

WITH THE 2016 U.S. PRESIDENTIAL ELECTION BEHIND US, CHINA AND THE UNITED STATES ARE NOW STEPPING INTO an uncertain new political cycle in their relationship. The question at hand is whether the relationship will weather this period successfully and head in a healthy and steady direction.

A fundamental and urgent issue for leaders in both Washington and Beijing is how to reduce strategic distrust. A popular view among Chinese political elites is that the United States intends to undermine Chinese Communist Party leadership by supporting dissidents; spreading U.S. ideology in Chinese society; and encouraging pro-independence or separatist tendencies in Taiwan, Hong Kong, Tibet, and Xinjiang. Another strong belief in China is that the United States is working to contain China internationally by consolidating U.S. security alliances and military arrangements, and by involving itself in territorial disputes between China and some neighboring countries. Recent U.S. actions have included increased saber-rattling activities in the South China Sea and a decision to install an anti-missile system in the Republic of Korea that is viewed as threatening to China. All these actions have been part of

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what is called the U.S. "pivot" or "rebalancing" toward Asia, a strategic adjustment announced by the U.S. government in the past several years.

On the U.S. side, many are suspicious that today's China, with enhanced power and strong leadership, will try to reshape the current world order that has by and large served U.S. interests

and goals thus far. Some Americans are disturbed by actions China has recently taken to maintain its domestic stability and worry that these might affect U.S. economic and educational exchanges with China. Others question the intentions behind Chinese initiatives such as the "One Belt, One Road" project and the Asian Infrastructure Investment Bank. In particular, there are clear concerns in some quarters that China may become an assertive hegemon in Asia, at the expense of the long-standing role and influence of the United States.

These mutual suspicions are real and have served to intensify the strategic competition between the two countries. However, we should not let them overshadow the many common interests the two countries share.

It is important to remember the numerous positive developments in the China-U.S. relationship during the past several years. Most importantly, China and the United States have avoided direct conflict and serious crisis. The Chinese and U.S. militaries have begun to build multi-faceted and multi-layered dialogues and crisis management mechanisms. China-U.S. bilateral trade is on its way to surpass China's trade with the European Union and U.S. trade with Canada, making each the largest trading partner to the other. Chinese investment in the United States is rising rapidly, as are economic ties between some Chinese provinces and cities and their U.S. counterparts. Cultural and educational exchanges have continued to expand, and bilateral tourism is booming and increasingly convenient for travelers from both countries. Cooperation on global governance issues such as climate change has become a highlight of the bilateral relationship. During President Xi Jinping's visits to the United States in September 2015 and in March 2016, he emphasized many times that "the common interests shared by China and the United States are far greater than their differences." This reflects a realistic assessment of the relationship, and not mere diplomatic rhetoric.

The challenge for Chinese and U.S. leaders going forward is that China-U.S. relations have now entered a "new normal," one in which both competition and cooperation are growing simultaneously. Domestic issues are also playing a greater role in the relationship and will constrain policy leaders managing bilateral affairs. Recognizing this reality, it is important that we work to reshape the philosophy behind the China-U.S. relationship.

Over the years, the United States has adopted both a cooperative and a hedging approach toward China. On the one hand, it has active economic engagement with China; on the other, it expects and encourages domestic political changes and constrains China's international space. This duality of cooperation and hedging has become a fact of life in China-U.S. relations. It is like a curse featuring a repeated escalation and de-escalation of tensions, and cooperation intertwined with confrontation, which the two countries find difficult to escape.

In reshaping the philosophy of China-U.S. coexistence, we need to go beyond this dualistic thinking and come to a more coherent definition of the relationship. As a Chinese proverb goes, "a man without distant care must have near concern." If the United States wavers between treating China as a rival or a partner, or considers China as a partner in selected areas while treating it as a rival more generally, it will be difficult for the two countries to build trust and cooperation, even in light of the deepening bilateral relationship. In the era of the Internet, our differences are often magnified. If not properly managed, they may eventually lead our relationship in a direction that serves neither of our interests.

China and the United States are very different and will need to work hard to bridge the large gaps between them. The United States needs to reevaluate its assumptions that "China will change its political system once it prospers economically," or "China will vie with the United States for leadership once it becomes powerful." Meanwhile, China needs to better explain to the American public and the world at large its long-term goals and intentions. On some issues, the two countries can perhaps develop a new philosophy of agreeing to disagree. By approaching each other with more empathy and open minds, China and the United States can begin to acknowledge and respect the places where they have divergent interests, and accept win-win rather than zero-sum outcomes.

This will not be easy in today's environment. Both Chinese and American societies are experiencing noticeable tides of populism and nationalism, which make blaming each other for one's own domestic weaknesses all the more appealing. While popular sentiments should be treated seriously, Chinese and U.S. leaders should also be more proactive in working to lead public opinion about China-U.S. relations in a more positive and realistic direction. In fact, in the past 44 years since President Richard Nixon visited Beijing, the two governments have been rather successful in managing their differences and safeguarding the overall China-U.S. relationship. Given today's politically charged environment, both sides need to expend more effort on clearly explaining to their domestic constituencies the strategic importance of avoiding conflict and confrontation, as well as their willingness to cooperate, which both governments have repeatedly communicated to each other, so as to form a broader political consensus for the relationship at home.

With a Trump administration entering the White House in January, Beijing and Washington should quickly find opportunities to establish new trust and confidence in each other. When President-elect Trump assumes office, his team should move quickly to establish direct connections with their respective Chinese counterparts and jointly suggest a priority list and work schedule **for 2017.** One top priority, of course, is to make sure that the two heads of state meet in person as soon as possible and that there is good chemistry between them. The two sides may also want to find a way to sustain the top-level China-U.S. Strategic and Economic Dialogue held annually since 2009. In light of the uncertainties ahead, non-government experts and think tanks can also play an important role. They will need to work even more intensively than before to exchange views on critical issues and provide policy advice to their governments.

Beyond more active dialogue, the two sides also have a number of substantive issues they should work to address. In upcoming bilateral dialogues between Beijing and Washington, the two sides should candidly discuss and clarify their long-term intentions on sensitive issues such as the South China Sea, denuclearization of the Korean Peninsula, stability across the Taiwan Strait,

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and cyber security. To allow economic cooperation to be a continued "ballast stone" and "booster" in the bilateral relationship, the two sides also need to find practical ways to cope with problem areas such as currency exchange rates, business environments, trade regimes, and legal disputes. There are also numerous opportunities for economic cooperation. For example,

President-elect Trump emphasized the need to improve infrastructure in the United States, in which Chinese companies could invest. China, for its part, is seeking financial and technological cooperation from industrialized countries in building its One Belt, One Road initiative and would certainly welcome U.S. support for this endeavor.

Dr. Henry Kissinger proposed in his book, *On China*, that China and the United States should establish a relationship of "co-evolution," in which "both countries pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflict." I think "co-evolution" also means "peaceful competition." Focusing on handling domestic affairs and satisfying their constituencies at home is the most meaningful competition that China and the United States could pursue. With both Beijing and Washington likely to be more focused on domestic priorities in 2017 and beyond, we can hope that they will be able to approach their relationship in this spirit of cooperation and peaceful competition, to help stabilize this important relationship for the years ahead.