



*The Marathon Initiative*

# China's "New" Diplomacy Opportunities for American Statecraft

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## ***KEY TAKEAWAYS***

- The People’s Republic of China has embarked on an ambitious diplomatic campaign to increase its influence in strategically-vital regions and burnish its credentials as a great power of global reach.
- The “new” Chinese diplomacy marks a departure from the blustery “warrior-wolf” diplomacy of the recent past in favor of gentler forms of persuasion and hands-on negotiations to resolve regional disputes.
- In making this turn, China is following the pattern of earlier rising powers that sought to expand their international influence to a level commensurate with their growing economic and military might.
- China’s efforts represent the employment of diplomacy as an instrument of grand strategy. A major focus is to have Beijing’s claim to the right to use force against Taiwan accepted as a matter of international consensus.
- Longer-term, China aspires to overturn the U.S.-centered international order. Its new methods have registered notable successes with persuadable audiences, especially in Southeast Asia and the Global South.
- China’s diplomatic campaign is encountering blowback due to the scale of the military threat Beijing poses to its neighbors, who will continue to look for a natural counteraction.
- Like earlier rising powers, China will have to choose among the objectives of political influence, economic growth and military expansion.
- Beijing’s “major power diplomacy” thus presents a danger for the United States and its allies, but also an opportunity to Washington to refine its own capacity for wielding diplomacy as an instrument of strategy in great power competition.
- The United States should respond to the Chinese diplomatic challenge by:
  - Mandating a National Diplomatic Strategy,
  - improving the alignment of diplomatic priorities with U.S. national security objectives,
  - enhancing training and resources for career diplomats,
  - finetuning the economic, reputational and suasive instruments that America uses to compete for positive influence in strategically vital regions, and
  - exploiting the fissures created by Beijing’s ambitions.

## ***INTRODUCTION***

Over the past year, the People’s Republic of China (PRC) has undertaken an ambitious diplomatic offensive across the world’s major regions. In the spring of 2023, Chinese diplomats shocked the West by tabling a proposal to end the war in Ukraine. Shortly thereafter, Beijing announced that it had brokered a *détente* between Saudi Arabia and Iran, thereby moderating, at least temporarily, one of the Middle East’s most intractable conflicts. In the months that followed, teams of Chinese envoys crisscrossed Europe, Asia, Latin America, the Middle East, and Africa in a determined effort to burnish China’s credentials as a mighty but also enlightened great power, capable of bringing order, stability and prosperity to regions far beyond its home area. Summing up the new approach, Xi Jinping declared late last year that China was opening a new chapter in “major-country diplomacy,” with “enhanced international influence, stronger capacity to steer new endeavors, and greater moral appeal.”<sup>1</sup>

China’s apparent embrace of diplomacy on the Western mold—understood as the use of negotiations to arrive at a reconciliation of conflicting interests—marks a departure from its “warrior-wolf” diplomacy of the recent past, which was distinguished by bluster, assertiveness and intimidation. It also seems to differ from the traditional model that characterized Chinese diplomatic practice back to imperial times known as “barbarian handling,” which sought to manipulate and ensnare rivals through bonds of asymmetric interdependence. Rather than bullying or deception, the “new” Chinese diplomacy appears to accept the concept at the heart of classical diplomacy—acquiescence to sovereignty on the part of states of all sizes—and its corollaries: the acceptance of self-restraint and pursuit of compromises that represent a real harmonization of interests between states.

It remains to be seen how deep all of this goes or what fruit it will bear. Perhaps because of its novelty, the U.S. reaction to the “new” Chinese diplomacy has so far been largely dismissive. Washington has a well-developed mental framework for assessing Chinese behavior that ascribes PRC diplomacy to the realm of deception and disinformation—the so-called “China playbook.” For the most part, Washington has viewed China’s recent moves as a cosmetic deviation from that established script. The assumption seems to be that the new approach is transient and insincere; that Chinese diplomats remain wolves in sheep’s clothing; that the deals they strike won’t last; and that China’s

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<sup>1</sup> “The Central Conference on Work Relating to Foreign Affairs was Held in Beijing; Xi Jinping Delivered an Important Address at the Conference,” *Ministry of Foreign Affairs of the People’s Republic of China*, December 28, 2023.

behavior remains, at a fundamental level, committed to an underlying imperial model that is inherently self-defeating.<sup>2</sup>

However, it would be unwise to underestimate Beijing's new diplomatic strategy and the damage it can do to U.S. interests. China's evolution mirrors transformations that it has undertaken in recent years in embracing more ambitious programs in the military and economic spheres. In a cycle that has recurred across the ages, a rising power's aspirations to project military and commercial power are driving it to conceptualize a more sophisticated diplomacy as an integral tool of grand strategy. In China's case, that means pursuing political engagement and negotiations abroad with the same seriousness that it deploys force and wealth in service of a central objective: primacy in Asia and, ultimately, supplanting the United States as the world's top power. In short, China is transitioning to classical "great-power" diplomacy.

All of this should be a prompt for Washington to up its game in international diplomacy. Since the end of the Cold War, the United States emphasized nation-building in the global periphery and courted cooperation from major opponents on "transnational" issues. Today, we should return to a hard-nosed conception of diplomacy aimed at gaining strategic advantage in competition with a major rival. Rather than waiting for the contradictions in Chinese strategy to manifest themselves, we should work actively to frustrate Beijing's ambitions. This effort requires moving with urgency to consolidate and expand our own coalitions, invigorate our influence in strategically vital regions and, to the extent possible, steering the Sino-U.S. relationship toward a more stable and predictable path favoring U.S. interests.

### ***A "LOVABLE, RESPECTABLE" CHINA***

China's turn toward a new type of diplomacy was announced in a speech that President Xi Jinping delivered in June 2021 to top leaders in Beijing at a Chinese Communist Party (CCP) study session when he exhorted China's diplomats "to create a credible, lovable, and respectable image of China."<sup>3</sup> This call for a new approach was not just a break from the so-called "wolf warrior" diplomacy of the recent past; it also seemed to indicate a shift away from that country's traditional approach to diplomacy. In imperial times, the Chinese court developed a method of managing neighbors known as

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<sup>2</sup> "It would be a classic part of the China playbook," White House spokesman John Kirby told reporters about China's ceasefire proposal for the Ukraine war (Edward Wong and Stephen Erlander, "China as Peacemaker in the Ukraine War? The U.S. and Europe Are Skeptical," *New York Times*, March 19, 2023). See also, *inter alia*, Michael McFaul and Abbas Milani, "How China's Saudi-Iran Deal Can Serve U.S. Interests," *Foreign Policy*, March 14, 2023.

<sup>3</sup> "Xi Seeks 'Lovable' Image for China in Sign of Diplomatic Rethink," *Bloomberg*, June 1, 2021.

“barbarian handling,” which consisted of inveigling weaker outsiders into accepting subordination to the Chinese state. By degrees, imperial Chinese diplomats “induced economic dependence” and “indoctrinate[ed]” weaker neighbors into tributary status, thereby removing the threat they posed to China.<sup>4</sup>

China’s history put it on a divergent path from that of the Western world, which from the Renaissance onward stressed the sovereignty and, thus, at least nominal equality of individual nation-states irrespective of size. No such concept existed in imperial China, where geography afforded the central state a reasonable prospect of attaining continent-wide hegemony from an early point in the country’s development.<sup>5</sup> By extension, the Chinese conception of the fundamental purpose of diplomacy has differed significantly from the outside world. Where diplomacy in the West has historically revolved around the central concept of using negotiations between states to arrive at a reconciliation of conflicting interests, in China diplomacy has from the start involved deceptive arts.<sup>6</sup>

This divergence was in many ways reinforced by the adoption of Communism. In the early years of the People’s Republic of China, Mao was animated by an ideologically driven conception of international affairs in which China stood on the frontlines of a struggle between the global Communist movement and Western capitalism. Within this conception, there was no place for diplomacy in the conventional sense of the term; like revolutionary regimes throughout history, China’s leaders saw the concepts of sovereignty and reconciliation of interests as a form of surrender, insofar as they entailed the acceptance of the legitimacy of the Party’s ideological opponents.<sup>7</sup> The hallmarks of Chinese Communist “diplomacy” were espionage, subversion and propaganda in dealings with the West, coupled with appeals to non-Western states aimed at strengthening Leninist movements in the Third World. Mao’s methods centered on cultivating fifth columns and cynically maneuvering capitalist powers, effectively casting diplomacy as a form of political warfare by other means.<sup>8</sup> His deputy,

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<sup>4</sup> Edward Luttwak, *The Rise of China vs. the Logic of Strategy* (Harvard University Press, 2012), p. 27. See also Sima Qian’s memorable account of Liu Jing in *Shiji (Records of the Grand Historian)* 99, trans. Burton Watson (Columbia University Press, 2017), as well as Graham Allison, Alyssa Resar, and Karina Barbesino, “The Great Diplomatic Rivalry: China vs. the U.S.,” Harvard Belfer Center, August 2022.

<sup>5</sup> Henry Kissinger, *On China* (Penguin, 2011), pp. 16-18.

<sup>6</sup> Diplomacy has been defined in a variety of ways in the modern Western world. Sir Ernest Satow defined it as “the application of tact and intelligence to the conduct of official relations between the governments of independent states”; Hans Morgenthau called it “the promotion of the national interest by peaceful means”; and Kissinger famously described it as the “art of restraining power.” All share the underlying tenets of negotiations between sovereign actors in the pursuit of peace. For the deceptive strain in Chinese diplomacy, see Eric Anderson and Jeffrey Engstrom, “China’s Use of Perception Management and Strategic Deception,” *Report for the U.S.-China Economic and Security Review Commission*, November 2009.

<sup>7</sup> See Martin Wight’s analysis of revolutionary regimes’ attitude toward diplomacy in Hedley Bull and Carsten Holbraad, Eds., *Power Politics*, (New York: Continuum, 2002), p. 118-19.

<sup>8</sup> For background, see Chen Jian, *Mao’s China and the Cold War* (University of North Carolina Press, 2001).

Zhou Enlai, explicitly modeled Chinese diplomacy on the Party's military, the People's Liberation Army. Zhou told his diplomats to behave like "the People's Liberation Army in civilian clothing."<sup>9</sup>

Beginning with Deng Xiaoping, and especially as the international landscape changed with the fall of the Soviet Union, China adopted a "peaceful rise" strategy, the main diplomatic aim of which was to emphasize its non-threatening intentions and studious promotion of peace. "For the next few decades, the Chinese nation will be preoccupied with securing a more comfortable and decent life for its people," wrote Zheng Bijian, a prominent proponent of this strategy, in the pages of *Foreign Affairs*. "China does not seek hegemony or predominance in world affairs."<sup>10</sup>

It has been widely observed that China's diplomacy took a more aggressive turn after the 2008 economic downturn in the West, as China saw an opportunity to assert itself.<sup>11</sup> Soon afterward, Xi Jinping began offering his vision for a global "community of shared destiny." Beijing started to place greater emphasis on linking diplomatic aims with desired outcomes in trade. One of the primary manifestations of this new impulse was the Belt and Road Initiative (BRI). BRI has successfully entrenched Beijing's leading lending authorities and policy banks—the China Development Bank and the Export-Import Bank of China—into the economic ecosystem of fast-growing, albeit underdeveloped, countries across Asia and Africa. On both continents, lending by these two banks outpaces that of the World Bank.<sup>12</sup>

After the outbreak of Covid, China's diplomatic assertiveness intensified, reflecting an underlying confidence in Beijing's model at a moment when Western economies were struggling to return to growth. The country's blustering earned its diplomats the moniker "wolf warrior," derived from a Chinese blockbuster whose final scene closed with the warning: "Even though a thousand miles away, anyone who affronts China will pay."<sup>13</sup>

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<sup>9</sup> Peter Martin, *China's Civilian Army* (Oxford University Press, 2021), pp. 6-7. Since the PRC Foreign Ministry's founding, it has contended with parallel organs of the Party for bureaucratic influence. Party officials outrank the Ministry's diplomats; for example, the current Foreign Minister, Wang Yi, also holds the more important title of Director of the Office of the Central Commission for Foreign Affairs, just as Xi Jinping's most important title is General Secretary of the CCP. In this paper, we consider Chinese diplomacy *in toto*, variably citing both Party and Ministry officials.

<sup>10</sup> Zheng Bijian, "China's 'Peaceful Rise' to Great Power Status," *Foreign Affairs*, September 1, 2005. Alex Joske, *Spies and Lies* (Hardie Grant, 2022) argues that China's "peaceful rise" narrative was the product of a skillful influence operation.

<sup>11</sup> Susan Shirk, *Overreach* (Oxford University Press, 2022); Kenneth Lieberthal and Wang Jisi, "Addressing U.S.-China Strategic Distrust," *Brookings*, March 2012, pp. 8-9.

<sup>12</sup> Tom Miller, *China's Asian Dream* (Zed Books, 2017); Howard French, *China's Second Continent* (Knopf, 2014).

<sup>13</sup> *Wolf Warrior II* (2017)

However, “wolf warrior” diplomacy backfired, as a variety of “persuadable” countries paused or scuttled initiatives favorable to Beijing or found preexisting hesitations about Beijing’s behavior vindicated. The European Union (EU) froze a major trade pact with China over human rights and security concerns. Elite opinion in Germany and the United Kingdom (UK) soured, precipitating a turn from Merkel’s *Wandel durch Handel* (change through trade) and David Cameron’s “golden era” cooperation. Australia became embroiled in a trade dispute over Covid origins. A new government in the Philippines became more vocal about China’s presence in the South China Sea.

The negative reaction to China’s diplomatic overreach led Beijing to recalibrate its diplomacy yet again. The shift inaugurated by Xi Jinping in his June 2021 speech to Party leaders reflected an unspoken acknowledgment by the CCP that “wolf warrior” diplomacy had damaged China’s position internationally, not only in Asia but in Europe, which the Party leadership views as a top prize in its international competition with Washington. A second factor driving the recalibration was the war in Ukraine. Coming on the heels of a public display of the “no limits friendship” at the 2021 winter Olympics, Russia’s invasion of Ukraine threatened to undermine Beijing’s frequent appeals to the inviolability of sovereignty, especially in the eyes of U.S. allies in Europe.

In response to these events, at the 20<sup>th</sup> Party Congress in October 2022, Chinese officials launched three interlocking initiatives: the Global Security Initiative (GSI), Global Development Initiative (GDI) and Global Civilization Initiative (GCI). These projects draw heavily on pragmatic methods that distinguish them from both their “wolf warrior” predecessor and Mao’s ideological diplomacy of prior decades. “Dialogue over confrontation, partnership over alliances and a win-win over this zero-sum” is how one Chinese leader has described the new framework.<sup>14</sup> While appealing to the principles of the United Nations Charter, these diplomatic efforts strive to deepen Beijing’s leverage over other states, enhance its status as a bringer of peace and stability and undermine U.S. partnerships around the world.

The new Chinese initiatives represent a serious, ambitious and well-resourced attempt to amass global leadership. GSI, which is the most developed, codifies China’s preference for “multipolarity,” as opposed to Western “hegemony” and offers a vision for economic development that is fused with concepts of internal security.<sup>15</sup> It also

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<sup>14</sup> Li Shangfu, “Speech before the 20<sup>th</sup> IISS Shangri-La Dialogue,” *International Institute for Strategic Studies*, June 4, 2023.

<sup>15</sup> The downsides of U.S. “hegemony” are a common theme in Chinese diplomatic discourse: “US Hegemony and Its Perils,” *Ministry of Foreign Affairs of the PRC*, February 2023.



presents a blueprint for how China might mediate conflicts in the future.<sup>16</sup> GDI, meanwhile, is Beijing's updated effort to engage in economic diplomacy. It provides a more openly ideological framing for economic entanglement while also prioritizing more profitable, high-tech infrastructure projects abroad. GCI is the least mature and has been used to advance China's people-to-people diplomacy.

These projects have ample resources to draw from. In October 2023, Chinese financial institutions arranged a new round of funding of \$109 billion to BRI-affiliated countries, underpinned by development insurance that challenges the model of traditional Western alternatives.<sup>17</sup> China now has 280 diplomatic posts worldwide — five more than the United States maintains — and in recent years has consistently received a larger number of annual visits from foreign heads of state than Washington.<sup>18</sup> These assets and initiatives endow China with the attributes of a growing pole of international influence, even as its leaders publicly disavow any ambitions to that effect.

## ***THE “NEW” DIPLOMACY***

While built on legacy initiatives like BRI and other regional groupings and frameworks, GSI, GDI and GCI each have a different underlying focus and approach. Whereas BRI's original form reflected a certain confidence, bordering on hubris, about Chinese economic dominance, the new approach is more calculated and careful, aimed at building a broader international base of support for China's positions and competing for positive influence. Three characteristics of the new approach stand out as especially noteworthy.

First, it is aimed at burnishing China's status as a reasonable major power to “persuadable” audiences across the Global South. Specifically, Beijing is working diligently to cultivate the growing diplomatic rift between the Group of Seven (G7)'s advanced industrialized democracies and most of the world's other nations — primarily in the Global South — many of which nurse historic grievances toward the West, have autocratic models of government similar to that of China and are detached from

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<sup>16</sup> Michael Schuman, Jonathan Fulton, Tuvia Gering, “How Beijing's Newest Global Initiatives Seek to Remake the World Order,” *Atlantic Council*, June 21, 2023; “Proposal of the People's Republic of China on the Reform and Development of Global Governance,” Ministry of Foreign Affairs of the PRC, September 13, 2023.

<sup>17</sup> For concrete plans for additional lending, see “China releases 10-year vision, action plan for BRI, focusing on green, digital development and supply chain,” *Global Times*, November 24, 2023. For an account of China's development insurance initiatives, see Yunnan Chen and Zongyuan Zoe Liu, “Hedging belts and de-risking roads: Sinosure in China's overseas finance and the evolving international response,” *ODI*, December 14, 2023.

<sup>18</sup> “Global Diplomacy Index,” *Lowy Institute*, 2021; Neil Thomas, “Far more world leaders visit China than America,” *Lowy Institute's The Interpreter*, July 28, 2021.



Western fights such as in Ukraine. Beijing's value proposition to these countries is straightforward: It brings investment — and cash for corrupt leaders — as well as help with internal security in return for access to resources, implied fealty and actual dependency without the demands for reform that come with Western aid. Over time, the goal seems to be to create an informal international bloc, cemented through political and economic ties, that tilts toward Beijing's preferred outcomes in international affairs.

This plank of Chinese diplomacy was on display after the G7 leaders' meeting in May 2023, when Beijing sought to contrast its "inclusive" diplomacy with the G7's "exclusive small bloc" concept. In place of the G7, China's Foreign Ministry touted the supremacy of "the U.N.-centered international system, the international order underpinned by international law and the basic norms governing international relations built around the purposes and principles of the U.N. Charter" and criticized "the G7-dominated Western rules that seek to divide the world based on ideologies and values."<sup>19</sup> In line with this strategy is an effort by Chinese diplomats to accrue more influence within U.N. organizations. China's successful placement of a pro-PRC candidate as the head of the U.N.'s Food and Agriculture Organization in 2019 is a prime example of Beijing's decision to strive for more influence within the U.N. system.

In parallel, Beijing has shepherded an expansion of the so-called BRICS (Brazil, Russia, India, China, South Africa), a grouping of the world's largest emerging markets. With the addition of six new states (Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates) in August 2023, the group now accounts for 37 percent of global GDP measured by purchasing power parity, compared to the G7's 30 percent. China, which led this round of accessions, can now feasibly stake a claim to leadership of the group.<sup>20</sup>

By encouraging groupings that compete with the Western-led order, Chinese officials differentiate their diplomacy from Washington's in ways that resonate in the Global South. "A cold war mentality is now resurgent, greatly increasing security risks," China's defense minister at the time, Li Shangfu, announced at the Shangri-La Dialogue in June 2023. "Mutual respect should prevail over bullying and hegemony." It is not a surprise that emerging international players, many of which participated in the Non-Aligned Movement during the Cold War, are drawn to a message of Chinese public diplomacy that depicts the United States as unilateralist and dependent on coercive tools, as well as

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<sup>19</sup> "Foreign Ministry Spokesperson's Remarks on G7 Hiroshima Summit's Hying up of China-related Issues," *Ministry of Foreign Affairs of the PRC*, May 20, 2023.

<sup>20</sup> Purchasing power parity (PPP) is the CIA's favored measure of cross-country comparison. For a full discussion, see Graham Allison, *Destined for War* (HarperCollins, 2017), p. 10-11, esp. Ben Bernanke's assessment that PPP is better for evaluating "comparative military potential." PPP is not without its critics; by the alternative, nominal metric, the G7 retains its lead on the BRICS+.

a foreign interloper and reckless meddler in Asian affairs. As Li noted, “Some country has willfully interfered in other countries’ internal affairs [...] Regional countries should stay highly vigilant and firmly reject these acts.”<sup>21</sup> In a similar vein, at the 2022 Boao forum, a grouping of regional economies hosted by China, Xi Jinping appealed to participants to “continue developing and strengthening Asia, demonstrate Asia’s resilience, wisdom and strength ... advance Asian cooperation ... foster a more open Asia-wide market [and] promote Asian unity” — a message specifically designed to challenge Washington’s assertion that it is an Asia-Pacific power.<sup>22</sup>

A second characteristic of China’s new diplomacy is its willingness to get into the weeds of local disputes in regions of importance to Chinese global strategy. Exhibit A is Beijing’s efforts to mediate a reconciliation of sorts between Saudi Arabia and Iran in March 2023, which yielded an agreement to re-establish diplomatic relations between the two longtime foes. The deal burnished China’s credentials as a peacemaker at the global level; Beijing has since brought diplomats from both countries together and encouraged steps to “avoid miscalculation.”<sup>23</sup> Strategically, the deal potentially draws Riyadh closer to Beijing, ensuring a more predictable flow of oil to China and disincentivizing Saudi compliance with any future U.S. sanctions against China. An added bonus for Beijing is the reported increase of Chinese trade in Iranian oil.<sup>24</sup> How much China contributed to the actual reconciliation, and at what stage it was introduced into the deal, are irrelevant for its purposes. The benefits of appearing to be a peacemaker in an area once dominated by the U.S. are priceless.

China is making forays into other regional disputes as well. In 2023, Chinese officials offered to mediate the conflict in Cyprus in the context of GSI.<sup>25</sup> Beijing has also tried to facilitate talks between Bangladesh and Myanmar and between the Taliban and the fallen Afghan government, both albeit less successfully.

More dramatically, China has presented itself as a merchant of peace in Ukraine. Over the spring of 2023, Beijing made a vigorous show of inserting itself as mediator in this conflict. It presented a 12-point plan that outlined principles for peace talks, nuclear risks and post-conflict reconstruction, among other items. Mimicking past U.S.

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<sup>21</sup> Li Shangfu, June 4, 2023.

<sup>22</sup> “Xi Jinping Delivers a Keynote Speech at the Opening Ceremony of the Boao Forum for Asia Annual Conference 2022,” *Ministry of Foreign Affairs of the PRC*, April 21, 2022.

<sup>23</sup> Zhao Ziwen, “China urges Iran and Saudi Arabia to work together to ‘avoid miscalculation’ as diplomats meet on restoration of ties,” *South China Morning Post*, December 17, 2023.

<sup>24</sup> In 2021, Beijing pledged \$400 million investment in Iran’s energy industry in exchange for more of their heavily discounted oil; this agreement has been slow to materialize but may find new life under the umbrella of regional rapprochement.

<sup>25</sup> Helena Legarda, et al., “MERICS China Security and Risk Tracker,” *MERICS*, February 2022.

practices, it named a special envoy for the conflict and launched a full-court press across Europe to promote the plan to capitals aligned with Washington.

In similar fashion, Chinese officials offered to mediate a peace between Israel and Palestine following the Hamas attacks in October 2023, confidently asserting that “Chinese wisdom, Chinese strength” can end the war and discover the path to long-term peace. As the conflict has simmered, Beijing has sought to position itself as a rallying point for Arab states frustrated by Washington’s pro-Israel position.<sup>26</sup> So far, none of the involved parties has taken China’s moves seriously, as it has no skin in the game and cannot deliver outcomes. But these initiatives are just a foretaste of a more assertive and opportunistic Chinese diplomatic presence in the Middle East, which has long been an American preserve. Appearing to be reasonable and peaceful, without any real investment in or risk taking for conflict resolution, is a for now an effective screen to hide China’s real intent.

In both cases, it’s doubtful that China actually believes it can broker peace. Judging by the content of the Ukraine plan — which heavily favored Russia — and given Beijing’s heavy tilt toward Hamas in the conflict with Israel, it seems likely that China’s leaders don’t expect the idea of Chinese mediation in either conflict to gain wide acceptance. But the very act of sallying into an international conflict of this magnitude demonstrated a newfound desire to play in major diplomatic equations far from Asia.

### ***WOING U.S. ALLIES***

A third characteristic of the new Chinese diplomacy is a determined focus on creating fissures in U.S. alliance networks. This has long been a major aim of Beijing’s behavior abroad. What’s changed is the pace and sophistication of diplomatic efforts to woo established allies of the United States by showing China’s ability to provide political rather than only commercial “goods” beyond its own borders. This was a primary aim of the “charm offensive” that Premier Li Qiang and then-Foreign Minister Qin Gang conducted in Europe in the spring of 2023. Over a two-month period, Li and Qin visited several European capitals, including Paris and Berlin, in a bid to tout China’s Ukraine plan and advertise its capacity to act as an agent of global stability.

A major side goal of Premier Li’s outreach was to erode the severity of the semiconductor sanctions that the United States was then developing with European allies. In particular, Beijing has zeroed in on the Netherlands, which the United States

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<sup>26</sup> Chun Han Wong, “China Steps Up Support for Palestinian Cause in Challenge to U.S. Mideast Policy,” *The Wall Street Journal*, November 21, 2023.

has prevailed upon to restrict the export of advanced lithography (the critical equipment necessary for manufacturing high-end semiconductors) to China. Earlier in 2023, the Netherlands voluntarily elected to restrict Dutch firm ASML Holdings' export of lithography equipment at Washington's request, rather than in compliance with any binding sanction. Tellingly, Vice President Han Zheng was dispatched to meet with the leadership of ASML.<sup>27</sup> Chinese Premier Li Qiang has since called the Netherlands a "priority partner" within the EU and encouraged the Dutch prime minister to support "market principles," domestic Dutch enterprises, and the "smooth flow of the global industrial and supply chains."<sup>28</sup> To this refrain has been added Premier Li's routine celebration of the need for international industrial "collaboration" to "keep global industrial and supply chains stable and smooth," phrased in a way designed to appeal to commercially minded third countries.<sup>29</sup>

China's outreach to Europe also seeks to undermine European governments' willingness to intervene, militarily or economically, in a future Taiwan crisis. French President Emmanuel Macron's apparent questioning of France's interest in helping the United States in such a scenario, coming on the heels of a visit to Beijing that brought lucrative business deals for French companies, undoubtedly reinforced this impulse.<sup>30</sup> While Germany has criticized China's export of dual-use technologies to Russia and more vocally than France expressed support for the status quo in the Taiwan Strait, the country's major automobile and chemical industries derive significant revenues from the China market and rely on the country to meet production demands.<sup>31</sup> Other countries simply do not consider Taiwan among their most pressing international concerns because they do not internalize China's threat to Taiwan as a threat to them. To the extent that European capitals spar over these issues, Chinese diplomats will find opportunities in intra-European divisions over "de-risking" to dissuade Europeans from participation in a future program of anti-China economic sanctions.

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<sup>27</sup> Ji Siqi, "China calls on Netherlands to 'adhere to strategic autonomy', as US restrictions weigh on trade," *South China Morning Post*, May 17, 2023. Han is Vice President of the PRC, an official State, not Party, function.

<sup>28</sup> "Chinese premier says China ready to deepen cooperation with the Netherlands," *Xinhua News*, May 16, 2023.

<sup>29</sup> "Speech by Chinese premier Li Qiang at the opening ceremony of the World Economic Forum Annual Meeting 2024," *Ministry of Foreign Affairs of the PRC*, January 17, 2024.

<sup>30</sup> Jamil Anderlini and Clea Caulcutt, "Europe must resist pressure to become 'America's followers,' says Macron," *Politico EU*, April 9, 2023. For a summary of the work of the business delegation accompanying Macron, see Guilia Interesse, "France-China Relations: Trade, Investment, and Recent Developments (Updated)" *China Briefing, Dezan Shira and Associates*, April 10, 2023.

<sup>31</sup> Jurgen Matthes, "How Dependent Is the German Economy on China for Exports?" *ifo Institute*, 2020. Surveys of German firms continue to record their sentiment that China is an attractive market and business environment: "Profits of German investors in China – an empirical survey," *MERICs, BDI, IW, and Bertelsmann Stiftung*, 2023.

## ***THE TAIWAN FACTOR***

A major aim of Chinese diplomacy across regions is to strengthen international support for, and soften impediments to, the eventual absorption of Taiwan into mainland China. Other diplomatic moves are refracted against and can be partially explained by this ultimate objective. Beijing has calculated that a new and softer approach than that of the immediate post-Covid period may be better for nurturing the kind of “China coalition” that would acknowledge the right to enforce its claim to Taiwan as a matter of history and law, regardless of American resistance.

Chinese leaders regularly insist that the “One China” principle forms the foundational “basis” of diplomatic relations with the People’s Republic of China. As a 2022 white paper on Taiwan (the first on the topic since Xi Jinping assumed power) stated, “The one-China principle represents the universal consensus of the international community” and “is consistent with the basic norms of international relations.”<sup>32</sup> Since early 2023, Chinese diplomats have been repeating the mantra that “returning the Taiwan region to China is an integral part of the post-World War II international order.”<sup>33</sup> China’s defense minister provided the clearest articulation of this diplomatic messaging in the 2023 Shangri-La Dialogue when he noted, “It is written in black and white in the Cairo Declaration (1943) and the Potsdam Proclamation (1945) that Taiwan shall be restored to China as part of the post-World War II international order [...] China’s reunification is an overriding historical trend and an unstoppable course.”<sup>34</sup> Xi Jinping, for his part, has asserted, most recently in his 2024 New Year’s Day message, that reunification is “inevitable.”<sup>35</sup>

Such messaging may be especially appealing to countries already seeking justification for noninvolvement in a Taiwan clash. Some of the members of the Association of Southeast Asian Nations (ASEAN) are perhaps the most susceptible and important segment of this audience, given their economic dependency on China. ASEAN nations share a bias toward non-confrontation. This was strikingly expressed at a foreign ministers’ meeting in the days following then-House Speaker Nancy Pelosi’s visit to Taiwan in August 2022. At that session, ASEAN leaders reiterated their support for the

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<sup>32</sup> “The Taiwan Question and China’s Reunification in the New Era” *The Taiwan Affairs Office of the State Council and The State Council Information Office*, August 2022.

<sup>33</sup> “Foreign Ministry Spokesperson Mao Ning’s Regular Press Conference,” *Ministry of Foreign Affairs of the PRC*, January 16, 2024.

<sup>34</sup> “Qin Gang: Post-war International Order Must be Preserved,” *China’s Embassy in the United States*, May 10, 2023; and Li Shangfu, June 4, 2023.

<sup>35</sup> “Full text of President Xi Jinping’s 2024 New Year message,” *Ministry of Foreign Affairs of the PRC*, December 31, 2023.

“One China” policy and called for “maximum restraint.”<sup>36</sup> The day after the session, at an ASEAN meeting with Chinese Foreign Minister Wang Yi, ASEAN leaders told Wang of their adherence to “One China” and registered their “support” for China “in safeguarding its sovereignty and territorial integrity.”<sup>37</sup> ASEAN remains wary of developments that could “destabilize the region and eventually lead to miscalculation, serious confrontation, open conflicts and unpredictable consequences among major powers.”<sup>38</sup> Chinese leaders shrewdly cultivate this sentiment by presenting the United States as an external power, provocateur and regional troublemaker and criticizing Washington for undermining the ASEAN architecture through “small cliques” like the Indo-Pacific “Quad” grouping and the trilateral AUKUS (Australia, United Kingdom and United States) partnership.\*

China’s efforts vis-à-vis ASEAN are rooted in a desire for economic and political dominance of the Indo-Pacific region. Knitting these and other neighboring states into the Chinese economy also advances the goal of neutralizing neighboring countries in a future crisis. Economic entanglement is already complicating Washington’s ability to use sanctions against China in a Taiwan scenario.<sup>39</sup> China is continuing to deepen economic integration with its neighbors, facilitating a march toward a China-centric circulation economy in Asia, a stated priority for Beijing. As Asian dependency on Chinese trade and investment grows, Asian enthusiasm for future American sanctions on China may diminish.<sup>40</sup> Washington must contend with the risk of severely damaging the economies of its own partners and allies like Korea and Japan and countries like Vietnam and Singapore that view China with fear but rely on China economically.

China is also using its economic and diplomatic might to anticipate challenges to its energy security in a Taiwan crisis. China receives 80 percent of its oil through the Strait of Malacca, a key transit point into East Asia. In the event of war over Taiwan, the U.S. Navy could impede the flow of resources to China by closing the Strait. However, Beijing is offsetting U.S. naval dominance in the Strait by building overland oil and gas import routes across the territories of neighbors like Kazakhstan, Myanmar, Pakistan, Russia

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<sup>36</sup> “ASEAN Foreign Ministers’ Statement on the Cross Strait Development,” August 4, 2022.

<sup>37</sup> “Wang Yi Attends ASEAN-China (10+1) Foreign Ministers’ Meeting,” *Permanent Mission of the PRC to the UN and Other International Organizations*, August 4, 2022.

<sup>38</sup> “ASEAN Foreign Ministers’ Statement on the Cross Strait Development,” August 4, 2022.

\* The authors would like to thank Wallace Mathai-Davis for this insight.

<sup>39</sup> Beijing aspires to accomplish this, ideally via coastal infrastructure, co-opted local elites, and a minimal military presence – emulating the basic strategy of the British Empire. See Matt Pottinger in Nahal Toosi, “Frustrated and powerless: In fight with China for global influence, diplomacy is America’s biggest weakness,” *Politico*, October 23, 2023.

<sup>40</sup> “What Asia’s economic revolution means for the world,” *The Economist*, September 21, 2023.



and Turkmenistan.<sup>41</sup> New projects in Central Asia, Southeast Asia and Russia are expensive signals of Beijing's ambition. Once completed, overland pipelines will go some way toward relieving Beijing's "Malacca dilemma."

At the same time that Beijing seeks to secure the physical trade routes for its energy supply, it is also insulating oil trade financing from the dollar, and therefore U.S. sanctions, by enabling renminbi (RMB)-denominated settlement of oil contracts. Saudi Arabia, Brazil and Russia were the initial targets of this campaign to spread the RMB-based system. In October 2023, the RMB overtook the Euro as the second most-used currency in trade finance. If successful, Beijing's financial diplomacy over time could usher in self-contained, non-dollar, integrated economic regions capable of ignoring American sanctions by avoiding trade in U.S. dollars.<sup>42</sup>

In all of these cases, Beijing's approach at this stage is to avoid direct confrontation with the United States and use diplomacy to gradually transform the facts on the ground in ways that will make it easier to eventually resist U.S. pressure if it decides to try to take Taiwan. For non-Western nations, China's Taiwan-focused diplomacy takes the form of Chinese efforts to build durable commercial relationships that could withstand a future program of anti-China sanctions. For major countries, including Washington's European and Asian partners and allies, it takes the form of economic entanglements that might encourage effective neutrality in a Taiwan conflict scenario. The thrust of such diplomacy is to place the burden of economic escalation squarely on the shoulders of the United States while making the costs of participation in hypothetical anti-China sanctions appear prohibitive to states that otherwise might consider such measures in the future. Beijing calculates that this might be enough, especially when coupled with its growing military might.

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<sup>41</sup> China is the world's largest oil importer: "Where Does China Get Its Oil?" *Columbia University SIPA*, July 2020. Eighty percent of Chinese oil imports pass through the Strait: "China's Self-Extrication from the 'Malacca Dilemma' and Implications," *International Journal of China Studies* Vol 1, no. 1 (January 2010). See also: "China Raises Alert for Malacca Strait as Regional Tensions Threaten Global Shipping Lines," *Global Times*, July 2019. For Central Asia: "China eyes sunny Central Asia for green energy, natural gas deals as need to bolster power supply grows more critical," *South China Morning Post*, September 2022. For Myanmar: "Overview of the Myanmar-China Oil & Gas Pipelines," *China National Petroleum Company*, 2017. For Pakistan: "China's Superlink to Gwadar Port," *SCMP*, May 2017. For Russia: "Can Russia Execute a Gas Pivot to the East," *CSIS*, May 4, 2022, and "China Could Be a Lifeline for Russian Energy," *Barrons*, March 25, 2022.

<sup>42</sup> Christopher Vassallo, "China-Saudi RMB Settlement Will Insulate the Oil Trade from U.S. Sanctions," *ChinaFile*, November 7, 2023; Fahad Abuljadayel and Yujing Liu, "China and Saudi Arabia Sign Currency Swap Worth \$7 Billion," *Bloomberg*, November 20, 2023; "RMB Tracker," SWIFT, October 2023.



## ***CHINA'S WAGER***

In seeking to expand its international political influence to a level commensurate with its economic and military might, China is following in the steps of earlier rising powers. There is a recurring pattern in history whereby the economic expansion of an aspiring global power prompts it to deploy military — especially naval forces — to secure vital arteries, which, in turn, generates abrasions that call for more effective diplomatic tools. Meiji Japan is one such example; Imperial Germany is another.

In these and other instances, a paradox has usually presented itself. A rising power's expanding capabilities make it necessary to develop a more advanced diplomacy while simultaneously making it hard to wield that diplomacy to the desired end: increased political influence. The reason is that the *physical fact* of increased military power generates fear among other states, which move to counterbalance it.<sup>43</sup> There are limits to what conciliatory diplomacy can do to assuage this fear, unless it is accompanied by a reduction in the military capabilities that generated it in the first place. Instead of being charmed by a rising state's efforts to convert its power into influence, other states are likely to move in concert to place curbs either on the aspirant's economic growth (by curtailing trade) or military growth (by a build-up of their own) or both.

Consider the famous case of Imperial Germany. The unification of Germany in 1871 created a concentration of military and economic power that provoked anxiety on the part of other European states. Under the leadership of the German Empire's first chancellor, Otto von Bismarck, it pursued a policy of industrial expansion and diplomacy engagement while keeping armaments well below the levels that the new state was capable of producing. Bismarck's famed diplomacy had the intended effect of enhancing German political influence because, at least during his lifetime, the country's military capabilities were not threatening to most of its neighbors.

After Bismarck left the scene, German leaders abandoned this path and pursued a more ambitious program aimed at growing the country's military power by ramping up expenditures on the German Army while launching a ship-building program capable of threatening Britain's command of the seas. In response, Britain had little difficulty recruiting a countervailing coalition of powers that included states aligned with Germany during Bismarck's tenure.

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<sup>43</sup> This is a point that Edward Luttwak emphasizes: An aspirant world power cannot have "rapid growth in economic capacity *and* military strength *and* regional *and* global influence." See Luttwak, p. 6.

China has, to a certain extent, followed a similar course, first adhering to a “peaceful rise” model that emphasized economic growth over military ambitions before switching to a more risk-acceptant template as international power shifted in its favor. In China’s case, there has been something of a trial-and-error approach to diplomacy, as the country transitioned from intensely Leninist diplomacy to a humble “peaceful rise” and to the “wolf-warrior” methods of the recent past before settling on the new and more conciliatory diplomacy of the past year. But the calculation appears to be the same as Germany’s — namely, that China will be able to actively gain in influence and expand economically while continuing to amass military power that is threatening to others.

Compared to Imperial Germany, China has the advantage of pursuing a diplomatic goal with a lower threshold for success. While Germany was attempting, often through intimidation, to coerce other major powers into aligning with it against Britain in major diplomatic disputes, China is pursuing the negative goal of convincing third parties to favor non-intervention in a Taiwan clash. In practice, this doesn’t require countries that are allies of the United States to change their formal orientation or even acknowledge the rightfulness of China’s claim to Taiwan, though that would certainly be desirable from Beijing’s perspective. Rather, China only needs relevant countries to demur from materially and significantly contributing to anti-China sanctions. Persuading someone not to act when it involves risk is usually easier than persuading them to act.<sup>44</sup> Chinese diplomacy’s job is to maneuver as many countries — particularly those with the power to harm it by withholding natural resources or trade goods in the event of a crisis — into a position where they are unlikely to do so. That puts the onus on the United States to undertake the more difficult diplomatic job of convincing these countries to take action in ways that may be injurious to themselves.

Even with this advantage, however, the fact remains that China is dramatically ramping up its military capabilities.<sup>45</sup> Conciliatory diplomacy can only do so much to obscure the physical reality of growing Chinese military power, which is inherently threatening to other states. And even if China plays its hand more shrewdly than Imperial Germany, it is likely to encounter a number of problems that confronted earlier rising powers that attempted to square the circle of seeking armaments, wealth and influence. Four in particular stand out.

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<sup>44</sup> Thomas Schelling’s classic distinction between compellence and deterrence, articulated in *Arms and Influence* (1966), supports this observation. Behavioral economists have since contributed a deep body of research on this concept of bias towards inertia. See William Samuelson and Richard Zeckhauser, “Status quo bias in decision making” *Journal of Risk and Uncertainty*, March 1988; also Amos Tversky and Daniel Kahneman, “The psychology of preference,” *Scientific American*, no. 246, 1982.

<sup>45</sup> David Ochmanek, et al., “Inflection Point: How to Reverse the Erosion of U.S. and Allied Military Power and Influence,” *RAND Corporation*, 2023; “China Military Power: Modernizing a Force to Fight and Win,” *Defense Intelligence Agency*, November 2018.

**Actions and capabilities speak louder than words.** First, China's leaders are likely to find that the wider the gap between its rhetoric as a peacemaker and the actual ends to which it uses its power, the less effective its diplomacy will be. It's possible that China's "carrot-stick" approach will result in other countries drawing closer to it. But the more likely outcome will be that the states around it will continue to maintain friendly relations with Beijing while accelerating their military build-ups to hedge against Chinese expansion, especially if Beijing seeks more significant concessions from them. In the Philippines, for example, the new Marcos government has responded to China's aggressive incursions into disputed waters by implementing a favorable new basing agreement for U.S. forces. Similarly, Europe perceives the big gap between China's peaceful rhetoric about Ukraine and the underlying reality of its political, economic and probably military support for Russia. While European countries, including Ukraine, will undoubtedly continue to favor including China in the global talks about resolution of the war, the reality of an emerging Sino-Russian combine is likely to push Europeans closer to Washington than if China was actually using its leverage to reign in Russian aggression in the conflict.

**Influence brings responsibility.** Second, China's leaders are likely to find that even among those states in the periphery that welcome their increased financial presence, there is a limit to how far they can trade on that influence, especially as that influence often involves significant, difficult and even humiliating concessions by the targeted state. For all its money and publicity, China remains a newcomer to regional political dynamics in places like the Middle East, where many of its signature projects have encountered credit or feasibility concerns.<sup>46</sup> While local players may welcome the opportunity to diversify their strategic options, they continue to look to Washington, for better or worse, as the *sina qua non* of security assistance. The Israel-Hamas war is a reminder that in a crisis, eyes in this region turn to the United States, not China, as a source of diplomatic solutions in the Middle East, because it is the only world power with any chance of delivering results. Supplanting the U.S. role would require China's leaders to accept a deeper role in the dynamics of regions where they have little experience, and all of the downsides that that entails.

**Ambition estranges.** Integral to China's diplomatic gambit is the notion that it can create new groupings that run parallel to and counter existing alignments like the G-7. This marks a significant break from past Chinese behavior, in that it seeks to more conspicuously raise China's profile as the leader of an anti-Western economic and political bloc. But the act of attempting to build such an entity will inevitably expose China to the same dynamics of resistance that have long dogged the United States. Forced to parry U.N.-organized criticism of its appalling treatment of Uyghurs and other

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<sup>46</sup> Julian Spencer-Churchill and Beyrouz Ayaz, "Beijing's Middle East Policy is Running Aground," *The National Interest*, October 3, 2023.

religious minorities, Beijing has found itself on the defensive in the very international institutions where it is seeking to cultivate its influence. Most significantly, China is likely to find that its effort to use an expanded BRICS grouping will be constrained by its difficult relationship with India. By courting new members without India's consent, Beijing may have positioned itself to be the *de facto* leader of the expanded grouping, but it has also fueled New Delhi's ambition for international leadership and suspicion of Beijing.

***Bad company brings baggage.*** Beijing's diplomatic charm offensive cannot hide a key liability of Chinese foreign policy today, which is that the country is enmeshed in a deepening co-dependency with Russia. To be sure, the relationship brings significant benefits for China.<sup>47</sup> But the brutality of Russia's war represents an embarrassment for China, while the way in which the war has been waged heightens Russia's dependency on China as a security partner, reputation launderer and source of investment and trade. Increasingly, it seems that China has no choice but to prop up Russia as a power and Putin as a leader. The energy partnership between the two countries has locked China into long-term oil contracts with Russia for a wider variety of grades of crude oil blends, some of which Beijing currently lacks the infrastructure to refine.<sup>48</sup> While the association with Russia is not a negative for China in its interactions with the Global South, neither is it an unmitigated positive for a country that aspires to depict itself as a force for peace, stability and non-interference. Much as Imperial Germany found its diplomatic room for maneuver hampered by an asymmetric alliance with Austria-Hungary, China is likely to find its options narrowed by partnership with Russia.

In all of these cases, the point is not that the new Chinese diplomacy is destined to fail; it certainly isn't. Beijing's diplomats benefit from a highly focused set of aims that are tightly aligned with China's chief goal in the world, involve an attainable threshold of ambition and are backed by considerable economic and military power assets. Rather, the point is that even a reinvigorated diplomacy will not alter the fundamental dilemma facing China, which is that its growing power and aggressive intent generate fear and opposition that will impede its quest for greater influence. The basic choice facing China is that which faces all rising powers: either pursue a path of revisionism and expect to face a countervailing geopolitical response that impedes the country's economic growth

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<sup>47</sup> Notable among these is the growth in cheap Russian energy imports, especially via pipelines that avoid the Strait of Malacca; "Russia's Gazprom breaks daily record for gas supply to China," *Reuters*, January 3, 2024. Russia is now a more desperate market for Chinese exports, too. It is a destination for industrial overcapacity in ICE vehicles and legacy semiconductors, among other goods. See "Chinese vehicle exports keep Russian vehicle logistics afloat at sea – and by rail," *Automotive Logistics*, August 11, 2023, and Andrew David, et al., "Russia Shifting Import Sources Amid U.S. and Allied Export Restrictions," *Silverado Policy Accelerator*, January 2023, pp. 10-11.

<sup>48</sup> "Factbox: A look at key Russia-China crude oil ties as Ukraine crisis rage," *S&P Global*, March 8, 2022.

or pursue more measured wealth and influence. Choosing the former will place limits on how far China can go in using diplomacy to rearrange the gameboard to its advantage.

## ***THE AMERICAN RESPONSE***

The job of American diplomacy is to encourage and amplify the resistance that is generated by China's greater ambitions and assertiveness accompanying its rise. Just as China's new diplomacy seeks to ease the spread of its influence by ameliorating the downsides generated by its growing military power, U.S. diplomacy should seek to impede Chinese influence by working with the natural momentum of the problems and opposition that it will tend to generate. To put it in historical terms, if China is going to opt for the path of Imperial Germany, the United States should embrace the path of Edwardian England, which used diplomacy to erect obstacles to its adversary's attempts at acquiring hegemony.

To a certain extent, that is what the United States has done. Under the Trump administration, Washington jettisoned its longstanding approach of using economic engagement to encourage political liberalization and embraced a strategy of actively contesting China's expansion of its influence. The 2017 National Security Strategy (NSS) and 2018 National Defense Strategy (NDS) identified China as the top threat to the United States and began the process of reorienting U.S. diplomatic, military and economic resources toward it. The diplomatic component consisted of three broad planks:

1. *Confronting China*: Political pressure, supported especially by tariffs and export controls;
2. *Constructing countervailing coalitions*: Organizing alliances in the Indo-Pacific, Europe, and beyond around opposition to Chinese military and commercial expansion; and
3. *Competing for positive influence*: Ramping up diplomacy in contested regions, supported by revamped instruments for overseas investment.

Since coming to office in January 2021, the Biden Administration has largely adopted and expanded on this framework.<sup>49</sup> The 2021 Interim National Security Guidance and 2022 National Security Strategy retained the focus on China as the top threat and the administration kept in place most of its predecessors' China-focused policies. However, while accepting the 2017 National Security Strategy's focus on great power competition,

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<sup>49</sup> Keith Johnson, "Belt and Road Meets Build Back Better," *Foreign Policy*, October 4, 2021.

the Biden team has modified all three planks of the diplomatic component of U.S. strategy that was established under Trump:

1. *In relations with China*, Biden has sought reengagement on transnational issues like climate change, on the mantra of “competing while cooperating.”<sup>50</sup>
2. *In relations with allies*, Biden has sought to deepen political cohesion through multilateralism and promotion of a “Community of Democracies” rather than interest-oriented arguments.
3. *In contested regions*, Biden has sought to expand overseas investment mechanisms while increasing their multilateral components.

It’s not hard to see the logic of the administration’s approach — namely, that it would reduce tensions in the bilateral relationship while simultaneously increasing the webs of friendship and influence that constrain China’s commercial and political expansion at the international level. In practice, however, the administration has encountered anticipatable difficulty in implementing its preferred approach in all three of the above areas.

*In relations with China*, Chinese support for Russia’s Ukraine war and the violation of U.S. airspace by a Chinese spy balloon in February 2023 have constrained opportunities for meaningful U.S. engagement. Nevertheless, the administration persisted in seeking détente with China, with a heavy traffic of Cabinet-level U.S. officials going to Beijing in a quest to unlock high-level dialogue in the lead-up to presidential-level engagement with Xi Jinping at the APEC Summit in San Francisco in November 2023. In parallel, the administration has pursued an aggressive program of export controls to limit Chinese entities’ access to the technology, know-how and equipment necessary for fabricating advanced semiconductors. Meanwhile, the U.S. regional deterrent has been weakened by the administration’s de-prioritization of the Indo-Pacific and the movement of U.S. weapons and forces to other theaters.<sup>51</sup>

So far, this approach has neither “unlocked” Chinese cooperation nor reduced tensions over Taiwan. If anything, the combination of conciliatory rhetoric and outreach, punitive trade policies and a weak U.S. military deterrent may be reinforcing the conviction in Beijing that the United States can be played, despite China’s assertion of

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<sup>50</sup> Kurt Campbell and Jake Sullivan, “Competition without Catastrophe,” *Foreign Affairs*, August 1, 2019.

<sup>51</sup> In 2023 the administration left \$3.5 billion in unfunded priorities for in the Indo-Pacific Command (compared to \$160 million in unfunded priorities for U.S. forces in Europe), while failing to utilize Congressionally authorized military funding for Taiwan. See Alex Velez-Green, “The Case for Urgency against China,” *Heritage Foundation*, September 13, 2023.



feeling boxed in.<sup>52</sup> During President Xi Jinping’s visit to the United States in November 2023, he told Biden, “China will eventually be reunified and will inevitably be reunified.” The Taiwan issue is “the biggest, most potentially dangerous issue in U.S.-China relations,” he added. In the official readout of the meeting, Xi apparently demanded that Washington “*support* China’s peaceful reunification.”<sup>53</sup> Rather than coax China into a more amicable stance, the administration’s formula is likely, at best, to inadvertently create incentives for Chinese leaders to increase the price for cooperation and even embolden further aggression against Taiwan.<sup>54</sup>

In *relations with allies*, the administration has put sustained political energy into improving the optics of political cohesion in U.S. relations with allies in Europe and Asia, including through heightened engagement with NATO, the Quad and other formats such as AUKUS. In Europe, the administration has jettisoned its predecessors’ pressure campaign against Chinese technology and infrastructure in favor of multilateral convergence through efforts such as the Transatlantic Trade and Technology Council (TTC). In Asia, the administration has worked to deepen bilateral cooperation with Vietnam and India, improve ties between Japan and South Korea and advance regional initiatives like AUKUS and the Indo-Pacific Economic Framework (IPEF).

Improved optics notwithstanding, it remains to be seen whether the new approach will produce outcomes in allied behavior that work to America’s advantage vis-à-vis China. So far, convergence with allied Europe has mainly involved Washington embracing initiatives favored by Europe, such as the Paris Climate Accord and the Iran nuclear deal, that are of dubious value to the United States in strategic-competitive terms, while European allies have continued to pursue deeper commercial ties with Beijing, resisted U.S. requests to take a stronger stance on Taiwan and, in some instances, even seemed

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<sup>52</sup> On the sidelines of China’s National People’s Congress in March 2023, Xi Jinping criticized Washington’s campaign of “encirclement and suppression. Teddy Ng, “China’s ‘Two Sessions’ 2023: Xi Jinping Directly Accuses US of Leading Western Suppression of China,” *South China Morning Post*, March 7, 2023.

<sup>53</sup> Italics added for emphasis. “President Xi Jinping Meets with U.S. President Joe Biden,” *Ministry of Foreign Affairs of the PRC*, November 16, 2023. Jeff Mason and Trevor Hunnicutt, “Xi told Biden Taiwan is biggest, most dangerous issue in bilateral ties,” *Reuters*, November 15, 2023.

<sup>54</sup> Because of this confused policy posture, it is probably not clear to Beijing whether Washington is seeking to contain or engage with it. In a rare public attack on the United States, the Ministry of State Security harangued against “the selfish, hegemonic and disingenuous core of U.S. national security”; Jack Lau, “Chinese security ministry attacks ‘selfish, hegemonic, disingenuous’ US over criticism of anti-spying law,” *South China Morning Post*, August 14, 2023. Despite the “Spirit of San Francisco,” it is likely that many in Beijing believe Washington seeks to “contain” it in Cold War-style confrontation.



to undercut U.S. strategy in Asia.<sup>55</sup> Convergence with allied Asia has produced more in the way of tangible outcomes, including the new Philippines basing agreement and the AUKUS agreement to equip Australia with nuclear submarines, but other policies, like upgrading diplomatic relations with Vietnam, have yet to contribute substantive improvements to the military balance, which continues to deteriorate given the scale of China's buildup.

In *contested regions*, the Biden administration has continued the Trump era approach of seeking to retool U.S. overseas investment instruments to make them more competitive with BRI. It has made heightened use of the Development Finance Corporation (DFC), established in 2019, while developing a joint U.S.-European funding vehicle, named the Partnership for Global Infrastructure and Investment (PGII), aimed at providing quality infrastructure financing for developing countries.<sup>56</sup> The administration has ramped up courtship of the Global South, including by inviting the heads of states of India, Brazil, Indonesia and Vietnam and the current chairs of the African Union and Pacific Islands Forum to the leaders' meeting of the 2023 G-7 summit.

However, the administration's efforts to compete with China in the periphery have been impeded by significant headwinds. The exclusion of a number of strategically important countries from the 2023 Summit for Democracies undercut U.S. influence in those places. PGII has underperformed expectations. The program's onerous stipulations about local labor, gender and climate priorities are perceived by both American capital providers and local partners to be detrimental to the economics of otherwise advantageous projects.<sup>57</sup> As a result, Beijing has been able to maintain its formidable advantage in international development finance, with more than \$1 trillion cumulatively invested across 3,000 projects in 150 countries over BRI's decade-long lifespan, including 117 maritime ports and a flagship China-Europe railway.<sup>58</sup>

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<sup>55</sup> An ifo Institute's 2022 survey of 4,000 German firms indicated that 46 percent of German industrial firms rely on "critical" Chinese inputs, and more than 50 percent in eight of Germany's ten major industries, including the automobile, pharmaceutical, and machine tooling sectors. "Deutsch-chinesische Handelsbeziehungen: Wie abhängig ist Deutschland vom Reich der Mitte?" *ifo Institute*, February 2022.

<sup>56</sup> National Security Advisor Sullivan highlighted PGII as a way to "mobiliz[e] trillions in investment into emerging economies [...] with capital enabled by a different brand of U.S. diplomacy." Jake Sullivan, "Remarks by National Security Advisor Jake Sullivan on Renewing American Economic Leadership at the Brookings Institution," *The White House*, April 27, 2023.

<sup>57</sup> Kevin Chen, "Developing Asia spoiled for infrastructure choice," *Ease Asia Forum*, August 20, 2022.

<sup>58</sup> "Silk Road Briefing: Ten Years of China's Belt and Road Initiative: Highlights, Challenges and A Case Study," *Dezan Shira & Associates*, October 17, 2023. China's State Council celebrated some of these achievements in a White Paper to mark the 10-year anniversary of the Belt and Road Initiative in October 2023: "The Belt and Road Initiative: A Key Pillar of the Global Community of Shared Future," October 10, 2023.

In all three cases (relations with China, allies and contested regions), U.S. diplomacy at present is less successful than it could be in advancing the central aim of impeding China's military rise. The overarching goal is right, in the sense that the United States is at least nominally committed to a strategic framework premised on the recognition of China as the main threat. Our execution of that framework is hampered, however, partly by the inherent magnitude and difficulty of the tasks involved and partly by China's own often very intelligent moves, but also by our own missteps and self-imposed limitations.

## ***RECOMMENDATIONS***

China's new diplomacy should serve as a prompt for the United States to refine our own capacity for wielding diplomacy as an instrument of strategy in great power competition. Diplomacy was a strength of American statecraft in earlier eras of our nation's history but competence in its practice has eroded since the end of the Cold War, as the United States found itself in an environment without a peer competitor. In this permissive setting, diplomacy's place in U.S. foreign policy lost ground to other elements of national power, especially military force and financial sanctions. By upping the game in diplomacy, China is compelling us to address that deficit.

A U.S. response to China's diplomatic challenge would encompass several components.

**1. *Integrate diplomacy with strategy.*** The job of diplomacy is to advance the national interest in concrete ways that make our country more secure. To be effective, it must be integrated with the military and economic instruments of power and wielded in the service of a compelling and attainable vision of America's role in the world. As the Cold War diplomat Robert Strausz-Hupé wrote, "strategy is diplomacy's elder brother." Integrating diplomacy into strategy means aligning its goals and exertions with the priorities of the U.S. national security strategy and U.S. national defense strategy. Unless this happens, there is a danger of diplomacy drifting into its own separate orbit and responding to prompts from other quarters like domestic pressure groups and notions of global multilateralism detached from the national interest.

There is no automatic or mechanistic fix for aligning diplomacy and strategy. Geopolitical events have a way of enforcing discipline in this respect. However, strategy in government does matter. A good starting point would be to institute a "National Diplomatic Strategy" document, as a core subtask of the National Security Strategy (NSS) and a complement to the Pentagon's regular National Defense Strategy (NDS). Alignment with the NSS could be facilitated by including a senior State Department designee to accompany the "road show" team of National Security Council (NSC) and Office of Management and Budget (OMB) personnel who visit other agencies in the

formulation and enforcement of the NSS.<sup>59</sup> In addition, the Joint Regional Strategy — the State Department framework by which Congress appropriates funds to U.S. diplomatic priorities — should be required to align explicitly with the top-line goals set out in the NSS. At present, that is not the case. Integrating the two processes would improve synchronization among the Executive Branch’s foreign-policy goals while also ensuring a better alignment between those goals and Congressionally-provided funding.

Alignment between diplomacy and strategy can be further reinforced by streamlining the internal processes by which the State Department enforces policy discipline and prioritization. A first step would be to institutionalize the organizational innovations introduced under then-Secretary of State Mike Pompeo. One of those was the creation of a cross-enterprise committee co-chaired by the undersecretaries for political affairs and management that was tasked with synchronizing resources and policy. Another was periodic regional Chief-of-Mission conferences to ensure focus on established strategic priorities. A major effort was also made to align objectives at the embassy level across regions with a global focus on China. Efforts like these help to eliminate stovepiping and make the diplomatic machinery more responsive to strategic priorities.\*

**2. Get back to basics.** China’s diplomats are a threat to the United States and its allies not only or primarily because they are agents of a “China playbook” of disinformation and subterfuge, but because they are applying themselves effectively to the central task of diplomacy, which is to use negotiation, backed by force, money and cultural influence, to bring other countries’ interests into alignment with their own.

Answering the Chinese diplomatic challenge will require the United States to get better at this ourselves. America’s diplomats are the tip of the spear in great-power competition; equipping them with the proper training, resources and *esprit de corps* should be a high national priority. Foreign Service Officers (FSOs) should be trained in diplomacy and negotiations as their core competence and instilled with an ethos of advancing the interests and ideals of the American Republic abroad. To attract, retain and motivate the best talent, we need to give FSOs better advancement prospects than they have at present, including by creating the potential for the Foreign Service’s top performers to rise through the ranks to assistant-secretary level positions and ambassadorships at major posts typically reserved for political appointees.

While bucking up the professional service, we also need to invest more deeply in the languages and expertise of the places where we are competing most vigorously with China for influence. Knowledge of this kind takes time to develop. At present, its

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<sup>59</sup> See Matt Pottinger, “Domestic Challenges to Deprioritization” in A. Wess Mitchell, Jakub Grygiel, Eds., *Getting Strategic Deprioritization Right*, The Marathon Initiative, June 26, 2023.

\* We are grateful to David Hale for these insights.

accumulation is impeded by frequent rotations that move U.S. diplomats and their families to new assignments at intervals of three years or less. America needs to keep its diplomats in strategically vital regions for longer periods, allowing them to become steeped in local languages, outlooks and conditions without “going native.”

To do that, the State Department will have to reconsider the current practice whereby FSOs are discouraged from having repeat assignments in the same country or region, as well as the practice of requiring them to come home periodically and rotate through what are essentially Civil Service functions. These old practices may have made sense in an era when breadth of experience counted for more than depth and the absence of modern communication technology isolated diplomats in remote assignments, but it no longer does. America needs the best regional expertise it can get, and that only arises through extended, intimate familiarity with local particularisms. As one former U.S. diplomat told us: “We need to put the emphasis in the foreign service back where it belongs: the *foreign*.”

**3. Trim the “Christmas Tree.”** The ability of U.S. diplomats to concentrate on their core role is often hindered by the necessity of tending the so-called “Christmas Tree” — the large array of congressionally mandated special offices (most without resources) and reporting requirements on various regions and issues that have accumulated over several decades. To be sure, the role of Congress in foreign policy is often very beneficial. Hearings force the State Department to prepare its best thinking on matters of public concern. Congressional delegations, or CODELs, can bring focused attention to neglected issues and reinforce diplomats’ messaging, and congressionally mandated sanctions and reporting create leverage that diplomats can use with foreign actors.

Over time, however, successive layers of congressional requirements drain U.S. diplomatic attention and resources, forcing personnel to annually revisit legacy issues even after, in some cases, they have lost saliency. Congress should create a mechanism by which past reporting requirements are periodically reexamined and either renewed, discontinued, or contracted to reputable outside organizations. The goal should be to keep these requirements focused and aligned with current realities so they can have their greatest impact. In a similar vein, it would be useful for the State Department to be prompted by Congress to periodically review the number of special representatives, envoys and coordinators, many of whom have direct reporting lines to the Secretary, to ensure they involve tasks that remain relevant and are not overwhelming the Secretary’s span of control.

**4. Compete for positive influence.** The key task for U.S. diplomacy must be to make it easier for countries to choose the United States over China. That is especially true in the strategically located regions where China is gaining ground among unaffiliated “swing states.” We cannot outmatch China in every regard. What we can

and should do, however, is work to arrange the incentives so that choosing the United States makes more sense from the perspective of these countries' own national interests.

At present, U.S. diplomacy sometimes seems to do the opposite. Where Chinese diplomats attempt to work with the momentum of local actors' needs, the United States frequently takes a "one-size-fits-all" approach aimed at importing a Western way of doing things. While the United States should always extol the virtues of its democratic system of government, it's important to remember that diplomacy often succeeds best when it can harmonize interests. Many of the most crucial countries we need to work with to counter Chinese expansion are not democracies and are unlikely to be so anytime soon. What we share with those countries is a desire to see their neighborhoods retain geopolitical pluralism, which requires sovereignty and independence of the smaller states located near our big-power rivals.

The best formula for competing for positive influence remains the one used by the United States during the Cold War: Making the case for America's model abroad while playing the long game and courting influence with states of all kinds, including non-democracies, to prevent them from falling into an opponent's sphere of influence.<sup>60</sup>

Pursuing such an approach in the current setting will require a more vigorous public diplomacy. At present, U.S. efforts in this area remain under-funded, with much of the existing budget tilting heavily toward a focus on the Islamic world. As a result, Chinese messaging often goes unanswered and wins a receptive ear even in places where the local population is skeptical of PRC intentions. Countering these moves will require the United States to develop more sophisticated messaging of its own that emphasizes both the advantages of the American model, way of life and vision for the world, and the disadvantages of China's system and vision *from the standpoint of local audiences*. In liberal Western societies, that may mean placing greater emphasis on China's autocratic nature and abysmal record of human rights abuses. In the developing world, it may mean emphasizing the very contradictions between PRC-style Communism and local cultures, religions or norms that Beijing's diplomacy is intended to mask.

In a similar vein, the United States needs to learn to act more effectively in countering Chinese efforts to dominate multilateral agencies at the international level. China's campaign to win control of specialized U.N. agencies may not make headlines in U.S. papers, but they represent a serious threat to U.S. interests and deserve a serious response. In place of the past practice whereby the State Department deferred to specialized agency counterparts in the U.S. government to determine which candidates the United States should support or oppose, based on purely technical grounds, it is

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<sup>60</sup> See Walter Russell Mead's column, "Principal Beats Principle in the World Order," *Wall Street Journal*, May 8, 2023.

time to adopt a more competitive approach that evaluates a candidate's overall impact on the balance of influence within the U.N. These competencies should be housed at the State Department and incorporated into planning of the National Diplomatic Strategy.

Finally, given China's ability to use its formidable economic resources to extend its influence, we must improve our own instruments of economic diplomacy if we are to compete successfully. The recapitalization of Overseas Private Investment Corporation (OPIC) as the DFC and creation of PGII are steps in the right direction. But two self-imposed restraints need to be addressed.

First, a mechanism needs be created for waiving stipulations for local labor, gender diversity, safety restrictions or environmental priorities on national security grounds to ensure the success of projects in strategically vital cases.

Second, PGII needs better protections for U.S. companies to improve the incentives for private-sector participation. Regulatory uncertainty, expropriation, currency risk, compliance costs and the threat of non-market competitors are powerful obstacles currently facing American investors contemplating strategic investments abroad. To address similar concerns, the United States should consider imitating Germany's sophisticated development finance initiative, which has made creative use of export credit guarantees for decades.<sup>61</sup> Another model is that used by our own OPIC in the 1970s and 1980s in South America, of providing political risk insurance.

Whatever form it takes, the point is that we need to be more responsive to on-the-ground circumstances. The more Washington can tailor the provision of U.S. capital to local conditions, the more successful American diplomats and economic policymakers will find themselves at mitigating risks associated with these critical projects.

**5. Seek outcomes, not optics.** The Biden administration has correctly sought to use diplomacy to strengthen U.S. alliances in Europe and the Indo-Pacific. These are the world's richest and most capable countries, a large number of which are democracies. It is important for the United States to have these countries solidly in its corner for what is likely to be a protracted political, economic and technological competition with China.

However, while alliance cohesion is undoubtedly valuable, so are tangible outcomes, in the form of policies and behavior by our allies that strengthen our collective positions. In other words, there are metrics for U.S. diplomacy with allies to be achieved beyond seemingly deep alignment on near-term political objectives, worldview or values. Those metrics include increased defensive burden-sharing to allow the United States both to

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<sup>61</sup> Oliver Hunke, "Export Credit Guarantees in a Globalized World," *ifo Institute*, September 2014.



sustain forward deployments on friendly soil and concentrate finite military resources on the main threat; allied solidarity in avoiding dependency on our rivals for the supply of energy or other resources; allied unity in preventing Chinese domination of multilateral bodies; and alignment with the United States in trade, technology and regulation that favors a shared interest in sustaining innovation and economic dynamism.

**6. Exploit cleavages created by Beijing's ambition.** The aim of China's "new" diplomacy has been its ability to present itself and its model as a preferable alternative to the United States, even as it continues a massive military buildup that threatens its neighbors. U.S. diplomacy should expose the inherent contradictions in China's behavior in ways that make it harder for Beijing to gain influence.

The most logical way to do so is to exploit the natural resistance that China's clout will tend to engender among other countries. This takes its most acute form, of course, in the countries in China's immediate vicinity. American diplomacy should build concrete cooperation in security around the specific shared interest that we have with the countries in question, which is their survival as independent states. It is here that the hypocrisy of China's new diplomacy is most apparent, as Beijing is fundamentally unwilling to concede equality in interactions with its smaller neighbors.<sup>62</sup> American diplomats can exploit this hypocrisy not only by repeatedly highlighting it but also by offering concrete cooperation with the United States in the commercial and military realms. Here, too, we must play the long game in competing for influence in places where Chinese influence is making steady inroads.

Further afield, the same logic applies. A particular opportunity exists in the case of India, which has long held aloof from closer alignment with the United States. That country's suspicions of China have been deepened of late by the latter's bid to expand and dominate the BRICS grouping, which would come at the expense of Indian influence, as well as by smoldering border tensions in India's north. The key to U.S. diplomatic success with India is to present partnership with America as a viable strategic remedy to India's own problem without pushing it beyond its comfort zone toward forms of cooperation that contradict its long-held worldview regarding non-alignment.<sup>63</sup> The United States should deepen defense cooperation with India wherever possible in spite of its ongoing weapons purchases from Russia and should avoid situations that place India on the receiving end of secondary sanctions for purchasing Russian oil. The gain for U.S. strategic interests of effective collaboration with India against China outweighs the negatives of continued Indian cooperation with Russia.

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<sup>62</sup> Regional countries recall Yang Jiechi's words at the 2010 ASEAN Ministers' Conference in Hanoi, Vietnam: "China is a big country and other countries are small countries and that is just a fact."

<sup>63</sup> S. Jaishankar, *The India Way: Strategies for an Uncertain World* (HarperCollins, 2020).



In Europe, China's ambition also generates abrasions, but of a different kind. Western European countries chafe at Chinese heavy-handed behavior but fear losing access to China's lucrative domestic market. The fear is especially pronounced in industrialized western European states that have long-established trade relationships with China and are deeply integrated into the Chinese supply chain. Americans should not be contemptuous of these ties; after all, just like in our own country, thousands of European jobs depend on trade with China. A key to U.S. diplomatic success is not to ask the Europeans to take steps that would harm their own economies, but instead to identify and exploit underdeveloped avenues to resist China that align with Europe's own interests. The most conspicuous of these is the need for a clearer European statement of consequences to its trade relationship with China if it should move against Taiwan. The aim should be to make Chinese aggression the basis for European diplomatic action, not U.S. objectives. Economic deterrence against an attack is thus enhanced and the burden of escalation placed on China.<sup>64</sup>

At the same time, U.S. diplomacy should continue to work diligently at exploiting the abrasions created by China's expanding infrastructure footprint in Europe. Appealing to European interests and shared Western principles can produce results. A successful example is the campaign conducted by then-Under Secretary of State for Economic Affairs Keith Krach to encourage NATO allies to divest from Chinese state-controlled telecommunications and cyber equipment in favor of "clean" Western alternatives. In parallel, the expansion of U.S. overseas investment vehicles in peripheral European countries provides an alternative to Chinese sources. The success of this dual approach can be seen in the receding footprint of China's BRI and "17+1" format in Europe.

In this context, China's decision to deepen close ties with Russia despite the latter's invasion of Ukraine represents a significant opportunity for U.S. diplomacy in Europe. More than any other example, this strengthened relationship highlights the tension at the heart of China's new diplomacy, in which it presents itself as a peace-loving state while pursuing and supporting military revisionism. Rather than seeking to drive wedges between China and Russia — an approach that is unlikely to bear any fruit for a very long time, given the greater interest that these two powers share in opposing the United States — U.S. diplomats should do the opposite and seek to hoist Xi on Putin's petard on every occasion in interactions with European interlocutors. They should regularly remind Europeans that China is actively using its closer ties with Russia to further lay the groundwork for what would be an invasion of its own.

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<sup>64</sup> Thorsten Benner, "Saying Goodbye to Magical Thinking About China," *Global Public Policy Institute*, March 29, 2023.

**7. Don't get bamboozled.** Finally, this paper would be incomplete if it didn't acknowledge the need for sobriety in U.S. diplomacy in our dealings with China itself. Washington has occasionally ascribed peaceful intentions to major adversaries and mistaken the appearance of cooperation on transnational issues for advancement of the U.S. national interest. That temptation is especially strong now for the Biden administration, as the United States seeks to avoid confrontation in Asia while dealing with crises in Europe and the Middle East. This undoubtedly explains the administration's recent eager pursuit of high-level engagement with China.

Chinese leaders likewise perceive the administration's desire for a quiet Indo-Pacific in order to focus on problems elsewhere as presenting an opportunity to drive a high price for diplomatic engagement. Because underlying interests between the two powers are profoundly misaligned, U.S. diplomatic energy tends to channel itself toward a combination of commercial concessions and optical alignment on global causes such as climate change. In the first instance, the Biden administration has presented a mixed message on the imperative of corporate "de-risking." In the second, it accepts disingenuous Chinese attestations to combatting emissions while tying the United States to onerous emissions reductions.<sup>65</sup>

The current U.S. approach plays into the Chinese desire to frame the Sino-U.S. relationship in bifurcated terms, as a choice between "win-win" collaboration, which invariably means a continuation of terms that favor China, or confrontation. A particular pitfall of U.S. diplomacy is its hunger for high-level meetings for dialogues that produce nothing but the legitimization of Chinese behavior. This leaves the United States playing on China's terms, while ignoring its history of paying lip service to diplomatic understandings with the United States while continuing to aggressively alter the facts on the ground in East Asia.

The United States should not be so naïve as to believe that diplomatic engagement can fundamentally alter the fact of China's growing military capabilities and the threat they pose to us and our allies. While it is desirable for the United States to maintain open lines of communication where possible, it's crucial to keep in mind that diplomacy's utility exists in correlation to, not contravention, of underlying power realities. The surest way to improve U.S. diplomacy vis-à-vis China would be to address the serious and growing gaps in the U.S. military deterrent in the Indo-Pacific.<sup>66</sup> Until that has

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<sup>65</sup> Beijing has repeatedly stated that, while it seeks to ultimately reach peak carbon emissions, "the path, method, pace and intensity to achieve this goal should and must be determined by ourselves, and will never be influenced by others." Evelyn Yu, "Xi Says China to Decide Its Own Path to Reduce Carbon Emissions," *Bloomberg*, July 18, 2023. Some in Washington are coming to acknowledge that U.S.-China competition for better climate technologies is a more promising path to stabilize a changing climate than airy pledges of cooperation.

<sup>66</sup> Elbridge Colby, *The Strategy of Denial* (Yale University Press, 2021), esp. "A Decent Peace."

occurred, efforts at détente are likely to be ineffective in altering the Chinese calculus and may even do harm, insofar as they require concrete U.S. concessions in exchange for an ephemeral improvement in ties. In this case, as in the other regions above, the metric of diplomacy is not how much it improves the appearance or temperature of the relationship, but in how much it leads to outcomes on the ground that tangibly advance the national interest. In this, we should not allow China to deceive us, but we also must not deceive ourselves.

## ***CONCLUSION***

China's "new" diplomacy represents a danger to the United States that we should take seriously. While it remains to be seen how deep or lasting a reorientation it really brings about in Chinese behavior abroad, it would be consistent with the historical norm of rising powers for China to embrace global great-power diplomacy as a companion to its growing global economic and military clout. The exercise of that diplomacy represents a threat to the United States because it is grounded in a pursuit of diplomacy's highest promise to the state: of using the reconciliation of conflicting interests, through negotiation, to enhance the state's power and prestige. It is a threat, in other words, because it is *not* the typical "Chinese playbook" and is not inherently self-defeating.

At the same time, the analysis above shows that Beijing's new methods are unlikely to provide an escape hatch from the fundamental dilemma confronting China as a rising, aggressive power — namely, that its growing military power threatens neighbors to an extent that cannot be obviated by political conciliation. Like Imperial Germany in its day, China is likely to discover the difficulty of expanding its international influence while sustaining a large military buildup and continuous economic growth.<sup>67</sup> The country's growing military power and hostile intent will continue to spur countries to deepen their security ties with one another and with the United States. Further afield, Beijing's sudden eagerness to apply itself to the intricacies of peripheral regions will enmesh China in the dynamics of places like the Middle East with which it has little prior experience and limited leverage. And in the years ahead, the country's own internal problems — such as demographic decline and structural economic pressures — will place constraints on its external range of options.

China, in other words, will have to choose from the competing allures of international influence, military might and economic expansion. The job of American diplomacy should be to sharpen that choice, both in our dealings with third parties and with China itself. The best way to do that is the same in all cases: to work with the natural

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<sup>67</sup> Luttwak 2012, p. 6 ff.

momentum of other countries' interests and align them with our own to achieve lasting, long-term advantages to America's strategic position. And the only way to do that is to return to the fundamental role of diplomacy in our own country, equipping it the resources, mindset and alignment with strategy that has lacked in recent years.

America has a long tradition of excelling in great-power diplomacy. The threat posed by China should now prompt us to rediscover that legacy. We should move with alacrity to seize the opportunity. To parry China's "new" diplomacy, America will, in a sense, have to rediscover the "old" diplomacy in our own suite of national-security instruments. Properly conceived and brought into alignment with U.S. strategy, it holds undiminished promise for advancing U.S. security and prosperity in the turbulent era in which we now find ourselves.

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