Waters, senior non-resident fellow at the Asia Society—these recommendations do not represent a consensus view of the Task Force signed by all Task Force members, but a distillation and synthesis of thinking from our many discussions.

At a time when global leaders are "making great disorder under heaven," we believe it is more than appropriate to include a commentary section at the end of this joint compilation. This provides an opportunity for individual Task Force members, if they choose, to contribute additional insights and analysis, further enriching the discussion.

After all, we find ourselves at a profoundly uncertain moment in history, both globally and in U.S.-China relations, when even the wisest policy prescriptions are difficult to discern. As we hurtle toward an uncertain new order—or deeper disorder—perhaps the best we can do is to embrace a 百家争鸣 ("Let a Hundred Schools contend") approach, echoing the intellectual ferment of China's Warring States period, and foster a diversity of perspectives in pursuit of a clear-headed and wise policy.

**Orville Schell**

Co-chair, Task Force on U.S.-China Policy

Arthur Ross Director of the Center on U.S.-China Relations at Asia Society in New York

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## EXECUTIVE SUMMARY\*

In this policy memo, we distill and synthesize key insights that emerged from many discussions among the Task Force members. The ensuing recommendations aim to reinforce American leadership, safeguard economic and national security interests, and promote a sustainable long-term strategy for managing U.S.-China competition.

1. The Chinese government faces significant self-inflicted domestic problems, which are more severe than most outsiders recognize. While Xi Jinping remains steadfast in his geopolitical ambitions, pursues high-tech self-sufficiency, and focuses on regime security, he has an interest in stabilizing relations with the U.S. China's internal difficulties create opportunities for negotiation on various bilateral issues.
2. Negotiations can begin with trade and investment and extend step by step to broader issues including China's assuming greater geopolitical responsibility, exercising restraint toward its Asian neighbors, and curbing interference with critical U.S. infrastructure. A ladder approach is more feasible than a "grand bargain."
3. The U.S. should introduce economic pressure and positive incentives in a phased and targeted manner to achieve negotiating leverage while avoiding escalation to a trade war.
4. Negotiations that offer Beijing a clear choice between competitive coexistence and deepening contestation will resonate with many inside China and strengthen U.S. standing among allies, partners and other countries. Diplomatic initiatives taken now can increase internal pressure on Xi to moderate his policies, stabilize U.S.-China relations, and set the stage for his successors to pursue a more pragmatic course—even if he does not.
5. Technology restrictions should be risk-based, periodically reassessed, and aligned with U.S. interests and those of its allies. Attracting talents, higher education collaboration, and science diplomacy enhance U.S. competitiveness. Restrictions on investments and talent flows should take care to protect national security without eroding America's technological edge or hindering beneficial scientific cooperation. One of the most complex challenges in U.S.-China negotiations is determining whether existing or future technology restrictions should be open for discussion.
6. Strengthening deterrence and Taiwan's asymmetric capabilities is an urgent priority amid rapid PLA modernization. At no point should Washington suggest it would abandon Taiwan or other partners as part of any bargain with China.
7. The U.S. should increase security, economic, and technology collaboration with allies in the Indo-Pacific region, while selectively engaging China in some appropriate regional initiatives as

well. We must be vigilant not to squander U.S. advantages or weaken our global standing in our competition with China.

8. While U.S. policy is unlikely to alter the trajectory of the People's Liberation Army (PLA) modernization, recent developments suggest China may be open to limited discussions on risk reduction.
9. China's policies in Xinjiang, Hong Kong, and Tibet, and its effort to build support for them, demand a sustained counterforce. While the U.S. has limited ability to influence China's domestic policies, it must firmly oppose efforts to export authoritarian practices beyond China's borders.

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\* This Executive Summary, along with the ensuing Policy Recommendations, is not a signed statement from the Task Force but represents our best effort to distill key insights and recommendations from wide-ranging discussions among Task Force members at this juncture.

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# POLICY RECOMMENDATIONS

## *Compiled by*

Susan Shirk

Co-chair, Task Force on U.S.-China Policy

Research Professor & Director Emeritus, 21st Century China Center

UC San Diego School of Global Policy and Strategy

## **Rick Waters**

Senior Non-resident Fellow, Asia Society in New York

The United States and China are engaged in a strategic competition that will shape the futures of both societies and much of the rest of the world. As analysts of the PRC and its relations with the United States, we are confident that America can avoid a costly war with China while building its own prosperity and upholding a just, transparent, and effective global system. These are the objectives articulated by the new administration and both political parties. As Secretary of State Marco Rubio said in his confirmation hearings, American voters “want a strong America – a strong America engaged in the world, but guided by a clear objective to promote peace abroad, and security and prosperity here at home.” This memorandum offers recommendations for achieving those ends.

In outlining what we believe to be the most effective way of addressing the central issues below, we recognize that some of our recommendations do not mesh with the administration’s statements, early actions, or philosophical bent. A successful long-term strategy to sustain American global leadership and meet the China challenge requires carefully calibrated policymaking across the full spectrum of U.S. trade, economic, foreign, and domestic policies. Our recommendations, which are narrowly tailored to the specifics of the U.S.-China relationship, should be seen in this light. We must especially be vigilant that our own actions do not squander U.S. advantages or weaken our global standing in its competition with China.

## **The Situation in China**

The Chinese Communist Party (CCP) has ruled China for 75 years, but despite continuities in its institutions and ideology, its governance style has experienced drastic changes. After Mao Zedong died in 1976, his successors crafted a system to prevent the rise of another dictator, with regular leadership succession as its centerpiece. Until around 2008, China also maintained a moderately stable relationship with the United States, despite political differences and its rapidly rising economic and military capabilities. Its leaders made no secret about their ambitions for regional, or potentially global, influence, but they emphasized that their goal was to be a “responsible power,” not a threat.

After decades of collective leadership, Xi Jinping has reversed course, returning to personalistic rule and achieving a level of organizational dominance that, in some respects, surpasses even Mao's. The Chinese government has become more repressive at home and more aggressive internationally since Xi came to power. In 2018, Xi abolished the two-term limit for the presidency, eliminating all pretense of regular leadership turnover. For the foreseeable future, China will be driven by Xi Jinping's "national rejuvenation" agenda. One of his goals is to transform China into a high-tech superpower and a self-reliant fortress economy. He also seeks to strengthen the party-state's dominance and build a military capable of rivaling the U.S.—one that can reclaim Taiwan while managing the accompanying risks. Beyond this, Xi aims to solidify regional dominance and extend China's global influence. Central to his vision is positioning China as the leader of the Global South and reshaping international organizations to serve China's strategic interests.

Xi Jinping views the United States as the primary obstacle to achieving his ambitions. He sees America's hard and soft power—including its alliance network, military strength, dollar dominance, competitive political system, and free, open, and dynamic society—as potential threats to CCP rule.

At present, the Chinese government also confronts domestic problems of its own making, which are more serious than most outsiders recognize. Now in his third term, Xi Jinping faces a historic economic crisis and a deeply dissatisfied populace despite China's impressive technological and military achievements. Local government revenues are drying up, and growing risks are emerging across key parts of the financial system. Meanwhile, Xi is waging a permanent purge to eliminate corruption and enforce loyalty, creating a climate of fear within the party, the military, and government organs.

Over the past year, these internal problems have led Xi to seek a measure of tactical stability with the U.S., including a moderation of its "Wolf Warrior" diplomacy. The reopening of law enforcement channels in 2023 led Beijing to resume repatriation flights for Chinese nationals illegally in the U.S. China has also scheduled 55 fentanyl precursors for regulation and arrested several hundred individuals involved in supplying Mexican drug cartels. There is no sign, however, that Xi is reconsidering his priorities on regime security, high-tech manufacturing, or global ambitions. Nor has China's difficult situation deterred him from supporting Russia or using coercion against other countries. In sum, while Xi may currently be open to increased dialogue and engagement with the U.S. and its allies, there has been no significant shift in his domestic or foreign policies.

## Negotiate to Improve Chinese Practices

The U.S. cannot fundamentally change China, but China's internal challenges present an opportunity to push the Xi regime toward aligning its actions more closely with U.S. interests. A strategic, negotiated approach—leveraging the threat of tariffs and other economic measures—could help curb China's harmful practices while avoiding a destructive trade war. Over the past six years, China has developed a comprehensive retaliatory toolkit, including an “Unreliable Entity List” targeting foreign firms and embargoes on critical minerals—tools it has already demonstrated a willingness to use.

The Trump administration has signaled that its immediate priority is to stop China from flooding U.S. and global markets with cheap exports, while Xi Jinping has indicated openness to a trade deal. However, early indications suggest that China's initial offer—whatever its framing—will likely be modest. It may resemble the unfulfilled Phase I commitments, including purchases of U.S. goods, voluntary export limitations, an end to export tax rebates, and increased investment in the U.S. Regardless of this initial offer, the administration will undoubtedly push for a significantly stronger deal.

In this effort, the threat of tariffs and other economic measures—rather than their immediate implementation—can provide leverage while minimizing costs to the U.S. By introducing these measures incrementally and strategically, as the administration has begun to do, it can test the possibility of a negotiated outcome through a phased approach. This strategy would start with trade and investment but could eventually extend to broader issues, including China assuming greater geopolitical responsibility in the Ukraine war, exercising more restraint toward its Asian neighbors, and curbing interference with critical U.S. infrastructure.

The president's early appeal to Xi's desire for leader-level diplomacy—by inviting him to the U.S. and expressing personal interest in visiting China—will help facilitate difficult negotiations. While China under Xi Jinping is unlikely to fundamentally change its economic model or abandon long-term geopolitical ambitions, tactical steps—carefully managed through skilled diplomacy—can create space to advance U.S. objectives while demonstrating responsible leadership to allies and partners. The burden then falls on Beijing to prove its willingness to engage in meaningful reciprocity.

Pressure is essential, but it must be carefully calibrated to avoid escalating tensions in a way that heightens Xi's fears about regime stability and entrenches China's hardline positions. A balanced mix of pressure and incentives can gradually influence Chinese policymakers' thinking, offering Beijing a clear choice between competitive coexistence and deepening contestation. This approach will resonate with political elites in China, many of whom are uneasy with the country's increasingly aggressive global stance.



Finally, this strategy will strengthen U.S. standing among allies, partners, and other nations. Given the opaque and shifting dynamics within the CCP, adopting a fatalistic view of China's trajectory would be a mistake. Diplomatic initiatives taken now can increase internal pressure on Xi to moderate his policies, stabilize U.S.-China relations, and set the stage for his successors to pursue a more pragmatic course—even if he does not.

## Reshape Trade and Economic Relations

Beijing is reportedly preparing for two possible, and not mutually exclusive, scenarios: negotiating a trade deal that avoids meaningful structural reforms or retaliating aggressively in a protracted trade war. If conflicts escalate, China is banking on its ongoing efforts to insulate its economy from sanctions and expand markets in the Global South to provide advantages it lacked in 2018. It is also preparing a suite of retaliatory measures, including tariffs, export controls, embargoes on critical minerals and rare earths, adjustments to currency and reserves policies, and sanctions modeled after those used by the U.S. Additionally, China is poised to weaponize domestic policies—such as antitrust investigations and procurement regulations—to selectively target American companies.

One approach would be to leverage China's failure to meet its Phase I commitments as a basis for negotiating a Phase II pact that addresses structural issues, including subsidies, overcapacity, and currency manipulation. Preventing China from circumventing U.S. trade barriers through third countries, especially in key sectors like automotive and electronics, will require tightening rules of origin, enhancing operational transparency, and potentially imposing export bans on specific Chinese companies. In the case of Mexico, for instance, these measures should be embedded in the USMCA renegotiation.

The ongoing economic policy review should assess not only the expansion of U.S. protective measures but also their effectiveness and limitations. A framework based on the recent White House Memo on "America First Investment Policy" could allow private-sector Chinese investment in select U.S. industries and venture funds, provided that American ownership is maintained, Chinese firms commit to technology transfers, and strict safeguards prevent the transfer of sensitive data or information. If a structured approach can be developed to achieve the president's desired reset of the trade relationship—without triggering an open-ended trade war—it could create opportunities for progress in other areas as well.

## Beyond Economics – Bilateral and Geopolitical Issues

*Fentanyl and Law Enforcement.* The U.S. objectives are to increase China's arrests of fentanyl precursor manufacturers and money launderers, establish a formal repatriation process for illegal Chinese immigrants, and secure guarantees for the safety of U.S. citizens in China. Domestically, Washington should work with Chinese American communities to prevent Beijing's security apparatus from surveilling, harassing, or intimidating ethnic Chinese individuals critical of the CCP.

*Targeted Technology Competition.* U.S. restrictions on scientific and technological collaboration with China have expanded, raising concerns in Beijing that they are designed to stifle its growth rather than protect intellectual property and national security. To counter this perception and ensure effectiveness, these controls should be grounded in clearly defined risk-management frameworks, regularly reassessed, and aligned with the interests of the U.S., its allies and partners. Restrictions on the outbound and inbound investments and talent flows should protect national security without eroding America's technological edge or hindering beneficial scientific cooperation. One of the most complex challenges in U.S.-China negotiations is determining whether existing or future technology restrictions should be open for discussion.

*Military Risk Reduction.* While U.S. policy is unlikely to alter the trajectory of the People's Liberation Army (PLA) modernization, recent developments suggest China may be open to limited discussions on risk reduction. The agreement to keep AI out of nuclear launch decisions—reached during the November 2024 Lima meeting between Presidents Biden and Xi—indicates some willingness for engagement.

Xi, like his predecessors, remains committed to developing a Chinese military capable of prevailing in conflicts against the U.S. and its allies in the Western Pacific, while also expanding the PLA's global power-projection capabilities. However, in a noticeable shift, the PLA has reduced dangerous intercepts of U.S. aircraft and naval forces conducting reconnaissance, training and transit missions in international airspace and waters near China. Additionally, the resumption of Military Maritime Consultative Agreement (MMCA) talks has helped lower the risk of collisions between U.S. and Chinese forces.

As unmanned military technologies become more prevalent, establishing "rules of the road" for their use is critical for risk reduction. Given China's expanding intercontinental ballistic missile (ICBM) force, the U.S. should push for strategic stability talks, though Beijing is unlikely to engage meaningfully until its nuclear arsenal approaches parity with the U.S. If nuclear arms control remains elusive, prioritizing discussions on cyber warfare and space weaponization may yield more immediate progress.

*Cyber.* No progress has been made on cyber issues, a growing concern after major Chinese intrusions such as Salt Typhoon and Volt Typhoon. Some Chinese sources have hinted at potential discussions on establishing a whitelist of critical infrastructure to remain off-limits to cyberattacks. However, until China makes concrete commitments, the U.S. should respond to continued cyber intrusions with stronger penalties and a clear demonstration of its offensive capabilities to deter further aggression.

## **Push China Toward Greater Geopolitical Responsibility**

*Russia/Ukraine.* As the U.S. pursues negotiations to end the Ukraine war, it should simultaneously leverage the threat of sanctions and deeper engagement with friends and allies in the Indo-Pacific region to push China toward country-agnostic export controls on sensitive dual-use technologies and

possible peacekeeping support after a ceasefire. Sanctions threats are effective because many Chinese firms prioritize access to the dollar over the Russian market. Once imposed, however, their leverage diminishes. The U.S. should capitalize on the fact that, while Xi values ties with Russia more than ties with Europe, he does not see a prolonged Ukraine conflict as aligning with China's strategic interests.

*North Korea.* The U.S. should coordinate with Seoul and Tokyo to pressure China to oppose Russian arms and technology transfers to North Korea, which violate U.N. Security Council resolutions, as well as North Korean arms shipments to Russia, which contravene G7 sanctions. Such coordinated pressure could be effective, as China has no interest in an emboldened Kim Jong Un triggering a regional nuclear arms race or driving closer security cooperation among the U.S., Japan, and South Korea.

*Cross-Strait Relations.* With the PLA's rapid modernization, strengthening regional deterrence and enhancing Taiwan's asymmetric and whole-of-society defenses remain urgent. Any U.S. negotiations with Beijing must avoid any perception that U.S. deterrence against the use of force toward Taiwan is weakening. Privately, Chinese officials have indicated that Xi has no fixed timeline for reunification, prioritizing domestic reforms before 2029. Encouraging the resumption of high-level dialogue between Beijing and Taipei can reinforce the viability of non-military solutions to cross-strait tensions while strengthening U.S. deterrence and upholding its commitments to peace and stability in the Taiwan Strait.

Effective conflict management does not require weakening the unofficial U.S.-Taiwan relationship, nor would that relationship benefit from the uncertainty and economic disruptions that would accompany any abrupt shift in America's "One China" policy.

*South and East China Seas.* Beijing's gray-zone tactics heighten risks of confrontation with the U.S., particularly as new Bilateral Defense Guidelines have strengthened U.S. security commitments under the U.S.-Philippines Mutual Defense Treaty. While maintaining a neutral position on sovereignty claims, the U.S. should ratify the United Nations Convention on the Law of the Sea (UNCLOS), particularly as China aggressively expands its seabed mining effort. Expanding multilateral participation in Freedom of Navigation patrols—especially by involving Southeast Asian nations—will help reframe China's coercion as a collective regional threat rather than a purely U.S.-China issue. Strengthening the maritime capabilities of key Southeast Asian partners, including Brunei, Indonesia, Malaysia, the Philippines, and Vietnam, will bolster their resilience and send a timely signal of U.S. opposition to Beijing's assertiveness in the South China Sea. Additionally, cooperation on non-zero-sum issues like fisheries management and environmental protection will help rally regional support, reinforcing a shared commitment to stability and rule-based maritime governance.

*Countering the Nascent China-Russia-DPRK-Iran-Venezuela Axis.* The U.S. should prevent these growing partnerships from hardening into a full-fledged anti-Western bloc by strengthening balancing

coalitions and signaling costs but also creating incentives to weaken Beijing's ties to Moscow and Pyongyang. China's interests do not fully align with Russia's, and Beijing is uneasy about Moscow's deepening partnership with Pyongyang. Additionally, China fears that the formation of an Asian NATO-style security architecture could embolden U.S. allies in the region to take a firmer stance against Beijing. Given these dynamics, the U.S. should keep the door open for China's participation in select regional initiatives—such as fisheries management and non-combat military exercises—contingent on its adherence to established rules. This approach could encourage Beijing to moderate its actions while recognizing that most regional actors do not support a full-scale containment strategy against China. By maintaining both pressure and engagement, the U.S. can exploit existing fractures within the so-called axis and prevent it from solidifying into a unified anti-Western bloc.

*Position the U.S. as the Preferred Provider of ICTS and Digital Infrastructure in the Global South.* The United States should establish itself as the leading provider of information and communications technology and services (ICTS) and digital infrastructure. Currently, China dominates 70% of Africa's 4G coverage, accounts for over 20% of the global subsea cable construction, and has developed its Beidou satellite system, which rivals the U.S.'s GPS in size and accuracy. Whichever nation controls global ICTS infrastructure in the 21st century will wield immense economic and military influence.

To counter China's growing dominance, Washington should assess the ICTS needs of developing countries and prioritize targeted investment. The U.S. should provide diplomatic and financial support U.S. and allied companies through institutions like the U.S. International Development Finance Corporation (DFC). Additionally, reinforcing global standards of transparency, trust, and the free flow of information—through both the deployment of American technology and strategic engagement in organizations like the International Telecommunications Union (ITU)—is critical.

China, by contrast, is promoting digital governance models that undermine U.S. interests. Even in competition, however, opportunities for collaboration exist on pressing global issues such as financial stability, debt management, climate change, public health, and AI risk mitigation. While the current administration has made its positions on the Paris Agreement and the World Health Organization (WHO) clear, ceding leadership in these forums to China without presenting viable alternatives would pose significant risks to U.S. interests.

*Enhance Cooperation with Allies and Partners.* Allies and partners in Europe and Asia serve as force multipliers for advancing American interests in the Indo-Pacific. They contribute to regional stability, deter aggression, accelerate economic growth, uphold American values, and enhance America's negotiating position with China.

*Defending American Values.* China's policies in Xinjiang, Hong Kong, and Tibet—and its effort to reshape global norms—demand a sustained counterforce. While the U.S. has limited ability to influence China's domestic policies, it must firmly oppose efforts to export authoritarian practices beyond China's borders.

Countering Beijing's repressive tactics should focus on preventing unlawful actions, such as transnational intimidation and surveillance, rather than pursuing regime change. Political change in China will happen when the Chinese people determine the time is right. While the U.S. should encourage liberal reforms in China as it does globally, direct calls for regime change would strengthen Xi's domestic standing by fueling nationalist sentiment and alienate potential allies who share America's values but oppose coercive intervention.

*Attracting Talent and Keeping Societies Connected.* America's ability to recruit top talent is a strategic advantage. No winning team would ignore 40% of the talent pool in its recruitment efforts, yet restrictive visa policies and excessive suspicion toward research collaborations have discouraged Chinese STEM students from studying at U.S. universities. While not all Chinese STEM students want to leave China, economic and social malaise among Chinese youth makes the current moment ripe to encourage China's best minds to build their careers in the U.S. Visa restrictions and an overly suspicious attitude toward research collaborations between Chinese and American scientists have discouraged talented Chinese from studying at American universities.

While national security risks posed by a very small number of Chinese nationals in the U.S. are real, America benefits greatly from this influx of STEM expertise. The U.S. should preserve the 1979 Science and Technology Agreement (STA), reinstate the Fulbright Scholars program in China, and push Beijing to guarantee the safety of all law-abiding U.S. citizens in the PRC. People-to-people interaction not only enhances America's competitiveness but also stabilizes relations by fostering mutual understanding. Stronger educational and scientific ties contribute to an informed and pragmatic U.S.-China policy.

## **Negotiating Successfully with China**

The new U.S. administration holds significant leverage in negotiations with China—beginning with trade and economic matters and extending step by step to other policies and behavior that harm American interests and global stability. The U.S.'s ability to shape China's behavior derives not only from its national strengths but also from its reputation as a superpower that respects sovereignty, honors commitments to allies, and leads global efforts to provide global public goods.

While interdependence alone does not guarantee leverage, it remains a critical tool at a time when China is seeking trade and investment ties with the West even as it pursues selective decoupling. Full economic decoupling could mean even less leverage and heighten military tensions. However, negotiations must be approached carefully. The U.S. should communicate clearly which

Chinese actions are most objectionable while remaining realistic about what can be addressed given Beijing's domestic constraints. Publicly vilifying the CCP and its leader or advocating regime change would humiliate Beijing's leadership and eliminate the possibility of meaningful engagement. Likewise, any negotiation strategy must be coordinated with U.S. allies to ensure that U.S. policies do not impose unintended costs on our partners. At no point should Washington suggest it would abandon Taiwan or other partners as part of any bargain with China.

Despite best efforts, negotiations with China may fail, as Xi Jinping has been less flexible than his predecessors, particularly on domestic economic reform and his alignment with Russia. However, engaging in negotiations serves several strategic purposes: it demonstrates to the world that the U.S. is managing the China challenge responsibly, tests the limits of competitive coexistence, and lays the foundation for future U.S.-China relations.

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## COMMENTS

**Robert Daly**

*Director of the Kissinger Institute on China and the U.S., Woodrow Wilson Center*

It is hard to make recommendations for effective China policy without knowing how the U.S. sees its role in the world. Since 1945, Republican and Democratic presidents have believed that upholding security and prosperity required the U.S. to take a leading role in international affairs. This meant cooperating with other countries to form institutions and agreements that maximized America's room for maneuver by reflecting its values—justice, democracy, and the rule of law. It also required bearing disproportionate costs to maintain systems from which the U.S. derived outsized advantages.

If the U.S. remains committed to this leadership role, the heart of its rivalry with China is the competition to shape global order, and the strategies outlined in this paper can help America prevail. However, if America withdraws from this role, it must accept Chinese order-building in the Indo-Pacific and beyond. In that case, new paradigms far beyond the scope of this essay will be needed.

If the U.S. still wants to lead, its soft power—the perceived legitimacy of American values and actions—will matter greatly. As James Madison wrote in Federalist 63:

“An attention to the judgment of other nations is important to every government for two reasons: The one is, that independently of the merits of any particular plan or measure, it is desirable on various accounts, that it should appear to other nations as the offspring of a wise and honorable policy: The second is, that in doubtful cases, particularly where the national councils may be warped by some strong passion, or momentary interest, the presumed or known opinion of the impartial world, may be the best guide that can be followed. What has not America lost by her want of character with foreign nations? And how many errors and follies would she not have avoided, if the justice and propriety of her measures had in every instance been previously tried by the light in which they would probably appear to the unbiased part of mankind?”

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**Elizabeth C. Economy**

*Hargrove Senior Fellow, Hoover Institution*

The recommendations presented by the Task Force are smart, sensible, and largely achievable—but they are not the right ones for this administration at this point in time. Before President Trump sits down with President Xi, he must address the dangerous asymmetry in leverage that is emerging between the U.S. and China.

Chinese President Xi Jinping is investing hundreds of billions of dollars in science and technology, dramatically expanding China's military capabilities, shaping global trade and investment through the Belt and Road Initiative, and positioning China to write new international rules aligned with its values and interests. Meanwhile, President Trump has gutted U.S. investment in science and technology, called for deep cuts to the U.S. military, weakened America's global reach by eliminating the U.S. Agency for International Development and restricting funding for the National Endowment for Democracy, and withdrawn the U.S. from multiple U.N. agencies and agreements.

Within the first weeks of Trump's presidency, Chinese netizens have nicknamed him "Make China Great." President Trump must remember what makes America—not China—great and move aggressively to restore the foundations of American global influence, power, and competitiveness. In doing so, he can reestablish the U.S.'s negotiating leverage and ensure a more balanced approach to U.S.-China relations.

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**Rana Mitter**

*S.T. Lee Professor of U.S.-Asia Relations, Harvard Kennedy School*

For more than three-quarters of a century, American leadership has been rooted in close and cooperative relationships with its allies in Europe and beyond. As China expands its global influence across trade, technology, and security, these allies will develop their own relationships with Beijing—some cooperative, others more confrontational.

American influence in the 2020s will be strengthened by ensuring that China policy discussions are integrated into broader alliances, deepening cooperation across security, trade, and technology. A coordinated approach will not only reinforce U.S. leadership but also provide a unified front in addressing the challenges and opportunities posed by China's rise.

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**Andrew J. Nathan**

*Class of 1919 Professor of Political Science, Columbia University*

Federal support for the Chinese pro-democracy movement through the National Endowment for Democracy and the State Department's Bureau of Democracy, Rights, and Labor is a low-cost, high-value way to influence China's long-term trajectory in a way that serves American interests. The carefully vetted small organizations in this field work hard on modest budgets to keep alive the idea of alternative futures for China; maintain contacts with reform-minded thinkers in China; influence Chinese public opinion within China and among young Chinese who are studying abroad; and provide critical information to American policymakers.



Change will ultimately be driven by forces inside China, but these forces are influenced by their fellow Chinese abroad, who have the freedom to tell the truth, think creatively, advocate for change, and support pro-democracy forces within. The Secretary of State should issue a national security waiver to resume support to these organizations.

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**Daniel Russel**

*Vice President, International Security and Diplomacy, Asia Society Policy Institute*

The warnings in this paper against misreading Beijing, squandering leverage by alienating international partners, ceding influence in international forums, or sabotaging U.S. competitiveness by driving away talent are well founded.

While China's economic problems have led to some tactical adjustments in tone and policy, they should not be exaggerated; Xi Jinping sees economic headwinds as hardships to be endured in service of his strategic objectives, not as a reason to compromise them. The Xi administration has not altered its ambitions but has adjusted its tactics. Beijing has prepared strategies for handling President Trump and is also poised to exploit any statements and actions that alienate third countries or otherwise weaken American influence. Any expectation that Xi Jinping is serious about reaching a deal that would address Washington's major concerns is naïve. However, he would readily stretch out negotiations and offer modest concessions to buy time, gain advantage, and stave off truly damaging tariffs.

The most effective strategy is straightforward: maximize unity among like-minded nations facing problematic Chinese behavior, invest in the sources of America's competitive strength (such as attracting and retaining top talent), and apply leverage or pressure judiciously to avoid self-defeating escalation.

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