

CHINA V AMERICA



TIME MAGAZINE READING: The end of engagement

How the world's two superpowers have become **rivals**

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For the past **quarter** century America's approach to China has been founded on a belief in **convergence**. Political and economic **integration** would *not just* make China wealthier, they would *also* make it more **liberal, pluralistic** and **democratic**. There were **crises**, such as a **face-off** in the Taiwan Strait in 1996 or the downing of a spy-plane in 2001. But America **cleaved** to the **conviction** that, *with the right incentives*, China would eventually join the world order as a "responsible **stakeholder**".

Today **convergence** is dead. America has come to see China as a strategic rival—a **malevolent** actor and a rule-breaker. The Trump administration accuses it of **interfering** in America's culture and politics, of **stealing** intellectual property and **trading** unfairly, and of **seeking** not just leadership in Asia, but also global **dominance**. It **condemns** China's record on human rights at home and an aggressive **expansion** abroad.

Do not **presume** that President Donald Trump is alone. Democrats and Republicans are **vying** to **outdo** each other in **bashing** China. *Not since the late 1940s* has the mood among American businessfolk, diplomats and the armed forces **swung** so rapidly behind the idea *that the United States faces a new ideological and strategic rival*.

At the same time, China is undergoing its own change of heart. Chinese **strategists** have long **suspected** that America has secretly wanted to block their country's rise. That is partly why China sought to **minimize confrontation** by "hiding its strengths and **biding** its time". *For many Chinese* the financial crisis of 2008 swept aside the need for **humility**. It set America back *while China thrived*. President Xi Jinping has *since* **promoted** his "Chinese Dream" of a nation *that stands tall in the world*. The time to hide and **bide** is over.

This is deeply alarming. History shows how **hegemons** like the United States and rising powers like China can become **locked** into a cycle of **belligerent rivalry**.

America fears that time is on China's side. The Chinese economy is growing more than twice as fast as America's and the state is **pouring** money into advanced technology, *such as artificial intelligence, **quantum** computing and **biotech***. Action *that is merely daunting today—to stem the illegal **acquisition** of intellectual property, say, or to challenge China in the South China Sea—*may be impossible tomorrow. Like it or not, the new **norms** *governing how the superpowers will treat each other* are being established now. For the sake of mankind, China and America need to come to a peaceful understanding. But how?

Mr Trump and his administration have got three things right. The first is that America needs to be strong. It has **toughened** the rules on **takeovers**, *to give more weight to national security*. It has **extradited** an **alleged** Chinese intelligence officer from Belgium. It has increased military spending.

And it has just **boosted** foreign **aid** in order to counter **lavish** Chinese investment abroad.

Mr Trump is also right that America needs to **reset expectations** about Chinese behavior. Today's trading system fails to prevent China's state-backed firms from **blurring** the line between commercial interests and the national interest. China has used its state-directed commercial **clout** in smaller countries to influence foreign policy in, say, the European Union.

Third, Mr Trump's **unique** ability to signal his **disregard** for **conventional wisdom** seems to have been effective. He is not **subtle** or **consistent**, but as with Canadian and Mexican trade, American **bullying** can lead to dealmaking. China will not be so easily pushed around—its economy depends less on exports to America than Canada's and Mexico's **do** and Mr Xi cannot afford **meekly** to **disavow** his Chinese Dream in front of his people. Yet Mr Trump's willingness to **disrupt** and offend has already **wrong-footed** China's leaders, *who thought they could count on America being unwilling to **rock the boat**.*