



JOHNS HOPKINS  
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Institute for America,  
China, and the Future  
of Global Affairs

# GETTING CHINA RIGHT AT HOME

Addressing the Domestic Challenges  
of Intensifying Competition



**EDITOR**

Jessica Chen Weiss

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# INTRODUCTION

**Jessica Chen Weiss,**  
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Amid the ongoing debate over how to define success in how the United States deals with China, there is bipartisan agreement that advancing American interests requires getting policy right at home: on issues from technology, data, trade, investment, energy, law, and labor, to the concerns of local constituencies, including governors, mayors, and Chinese Americans.

Despite this agreement on the broad purposes of its policy, the United States is still in the early stages of defining an approach to China that takes account of the domestic consequences of measures aimed at strengthening U.S. national and economic security. Those consequences concern American workers and businesses as well as the vibrancy of U.S. democracy, society, and educational institutions.

Herein lies the tension: Over the past five decades, the economies of the United States and China have become deeply entwined. This has brought Americans advantages as well as threats.

The risks to the United States include China's nonmarket economic practices, theft of intellectual property, penetration of U.S. critical infrastructure, and growing cyber capabilities; risks also include the prospect of supply chain disruptions or weaponization in the event of a crisis or conflict. China's use of transnational repression and covert talent programs have raised concerns about the erosion of core principles of freedom of expression and association as well as the security of the U.S. research enterprise.

At the same time, China remains a key market for U.S. exports and a crucial supplier of materials and inputs for American businesses, small and large. And the United States has remained a net beneficiary of human capital from China—including students, faculty, and entrepreneurs who have come to the United States to study, work, and contribute to U.S. technological and scientific leadership.

To discuss the challenges of navigating these tradeoffs, a diverse group of experts, advocates, and practitioners came together for a workshop on October 7, 2024. The daylong deliberations were convened under the auspices of the new Institute for America, China, and the Future of Global Affairs (ACF) at Johns Hopkins School of Advanced International Studies (SAIS), where I am the inaugural faculty director.

Participants delved into how the U.S. government can formulate China policy in a way that will define and drive the ability of the United States to succeed over the short and long term. They debated how to combat espionage, surveillance, political interference, and other security and economic threats without undermining the very strengths policymakers are trying to protect. And they looked at ways in which American interests are advanced by the prudent management of ties with Chinese markets, companies, and local governments, as well as with the Chinese diaspora.

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In developing an effective prescription for dealing with difficult tradeoffs, it is crucial to proceed from an accurate diagnosis.

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The resulting analyses and recommendations are captured in this suite of memos. This collection makes no attempt to present a consensus. Rather, it offers a spectrum of fresh perspectives on ways to center the vitality of American democracy, economy, and society in the United States' strategy toward China.

Some memos point to a need to audit the domestic costs and benefits of policies intended to safeguard U.S. leadership. Some highlight the utility of disaggregation—of developing a nuanced understanding of the differing roles and risk levels pertaining to local, regional, and national actors, public and private—both in China and in the United States. Some set out steps to defend American values and the nation's advantages as a just, tolerant, innovative, attractive, and open society. Others describe the toll of increasing tensions on American citizens and communities. Other memos illustrate how, in developing an effective prescription for dealing with difficult tradeoffs, it is crucial to proceed from an accurate diagnosis—and precise language.

These nuances are not distinctions without a difference; they are a core part of calibrating U.S. policy to advance Americans' security and prosperity at this critical moment. It is in that spirit that I am pleased to share this report. It is our hope that ACF will offer a place for continuing this conversation and many others across diverse perspectives—with rigor, humility, compassion, and creativity—to foster deeper understanding and informed policymaking.



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# TRADE, INVESTMENT, & LABOR

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# The United States Needs a Nuanced Response to China's Manufacturing Might

**Effective policy requires sectoral analyses of China's investments to distinguish between central directives, local government incentives, and market forces.**

China is the world's largest manufacturer. Between 1995 and 2020, its share of global manufactured output increased sevenfold to 35%, just as manufacturing in G7 economies declined sharply. In that same period, China's manufacturing exports soared to 20% of the global total from 3%.

China has since doubled down on a manufacturing-led growth model, even though the central government has long vowed to rebalance the economy toward services and domestic consumption. In 2024, after a slump in the domestic property sector, Beijing announced plans for an economic recovery based on investments in the "new three" sectors of manufacturing: solar, batteries, and electric vehicles.

In response, the United States has accused Beijing of intentionally using manufacturing investments to **create overcapacity**. (One way to define overcapacity is production that cannot be absorbed by global demand; if it is deliberately created through subsidies, it can allow firms to sell below cost in order to drive foreign **competitors out of business**.) The United States has reacted with **a slew of new tariffs**, including on electric vehicles, solar panels, and semiconductors (see also the **Pearson** and **Gallagher** memos elsewhere in this collection).

Yet debate in the United States over China's manufacturing investments **is simplistic**: It suffers from narrow definitions, flawed measurements, and (mis-)attribution of central government intent. Effective policy responses require nuanced analyses, sector by sector, of the drivers of China's manufacturing investments. Scrutiny must go beyond central directives: Policymakers should study the structural incentives that affect local governments and the competitiveness that results from market forces, innovation, and scale economies.

### **REALITY CHECK**

A central concern of U.S. policymakers is China's burgeoning auto exports. They fear that these could undermine the electric vehicle industry in the United States. In the first half of 2024, **vehicle exports from China rose by 36%**. In response, the Biden administration imposed new **100% tariffs** on vehicle imports from China in 2024. Other proposed rules would **ban software and components** for connected vehicles starting in 2027, and Trump has promised **similar restrictions**. Such bans—justified on national security grounds—would also shield domestic vehicle manufacturers from competition.

So far the United States has failed to engage with the reality of China's auto sector. Most of the exports from China are internal combustion engine vehicles, which no longer sell there. By contrast, domestic demand for EVs in China is growing; sales are projected to reach **11 million in 2024**. Leading Chinese EV exporters like BYD and SAIC have little spare capacity and are profitable. A significant portion of EV exports from China are from foreign brands like Elon Musk's Tesla that use the country as a manufacturing base.

There are several risks to the United States of continuing to mischaracterize China's electric vehicle sector. Protectionist policies could raise prices for American consumers and impede the transition to cleaner vehicles. Tariffs and bans also reduce pressure on U.S. automakers to innovate, including by learning from China's EV makers who excel at software innovation, rapid product development, and a relentless focus on reducing costs. Plus, competition and investment in global markets from China could **accelerate the transition to electric vehicles** worldwide—a critical step in addressing climate change.

Supply does currently outstrip demand in some sectors of the Chinese economy. Yet these mismatches are not necessarily strategic. A combination of price signals and lumpy investments can lead to excess supply in the short term that can make economic sense for China in the long run. For example, during the COVID-19 pandemic, disruptions to supply chains caused price spikes in several sectors, including in the production of **nickel** and **cobalt** which are used in making batteries.



Chinese firms responded by investing in **mining and refining**. These investments and a lack of coordination among producers has increased the supply of such materials, causing prices to fall as demand has not yet caught up. Forecasts suggest that for many of these sectors, global demand will again outstrip supply in a few years, as the energy transition increases **raw material needs** globally.

If the domestic supply of such materials in the United States is indeed a priority, U.S. firms should be incentivized to invest in additional mining and refining now, so that projects come online by the time **shortages are likely**. Yet firms in the United States are **cancelling additional projects**, citing financing constraints in the current price environment. A central lesson is that the United States needs policies that facilitate the financing of projects with long-term objectives.

### **SOLAR FLAIR**

Perhaps the most cited example in U.S. policy circles of China and overcapacity is in the solar industry. Here China dominates global production. Indeed, existing and planned production capacity in China far outstrips what is required to meet the levels of deployment necessary to reach global net-zero goals. By 2030, no additional factories will be required anywhere in the world, according to an estimate from **Bloomberg New Energy Finance**. Globally, prices of solar modules are now at their **lowest-ever levels**, with most manufacturers recording losses as a result of intense competition.

Even this case may not be the result of strategic policy interventions in Beijing intended to drive foreign competitors out of business. There are two main reasons for the rapid expansion of solar manufacturing in China: policy support from subnational governments for local firms, and a long-standing lack of coordination among provinces. Indeed, the central government has expressed concern that the price war between domestic solar manufacturers could threaten its most innovative and competitive players. To calm the melee, **Beijing has issued new rules** that require existing firms to meet R&D benchmarks and minimum utilization rates to stay in business.

Meanwhile, the low global prices for solar could be a boon for the energy transition. The European Union, in a **report on economic competitiveness**, declared solar PV a “non-strategic industrial sector” with few pathways to competitiveness for European firms, and in which the EU greatly benefits from the subsidies borne by foreign taxpayers and governments (see also the **Farrell** memo elsewhere in this collection). In other words, economies around the world can benefit from China’s overcapacity in non-strategic sectors.

Of course, overcapacity in China as a result of domestic imbalances can disrupt global markets. China’s steel sector, the world’s largest, is suffering from the slump in domestic construction. Steelmakers are dumping excess supply on global markets at prices that undermine steel producers outside China and **thwart attempts to transition to green steel** production in Europe and the United States.

Economies around the world can benefit from China’s overcapacity in non-strategic sectors.

Similar problems are posed by ongoing investments in cement and glass manufacturing beyond what global markets can absorb. In these cases, tariffs and more may indeed be required to ensure that China's domestic imbalances do not drive global cement and glass manufacturers out of business.

### REFINED VIEW

In sum, trade measures need not be implemented for sectors of the Chinese economy where policy-driven structural overcapacity does not exist or is not a problem. Detailed analyses highlight where there is strategic positioning, local government overreach, and genuine market competitiveness. Armed with this nuanced understanding, the United States could craft targeted policies to protect key industries without stifling innovation or raising prices for consumers, and it could welcome imports in non-strategic sectors where domestic production is not imperative.

The simplistic approach poses two risks. The United States may fail to protect its industries from Chinese manufacturing. And it may miss the opportunity to learn from China's strategic investments in the industries of the future.

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**Jonas Nahm** is an associate professor at the Johns Hopkins School of Advanced International Studies. He served as a senior economist for industrial strategy on the Council of Economic Advisers at the White House between 2023 and 2024. His book *Collaborative Advantage* (Oxford, 2021) examines the development of the wind and solar industries.

# There Are Dangers to Overestimating China

**It is time to ask if policies intended to shut out China are actually leading to innovation, jobs, security, and a stronger United States.**

Critics of U.S. engagement with China emphasize the dangers of underestimating that nation’s capabilities and its leaders’ malign intentions. Yet too many steps to limit U.S.-China economic interactions overestimate the power of China’s party-state and its control over Chinese firms. Rhetorically, U.S. policymakers are imitating China’s leaders by pursuing a “securitization of everything,” whether or not a particular Chinese action actually poses much of a threat.

Even more problematic, U.S. policy reflects little awareness—or evaluation—of the costs of overestimating China. These costs include: misallocating economic and political resources, embarking on potentially ineffective policies, and ignoring second-order consequences (see also the Nahm memo elsewhere in this report). To address ongoing missteps, the new administration must ask: Is shutting out Chinese firms and beefing up U.S. protectionism actually leading to innovation, jobs, security, and a stronger United States?

## FIRM GROUND

Building effective policy approaches to China, as anywhere, requires an informed perspective of its intentions and capabilities. Intentions are notoriously hard to parse in the context of a great power competition characterized by mixed signals of reassurance and aggression. Still, Xi's overall direction is clear.

Few can doubt that Xi Jinping seeks to build a strong economy that can resist threatening actions by the United States. His goal is “rejuvenation” of the Chinese economy that combines both mercantilism and globalization. This philosophy goes back at least to Hu Jintao's policy of indigenous innovation. **Xi's triumphalist tone**, now bolstered by policies to develop cutting edge technology in “**new quality productive forces**,” shows he aims to develop China into a technological powerhouse.

Xi also has sought to enhance the party's tools to monitor and influence firms, as my work with **Meg Rithmire and Kellee Tsai** has shown. These tools include: mandating party cells in all firms; blurring the lines between state and private companies; and passing new laws over national security and state secrets. Such moves have alarmed U.S. policymakers and U.S. companies, as they put teeth into the previously vague risks associated with Chinese firms.

Nevertheless, perceived intent does not equal capabilities or outcomes. That China's party-state continues to have **difficulty controlling and incentivizing** its firms is unambiguous. China's government has long produced plans that offer rough guidance, often with subsidies. But Beijing's restraints on companies fail to rein in problematic behavior; firms often overreact or go their own direction. The plights of the **real estate sector** and of **non-performing loans** are only the most recent examples.

Firms, even state-owned ones, often are more dedicated to making money than to following a party line. There is, as yet, little evidence that the party presence in firms has altered how they operate. To depict successful Chinese firms as mere agents of an all-controlling party is naïve, distorts perceptions, and thereby distorts U.S. policy.

Thus, although Chinese economic policy has helped produce major achievements, it often overshoots or even fails. U.S. policy should account for both. It is no secret that China has sought to bolster sensitive industries through **policies and subsidies**. U.S. vigilance in promoting some domestic industries at home, notably semiconductors that are core to national security and technology, is therefore appropriate.

Elsewhere, however, China's efforts to build competitive industries are not directed at competing with or weakening U.S. national security, as is often **depicted**. China's policy toward electric vehicles, for example, is focused on stimulating a domestic market—an effort characterized by much **clumsy and wasteful industrial policy**. Even though a handful of competitive Chinese firms are thriving, over 150 have stuck their toes in the market, with many failing. Moreover, it is uncertain how much of these flourishing firms' success is due to **subsidies**. Given China's extremely competitive automobile landscape, it is plausible that its healthy EV firms would have succeeded with minimal funding.

In short, the context of economic competition with China matters for U.S. policy.

### THREE WAYS FORWARD

U.S. policy can get China more right in three ways. First, it can better differentiate between low-level and high-level threats to economic prosperity as well as to national security. What belongs in these ‘threat buckets’ should be discussed and debated, following a principled risk-based approach (see also the [Farrell](#) and [Triolo](#) memos elsewhere in this report). At present, nearly all sectors in the China-U.S. economic relationship are deemed high-level threats.

Where the administration can readily agree on high-level security concerns, such as for advanced semiconductors, policy responses might include outright bans and restrictions on a Chinese presence, or a rapid build out of U.S.-secured alternatives. In contrast, low-level threats should not be met with overreactions of the sort seen in outright bans by states on [land sales](#) to Chinese individuals or companies (see also the [Gorski & Toomey](#) memo elsewhere in this report). The 25% tariffs on [facemasks](#) and [regressive rules on low-value sales](#) from Chinese online retailers such as Shein are other examples. In the green technology space, Chinese advancements in carbon capture do not rise to the level of a security threat, although battery technology may.

Second, U.S. policy should acknowledge the substantial costs to U.S. consumers and businesses of a securitization of everything. Numerous analyses emphasize the inflationary and job-destroying [impact of tariffs](#) that have already been imposed and of even more expansive measures—notably [the possible revocation](#) of China’s Permanent Normal Trade Relations (PNTR) status [threatened by the Trump administration](#). Particularly when such tariffs are imposed on low-threat items, which many Chinese imports are, the costs—especially to U.S. consumers—are unwarranted. While our own industrial policies may bolster important sectors of the U.S. economy on some dimensions, [job creation](#) thus far has been disappointing (see also the [Gallagher](#) memo elsewhere in this report).

Third, U.S. policy should correct weaknesses in many tools currently proposed or used to address concerns over threats from China. Tools cannot be effective if they lack carefully drawn goals and metrics—outcomes and timeframes—with which to monitor progress. When policies to catch up with China are unequal to the task, they should be abandoned. For example, the United States is already far behind China in solar technology and production capacity, with Chinese panels 44% cheaper according to a [Wall Street Journal](#) analysis.

Seeking to catch up is unnecessary and misguided. Building U.S. capacity for EVs behind a protectionist wall of tariffs and industrial policy may be a reasonable, if costly, economic decision, but only if the federal government has the follow-through and levers with industry to make it successful. Fundamentally, policymakers should ask: Is it worth the significant expense to catch up for products that are relatively low-threat?

U.S. policy should acknowledge the substantial costs to U.S. consumers and businesses of a securitization of everything.



## ANSWER TOUGH QUESTIONS

An even more difficult issue concerns the very capacity of U.S. agencies to oversee the myriad initiatives underway. Bold measures such as the Inflation Reduction Act and controls on exports and outbound investment require that the government extensively monitor firms—not just from China but from the United States and its allies and partners—for supply chain actions and policy violations. This is a tall order. It is not clear the United States has the personnel or, normatively, that it should want to further build out this bureaucratic capacity. Expansive government monitoring of firms would take the United States in a new direction toward a much larger state presence in directing economic goals.

Lack of bipartisan consensus on many of these actions also hinders the long-term focus needed for industrial policy to succeed. Ironically, the Trump administration's stated commitment to cut costs and bureaucracy contradicts the idea that the United States needs to use state tools to counter China's threat.

Charles Darwin, among others, wrote of two types of scientists: “lumpers,” who create broad categories for analysis; and “splitters,” who attend to the nuances within categories. U.S. worries about China's firms and the threats they pose to national security veer too much toward lumping. When there is so much uncertainty about China's capabilities—and about America's—policymakers need to become more like splitters and make sober assessments of costs and benefits. Instead of treating every action by Chinese firms as a security threat, the government would do well to consider the costs of self-inflicted damage to the U.S. economy.

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# A Pragmatic Approach to U.S.-China Labor Tensions

**U.S. demands for seismic changes in China's practices have failed workers and consumers at home and abroad—the International Labor Organization could help.**

Tensions with the People's Republic of China (PRC) concerning its treatment of workers have featured prominently in U.S. trade and diplomatic policies. The new administration must draw lessons from the failure of policies employed to date to entice the PRC to align its labor policies with international legal standards, not least because residual noncompliance in China has impacted domestic interests in the United States.

Instead, the International Labor Organization (ILO), as a neutral intermediary, could better engender incremental changes in the treatment of workers.

## LABOR TENSIONS

The previous administration shaped much of its policy narrative around President Biden’s claim to be the most “pro-worker President in history.” Consequently, while violations of international labor standards in other countries had rarely before ignited diplomatic tensions, the Biden administration cited China’s labor policies to justify punitive trade measures.

One source of tension is that the PRC does not recognize independent trade unions. Instead, it acknowledges a state-controlled organization called the All-China Federation of Trade Unions (ACFTU). Without independent, grassroots unions, workers in China lack many of the labor protections afforded to union members in nations that benefit from robust union advocacy. Workers in China also lack ways to raise grievances and complaints about their treatment, obscuring their working conditions.

A second source of tension concerns the treatment of Uyghurs and other ethnic (primarily Muslim) minorities in China’s Xinjiang Uyghur Autonomous Region (Xinjiang). Here, testimony and evidence strongly suggest that hundreds of thousands of vulnerable people are working in conditions of forced labor. U.S. agencies deem exports such as cotton and tomatoes produced in Xinjiang to be “goods produced by forced labor,” contravening multiple customs and trade statutes.

In response, the Biden administration effectively banned those goods made in Xinjiang via withhold release orders (WROs) under Section 307 of the Tariff Act of 1930, including a region-wide WRO on cotton and tomato products from Xinjiang. In 2021, Biden signed the Uyghur Forced Labor Prevention Act (UFLPA), establishing a rebuttable presumption that importing goods made in Xinjiang is prohibited under Section 307.

A third, more recent source of tension concerns U.S. allegations that the PRC is carrying out anticompetitive and discriminatory policies to secure unfair advantages targeting maritime, logistics, and shipbuilding. The PRC has increased its capacity and global market share through state-owned firms and shipbuilding subsidies, which have allegedly contributed to a decline in U.S. shipbuilding capacity.

That decline motivated five large U.S. labor unions to file a petition in 2024 to investigate China’s maritime and logistics activities under Section 301 of the Trade Act of 1974. In April 2024, the Office of the U.S. Trade Representative launched its Section 301 investigation, the results of which could justify retaliatory action, such as proposed tariffs.

## HOW IT IS GOING

These U.S. actions have, thus far, merely provoked angry rebuttals from the PRC. The reaction is no surprise. To satisfy U.S. demands, China would have to adopt a system of free and fair elections at the workplace, become comfortable with the consolidation of power through union representatives, and acknowledge that the Xinjiang region is, effectively, engaged in practices amounting to ethnic genocide. Furthermore, China’s maritime and shipping sectors form an integral part of the nation’s geopolitical and security strategies to gain effective control over critical infrastructure and to use its presence within companies located overseas to exert political influence.

China instead points out that its Constitution enshrines fundamental rights to freedom of association and protects its workers. It defends its employment camps in Xinjiang as necessary to eradicate regional poverty. It claims that the Xinjiang government regularly conducts surveys of workers' willingness to find employment and accuses the United States (among others) of lying for geopolitical and economic gain. Finally, the PRC points out the numerous areas in which U.S. labor laws and practices fail to comply with international labor law.

All this has significant and detrimental consequences within the United States. As public scrutiny of labor practices in Xinjiang increases, for example, China is allegedly cracking down on dissenters and labor organizers, affecting the sizable Uyghur diaspora in the United States. Tariff wars and WROs on Chinese products increase the price of goods within the United States, particularly impacting those who are most economically insecure. For instance, tariff rates tend to be higher on women's clothing than men's, including necessities like undergarments; thus the costs of China's labor practices are shouldered by women and consumers dependent on low-priced goods in the United States. Meanwhile U.S. unions and workers must compete on the global stage with goods made in China with relatively cheaper labor costs.

Relief to U.S. consumers and workers is unlikely to come any time soon, notwithstanding Trump's vehement rhetoric on looking out for blue-collar workers. The U.S. forced-labor strategy will likely remain ineffective because it does little to increase worker power, such as by protecting the right to unionize.

### **A BETTER WAY**

Neither the United States nor the PRC is likely to cede ground on labor relations. Meanwhile, U.S. trade sanctions and escalating tensions between the two countries impose real and symbolic costs on both populations. Rather than continuing to demand the impossible, the new administration must consider pragmatic approaches capable of catalyzing change.

The International Labor Organization, the UN agency mandated to supervise international labor standards globally, stands ready and willing to neutralize tensions. Both the United States and China are active ILO members and leading ILO donors. Both countries have positioned their nationals in top ILO leadership positions and participate in the organization's activities. Given that both governments demonstrate respect for the ILO, and in light of the organization's expertise and demonstrated neutrality, both governments should turn to it to offer a way out of the impasse.

Some might worry that the ILO will refrain from criticizing one of its largest donors. However, the ILO's supervisory bodies—which are independent and not funded through donor contributions—have openly criticized the PRC's labor practices. Assessing the situation in Xinjiang, the ILO's Committee of Experts noted and dismissed the government's numerous justifications for its labor policies. The organization expressed deep concern over China's regional employment strategy, reminded the government of its commitments under ratified treaties, and urged the PRC to revise its approach and applicable legislation.

If the new administration's genuine objective is to protect workers, at least at home if not also abroad, it is time to adapt.

China has proven amenable to incorporating ILO standards and guidance into its economic and geopolitical strategies. Albeit short-lived for other reasons, the EU-China Comprehensive Agreement on Investment (CAI) codified the PRC's commitments to various ILO declarations (including the Declaration on Fundamental Principles and Rights at Work, which stipulates workers' rights to join and form unions of their own choosing). Surprisingly, the CAI also committed the parties to "work towards the ratification of the ILO Fundamental Conventions." In 2022, when the CAI was concluded, China ratified the ILO's Forced Labor Convention, as promised. This suggests an appreciation of the link between ILO participation and trade and investment. (Admittedly, China has not followed the organization's calls to change its approach in Xinjiang.)

Of course, should the U.S. administration seek to work through the ILO, it will have to cede some of its authority. It might not, for instance, enjoy full discretion on whether China's maritime subsidies create an unfair competitive advantage in violation of Section 301. And if President Trump wishes to carve out a narrative, as did Biden, of pro-unionism, he may want to oversee those kinds of labor battles to signal his loyalties to union constituents.

In considering tensions with the PRC over labor, President Trump must acknowledge that a different approach is needed. Demands for seismic changes to China's labor practices have proven unfruitful. Instead, the United States could establish a formal working group with the ILO and China, to operate on a voluntary basis, whereby U.S. trade measures would only be implemented concerning labor rights if and when the ILO agreed such measures were appropriate and necessary. The ILO would work with both governments to improve labor conditions in light of each country's laws, cultures, and practices. If the new administration's genuine objective is to protect workers, at least at home if not also abroad, it is time to adapt.

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# DATA & EMERGING TECHNOLOGY

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# Address Data Security Risks from China with Comprehensive Legislation

**The United States needs a federal privacy law and higher cybersecurity standards—a patchwork of executive actions and politicized bans leaves Americans vulnerable.**

One thing that Democrats and Republicans agree on is the need for a comprehensive federal privacy law. Americans have the right to control their personal data, including where it goes, and need better protection from hackers—so said Representative Cathy McMorris Rodgers (R-Washington) and Senator Maria Cantwell (D-Washington) last year, unveiling their bipartisan, bicameral draft legislation. In 2023, Rodgers made a similar case while chairing a hearing on how to “win the future versus China.”

Policymakers in both parties rightly recognize that U.S. data remains vulnerable to a host of threats, at home and abroad. The Biden administration did take action, investigating connected vehicles from China that some believe could be used to spy on or sabotage American life, and establishing a new program to scrutinize where Americans’ sensitive personal data is flowing, including to China. Biden also signed a law that would ban TikTok if its Chinese owners would not sell the app.



**Bipartisan support for protecting Americans' data and for defending against China creates an opportunity.**



But threats from China are part of a much bigger set of questions about how to secure data and ensure the integrity of diverse digital systems in an interconnected world. These challenges blur the boundaries between cybersecurity, privacy, and national security—as evidenced by the Biden administration's revelations that it identified Chinese state hacker groups deep in critical infrastructure and telephone networks.

In an era when U.S. policymakers are so often bitterly divided, bipartisan support for protecting Americans' data and for defending against China creates an opportunity. Lawmakers should advance a U.S. vision for governing digital technologies and an internet that is at once protective, secure, and open. Legislation is needed that addresses how all online platforms collect, retain, and share data, and that demands high standards of security and safety for connected infrastructure—regardless of where the threats emanate from.

Targeting solely Chinese companies just won't cut it. If one app that poses perceived risks is shut down, there will be others, foreign and homegrown. When sales to Chinese data brokers are banned, spy agencies can set up a front somewhere else. Therefore, even where the concern is China specifically, data protection and cybersecurity need to improve comprehensively to meet the challenge. Besides, the executive branch can be capricious: Trump proposed the TikTok ban in 2020, but he campaigned against it in 2024.

#### **USEFUL EXAMPLES**

Because the United States is late to the data protection game, legislators can learn from what has come before. The European Union implemented its data privacy law, the General Data Protection Regulation (GDPR), in 2018 with a focus on individual data rights. China, for its part, passed its Personal Information Protection Law in 2021, adopting much of the European model but also focusing on national security risks.

Where these and other attempts succeed, and where they fall flat, is instructive. GDPR gave rise to the cumbersome 'allow' buttons on every website that are engineered to encourage people to consent to data collection—not an inspiring example. Experts have argued that moving away from consent-centric approaches could give people more control over their data. GDPR also doesn't account for the scale of data collected, so small startups have to comply with all the same requirements as multi-billion-dollar tech giants.

Meanwhile, China's data laws and slow regulatory rollout have increased business uncertainty for years. And they do not protect Chinese users from state surveillance. But the same laws have helped protect Chinese consumers from once common practices like price discrimination.

Overseas examples aren't the only models for Congress to build on. State-level privacy laws that have already overcome U.S. political divides also illuminate a way forward. Most of the 20 existing state privacy laws, including those in Delaware, Connecticut, and Indiana, have achieved a workable balance. They require greater checks on companies' collection and use of data. At the same time, the laws do allow for multiple uses of data—through disclosures to the consumer—for developing new AI products and services, and for public interest research.

There is also a role for technical solutions to data protection and security challenges. In the wake of the discoveries about Chinese hacker groups and telecommunications, the FBI and Department of Homeland Security **urged** Americans to use encrypted messaging apps. U.S. legislation could also push industry to incorporate security and privacy into the design process and recognize that technology will change over time. A **2023 White House strategy** calls for investing in the development of privacy-enhancing technologies to unlock the utility of data. These too could be built into comprehensive legislation and supplement its implementation.

### **A WIN-WIN**

Unfortunately, at the national level, privacy legislation is stuck. Novel **data minimization proposals** that would strictly limit collection and use of personal information have created a logjam between Democrats and Republicans. Any legislative compromise will upset some corporate interests and committed advocates. But Americans will be served better by an imperfect national standard based on a consensus developed by progressive and conservative states than by today's data Wild West.

The United States should strike its own balance—and it just might. For all the domestic political discord, there is a bipartisan consensus that China poses threats that must be managed. Skepticism of unchecked data collection by Big Tech platforms is also widely shared. The new Congress, with some determination from key members, could finally protect U.S. citizens' privacy, shore up cybersecurity—from industry to infrastructure—and, in the same stroke, frustrate present and potential threats from China.

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# Restrictions on Trade with China Harm U.S. Leadership in Technology

**U.S. export controls that target China’s semiconductor industry and AI sector threaten America’s competitiveness and heighten tensions over Taiwan.**

The expansive packages of export controls released in December 2024 and January 2025 commit the semiconductor and artificial intelligence (AI) sectors of the United States and China to much higher levels of decoupling. Meanwhile, efforts to slow the diffusion of AI applications in China are adding to tensions over Taiwan and stymie a sector dominated by U.S. firms at every level. Much of the hardware for training AI models is manufactured on the island for major U.S. companies such as Nvidia, AMD, and Intel. This hardware is packaged for AI datacenters by leading U.S. firms such as Dell and HPE; and it is deployed by large cloud-services companies and in private datacenters—all mostly in the United States.

Beijing is responding—anticipating continuation of some Biden administration policies in the second Trump administration—in myriad ways. Already China has ratcheted up controls in areas that will hit U.S. companies hard, including by prohibiting the export of the critical minerals gallium, germanium, and antimony. This tit-for-tat escalation has unknown consequences and the potential to further disrupt supply chains still reeling from previous controls, tariffs, the pandemic, Russia’s invasion of Ukraine, and other events.

The disconnect is becoming ever more stark between these decoupling policies and budding U.S. industrial initiatives in the technology space, embodied by the CHIPS and Science Act. Despite rhetoric from Washington about ringfencing only the most advanced semiconductors with potential military end uses, the risks to leading U.S. technology companies go much deeper. The sector is increasingly concerned about the significant second- and third-order effects on its global competitiveness (see also the Farrell memo elsewhere in this report).

Aspects of the U.S. rules have proved difficult to implement and have already damaged American firms. These include restrictions on end use, on memory, and on the servicing of U.S.-made machinery inside China.

As to the national security goals—however vaguely defined—are they being achieved, and how are they being measured? U.S. officials have given no clear answers to these questions, and there has been little independent cost-benefit analysis. We are now in a new world, key elements of which will be difficult to reverse, and where key parts of the system do not appear to appreciate the long-term impacts.

## **EXPANDING CONTROLS**

The previous administration rolled out unprecedented export controls in October 2022. These were designed to slow China’s ability to develop advanced artificial intelligence and the semiconductors that could be used to train AI models and run AI algorithms. The justifications for the sweeping controls changed many times, leaving the tech industry up in arms.

Since 2018–2019, the United States has prohibited Chinese firms from obtaining the most crucial equipment for manufacturing advanced semiconductors: lithography gear from Dutch leader ASML. (These controls were agreed to by the Netherlands under a multilateral agreement on dual-use technology with military applications.)

But Chinese firms could still buy the most advanced semiconductors on the open market, including high-powered graphics processing units (GPUs) to train advanced models. So the 2022 package included restrictions on the performance of GPUs. The threshold changed in October 2023, and is due to change again. To comply, leading U.S. technology companies such as Nvidia, AMD, and Intel must degrade the performance of their GPUs—and risk losing market share in China.

The most problematic U.S. controls cover tools for making semiconductors. In addition to lithography, the Biden administration cranked up restrictions on etching, deposition, implantation, cleaning, and more. Here, U.S., Japanese, and Dutch companies dominated the market in China prior to 2022. Cut to 2025, and that landscape has transformed. More than two years of export controls have brought Chinese toolmakers to the fore, advantaging Japanese and Dutch toolmakers to a degree and massively disadvantaging those in the United States.

It is critical for the Trump administration to understand how this situation arose.

## OWN GOAL

The massive package of controls released in October 2022 was unusual. It was issued unilaterally, not coordinated with key allies. For the past two years, the United States has been in tense negotiations with the Japanese and Dutch governments over getting some alignment. U.S. officials have downplayed the idea that Chinese toolmakers could catch up and dismissed discussion about the impact of the controls at home.

Japan and the Netherlands have taken a different approach. They do not have controls on servicing or end use. Japanese companies in particular still operate tools at Chinese facilities, taking market share from U.S. toolmakers. Both governments, having listened closely to their key technology companies, are reluctant to hamstring them further, and accept that long-term access to the market in China is critical for R&D, innovation, and remaining competitive globally.

Officials in Japan have concerns about aligning with the United States on removing support personnel from specific Chinese facilities. They worry that relinquishing that oversight would actually help Chinese firms to become more competitive. Officials in Tokyo and the Hague strongly believe that this is a national security issue.

U.S. toolmakers share these concerns. Forced to pull all support personnel from Chinese facilities in October 2022, one major company told me that they were shocked at how quickly U.S. expertise and equipment were replaced. December's controls added 140 firms to the 'Entity List'—the catalogue of specific facilities that companies must determine whether they can continue supplying or supporting.

Confusion around definitions abounds. The end-use restrictions attempt to designate certain manufacturing processes as higher risk with thresholds that trigger controls. They fail to account for the fact that tools are not designed to operate only at a preset level. For example, to produce the sophisticated chip at the heart of what Huawei called "the most powerful Mate phone ever," released in November 2024, the Chinese firm SMIC used well-known techniques and lithography kits probably intended for less advanced chips.

Most importantly, running the gauntlet of U.S. rules has transformed the Chinese semiconductor industry. **Chinese toolmakers have become innovators**, incentivized by the sanctions to collaborate and integrate, and under directives from Beijing to favor domestic technologies. Companies that were second-tier suppliers just a couple of years ago can now compete with U.S. firms. This includes some companies just added to the Entity List, such as Naura and Piotech.

Indeed, all Chinese companies in the technology sector are rushing to replace and design-out U.S. companies and technologies across their supply chains.

It is not clear how U.S. technology leaders will replace the billions of dollars in revenue lost from China.

#### WHERE'S THE WIN?

It is not clear how U.S. technology leaders will replace the billions of dollars in revenue lost from China, as more and more U.S. equipment is replaced by Chinese gear or equipment from Japan and other countries. Some firms have already cut budgets and laid off personnel. Having the biggest market made increasingly difficult to access as competitors gain major advantages calls into question the long-term viability of U.S. semiconductor toolmaking in particular. This could have ripple effects across the supply chain.

The technology industry understands national security concerns. Still, there is frustration around what the intended gains are. So far, the controls have had little impact on the ability of Chinese firms to train large language models (LLMs). Officials point to Chinese companies' lagging development of advanced AI datacenters, arguing that this gap will grow as the controls continue to restrict access to cutting-edge GPUs. But in China, as in the United States, such datacenters are primarily used by private sector organizations for civilian applications of AI, either training or inference.

Hence it is hard to assess the impact of the entire effort on China's military modernization. It is not clear whether or when advanced LLMs will be used for critical military missions, nor how much of a game changer that would be. Those arguing that U.S. export controls will prevent China from getting to artificial general intelligence (AGI) base this on a host of unverifiable assumptions.

Meanwhile, the real and measurable impacts of the entire approach must be tallied—on U.S. companies, on civilian applications, such as for medicine and the energy transition, and on other critical issues. How, for instance, under these conditions, can the United States and China reach an agreement on regulating advanced AI models to reduce the risks of their deployment by malicious actors?

The one analysis done so far by a credible independent institution, the Federal Reserve Bank of New York, was issued in April 2024. It concludes: "Forbidding U.S. firms from exporting to a selected list of Chinese firms for national security reasons, export controls aim to generate a selective strategic decoupling of U.S. firms from China." The Commerce Department is reportedly doing an internal assessment of the impact of the controls implemented since October 2022. It is working with RAND, a think tank heavily focused on national security and less on U.S. technology leadership and competitiveness.

No analysis has accounted for the impact of China's retaliation for U.S. technology controls, of which we are likely only in the early innings. Over the past two years, Beijing has put in place a range of legal measures to allow for targeted retaliation. Already, U.S. firms, including Micron and Nvidia, have experienced security reviews, anti-monopoly investigations, or penalties, further eroding their business in China. In October 2024, a Chinese cybersecurity industry body called for a security investigation into U.S. semiconductor leader Intel. More such skirmishes are likely.

The full cost of retaliation will likely come from increased restrictions on the export from China—direct to the United States, and via allied countries—of minerals critical to semiconductors, green technology, and the automotive

industry. For example, Japanese firms rely on China for about 60% of the battery-grade graphite that they need; China’s Ministry of Commerce has indicated it will tighten reviews of licenses for graphite export to Japan.

Beijing has lots of room to escalate. Beyond the export ban on germanium, gallium, and antimony, it could soon curb tungsten. Chinese companies dominate production, processing, and IP for this element. Chinese firms also control supply chains for rare earths and finished products based on them, such as magnets.

Xi has repeatedly **stressed** that “China will not stand idly by” while the United States tries to hold back Chinese firms. In a November meeting with President Biden, Xi again put technology control issues on par with Taiwan as a redline for Beijing. He called the ‘small yard, high fence’ policy “**not what a major country should pursue**”—or perhaps translated more faithfully, “unbecoming of the behavior of a great power.”

The sweeping set of rules was driven by a few White House officials who are now gone. Many U.S. companies are **enraged by the controls on AI diffusion**. One senior official told me the situation was like members of the previous administration “walking out the door and throwing a grenade over their shoulder.” Their replacements in the new administration must now audit what has been accomplished by the process started in October 2022, assess the extent of the damage to U.S. industry and market share, and rethink. The United States’ technology leadership hangs in the balance.

The new administration needs to answer all the tough questions on costs and benefits for a sector central to American prosperity.

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# Count the Costs of Cutting Technological Ties with China

**Flexibility, not fear, will help the United States navigate the unpredictable consequences of technology—military, economic, political, and social.**


National security thinking about technology is a mess. During the Cold War, America did everything it could to stop the Soviet Union from getting Western technology. Afterwards the United States mostly opened up, convinced that its values would spread hand-in-hand with its technology. This did not lead to the triumph of liberalism; it did produce a highly integrated global technology economy.

The last Trump administration—alarmed by China’s success and the possible relative decline of America—started repurposing Cold War tools. The Biden administration deployed export controls, but not wholesale. It instead tried to erect a ‘high fence’ around a ‘small yard’ of foundational technologies by subjecting them to export restrictions, while separately plugging vulnerabilities in America’s own supply chains.





**Policy discourse about the United States, China, and technology has careened from one pathology to another.**



Unless the new Trump administration opts for complete technological decoupling, it will face the same dilemma; Which technologies do you restrict, and which do you leave alone? This breaks down into three related problems.

First, national security officials have no good way to distinguish technologies that are foundational from those that are not. They have never really explained the criteria they use. In fairness, there aren't any obvious answers. To know whether a technology is foundational involves somehow predicting that it will one day create feedback loops that reinforce military, economic, political, or social advantages. Ten years ago, few could have guessed that statistical text prediction (an idea Claude Shannon came up with in the mid-20th century) and a neural net architecture called a "transformer" could be combined to create large language models like GPT-4.

Second, even if, in principle, some people can make good guesses about the trajectories of technological development, the United States has a hard time doing so in practice. Its expertise is patchy and scattered across institutions—the national labs, the Department of Defense, the National Science Foundation, and others. The key decision-maker on export controls is the Department of Commerce's Bureau of Industry and Security (BIS); it has surprisingly limited access to information, and greater expertise in the arcana of regulation than in the technologies that it is supposed to regulate.

Industry can offer expertise, but it usually comes with an enormous side-serving of self-interest. Anecdotally, BIS officials are deluged with claims from U.S. companies that this or that restriction ought to be imposed on their Chinese competitors. Other companies that depend on their relationship with China press the opposite case, presumably inspired by an equally touching devotion to the general interest.

The final problem is that the swamp outside is engulfing the small yard, as D.C. partisan politics invade the discussion over what ought to be restricted. The bipartisan House Select Committee on the Chinese Communist Party keeps trying to fence in an ever-greater territory of technologies. The standard 'I know it when I see it' definition of foundational technologies is hard to push back on or implement coherently.

The most obvious example is the U.S. debate about China and AI. It is riddled with hyperbole. For example, there is fear that China will use AI to win an insuperable advantage on the battlefield and to further control what its citizens talk about and think. There is fear that AI strengthens authoritarianism and weakens democracy. Few of these fears are stupid, but few are based on hard evidence. They have nonetheless led to efforts to cut off the supply to China of advanced semiconductors—and to discussion about what more to do to hold China as far back on AI as possible.

The result of all this is that policy discourse about the United States, China, and technology has careened from one pathology to another: The cheery globalism of a decade ago has given way to today's diffuse paranoia. Now the national security conversation is almost exclusively focused on the impossible task of severing the ties of technological interdependence, with the only question being how much further to go.

## **GAIN OR PAIN?**

Here's the rub: In cutting off interdependence with China, the United States may stymie its own technological development (see also the [Triolo memo](#) elsewhere in this report). In 2023 the NSF-funded [National Network for Critical Technology Assessment](#) warned that the United States faces a particularly stark tradeoff in areas where China is in the lead, such as batteries and electric vehicles.

For example, the United States seems likely to ban Chinese-connected electric vehicles from the U.S. market, notionally because this will protect U.S. security, but perhaps actually to protect the U.S. auto industry. Will this help U.S. industry and bolster security, or might it just make the United States fall further behind on manufacturing technologies that have both economic and security benefits? Any debate on the tradeoffs is hidden behind closed doors (see also the [Gallagher memo](#) in this report).

Instead, national security policy needs to be tailored to particular technologies—more hawkish or more dovish as appropriate. How to get there?

The work of Robert Jervis provides useful pointers. Jervis was one of the few international relations scholars to think about [complex technological trajectories](#). He explained how beliefs—right or wrong—about feedback loops can shape policies. The challenge, then, is to better align policymakers' beliefs with emerging evidence as much as possible.

The federal government needs, at a minimum, a means to determine which technologies might be foundational and which might not. This would require guided and intelligent modelling of possible trajectories, and their likely consequences for advantage if interdependence continues in a given area. Policymakers would also need to investigate the counter-case. What are the costs of breaking off relations now and later? Are some forms of de-risking less damaging than others?

## **EXPERIMENT AND ITERATE**

Previous grand schemes for remaking the federal science system, such as Vannevar Bush's 1945 report, [Science, the Endless Frontier](#), relied heavily on the brute force of big funding, and on the assumption that the federal government has the knowledge it needs, or can develop it internally. Much of the CHIPS and Science Act and Inflation Reduction Act approach to domestic industrial policy is similarly crude. Today America needs something more nimble.

A better starting point is suggested by two recent books that aren't about science policy at all—Jen Pahlka's [Recoding America](#) and Dan Davies's [The Unaccountability Machine](#). To tackle complex problems, Pahlka and Davies argue, institutions must be more flexible and experimental. They must gather information about which experiments have worked and how, and they must keep iterating. Something like that is what the United States needs, even if it is difficult to see how to graft it onto the federal government or insulate it from politics when failure happens.

Right now, the United States tends to make big bets, and double down on them. For example, U.S. semiconductor restrictions to China implicitly rest on the ‘scaling’ assumption, that large language models will grow ever more powerful as more compute and data is applied, leading to artificial general intelligence, which will provide an enormous advantage across military and civilian applications. If this is true, the United States has an interest in getting to this technology first—and has an advantage, since it has the biggest AI companies, and can hold China back by limiting its access to the most powerful parallel microprocessors.

However, some new evidence hints that this hypothesis is shaky. Scaling seems to be slowing down, suggesting that simpler models such as DeepSeek’s will end up being more useful. That may mean that U.S. restrictions are less effective, or even largely irrelevant. So, what to do? The United States might put funding into a variety of approaches to AI. Most of these bets will fail, but the successes would pay for all.

Technology policy in America is a mess because it is hard to forecast how discoveries will develop and what their broader military, economic, political, and social consequences may be. Under current circumstances, this uncertainty generates fear rather than the optimism that it generated in the recent past. To manage this fear, policymakers have sought to secure the future within a walled garden. But technology—and the politics of its use—is not so easily corralled: It is a wildly unpredictable ecology.

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# LOCAL POLICY & SUBNATIONAL COMMUNITIES

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*Kyle A. Jaros,  
University of Notre Dame  
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Smith College*

# The U.S. Response to China's Dominance in Clean Energy

**To compete in the global transition to electric vehicles, America's automotive industry needs Chinese parts, technology, and investment —on U.S. soil.**

The shift from the production of cars with internal combustion engines (ICEs) to new electric vehicles (NEVs) is critical to the transition to clean energy. The legislative achievement of the previous administration was to use this major technological challenge to reinvigorate American manufacturing and to reinvest in many rust belt states.

Bringing advanced manufacturing to the United States makes America's automotive sector more competitive in the global marketplace for electric vehicles (EVs). It's good for business. Linking the green energy revolution to new jobs in regions hit hard after China's accession to the World Trade Organization in 2001 will build political capital with American workers. It's good for labor.

But China is now a long way ahead of other economies in the transition to NEVs. It controls much of the access to crucial mineral inputs and processing; it dominates the production of EV batteries; it manufactures at lower cost and at a higher scale than any other economy; and its consumer market is large and already buying EVs at a pace not seen in the United States or the European Union. The United States, meanwhile, is lagging, despite the ambition of the Inflation Reduction Act (IRA). With some in the new administration calling to roll back the IRA, the overall strategy is also in peril.

Rather than reject the Biden agenda, the Trump administration should evaluate how to adapt existing policies to avert a crisis in the U.S. auto industry. It will need to be clear-eyed about the benefits, not just the risks, of Chinese investment in this sector (see the Nahm memo in this report) and take a reasonable and strategic approach to vetting Chinese companies.

### **DO OR DIE**


This is an existential moment for the auto industry. Legacy automakers in the United States and Europe were complacent and slow to notice China's growing strides in NEV production. Companies such as General Motors, Ford, and Volkswagen now face stiff competition from Chinese firms, in China, where they face steep declines in market share, and in their other markets. Exports from China are soaring globally. Chinese car companies are dealing with excess capacity in internal combustion engine vehicles and are seeking to expand into new markets with EVs, especially the EU and Southeast Asia.

Western governments, meanwhile, have not done enough to build the infrastructure needed to support the transition away from combustion engines. Some have politicized the issue for electoral advantage. During the 2024 presidential campaign, both Donald Trump and J.D. Vance campaigned against electric vehicles and Biden's policies that encouraged EV purchases. But blame games won't help.


So far, the main weapon of choice is tariffs. In May 2024, the Biden administration placed 100% tariffs on Chinese-made EVs, and the EU has announced its own tariff levels. These should be a stopgap measure only. Used strategically, tariffs can protect the domestic market while building capacity, technological expertise, and human capital.

But tariffs without innovation will leave the United States a technological backwater. A slower and more expensive transition to EVs will put the United States and American companies permanently behind. Some companies that already produce significant quantities of EVs in China, such as Tesla and BMW, might become even more dependent on the nation, for production and as a vibrant market. A tariff-only approach also risks losing the global market to Chinese brands who will easily fill the gap opened up by a lagging United States.

Reducing the world's reliance on China as the manufacturing epicenter of NEVs means allowing Chinese companies to invest in the United States. This is especially true in the production of EV batteries. Here Chinese companies are so dominant, they can quickly bring down the costs of making EVs in the United States. This would be the lifeline U.S. firms need to compete on price, and boost consumer interest and investment in the charging infrastructure.



**A slower and more expensive transition to EVs will put the United States and American companies permanently behind.**





That is Ford's strategy in striking a licensing agreement with CATL, China's largest EV battery maker, to build a new battery factory in Michigan.

Such Chinese battery companies are keen to expand production abroad. In China, cutthroat competition, fueled by easy state-supplied credit and industrial policy, makes it difficult to turn a profit. Moving production overseas enables these companies to be more integrated into domestic supply chains, especially in high-tariff environments like the United States. Already Chinese companies that make EV batteries have invested in Michigan and Illinois. But political uncertainty has caused some to pause plans or redirect to more hospitable destinations in Southeast Asia and Europe.

### **HOME ADVANTAGE**

Objections to allowing Chinese investment into the United States include supply chain dependence, the theft of intellectual property and technology, and concerns regarding China's approach to human rights, the environment, and unionization (see the LeClercq memo in this report). In each of these areas, the threats to the United States are greater if NEV production and its supply chains continue to concentrate inside China.

First, building the EV supply chain domestically will reduce U.S. dependency on China, a key national goal after the shocks of the COVID-19 pandemic. Already Chinese companies produce 75% of all batteries for EVs globally. For U.S. automotive makers to remain competitive, they need more batteries on the ground, where they are close to hand.

Second, Chinese companies lead on intellectual property in this sector. American companies will benefit from licensing arrangements that allow them to use this IP for manufacturing within the United States. The alternative is for U.S. companies to be increasingly dependent on technology produced elsewhere. Finally, on environmental and labor concerns, the United States is far more able to regulate and investigate production problems on home turf. Outsourcing production to China makes it harder for workers and activists to make their concerns heard.

There are other benefits of enriching the domestic supply chain with Chinese investment. It will boost employment, technological innovation, and union influence in the United States. In the last United Auto Workers strike in 2023, a key bargaining point was a demand for the inclusion of battery plants in new contracts. If the Trump administration is to deliver a pro-worker agenda, maintaining domestic auto production is critical.

Of course, there must be a careful evaluation of the benefits and potential risks of planned Chinese investment in the U.S. auto sector. Many recent cases have met stiff opposition for ill-defined reasons. Local communities often find out far too late that a Chinese company intends to invest in their town. With little direct community engagement, rumors and vague concerns come to dominate and can lead to an increase in anti-Asian discrimination and violence (see the Kusakawa, Chen, and Johnston & Kim memos in this report). The strategic advantages of allowing some Chinese production on U.S. soil often get overlooked.



As many communities suffer the increasing costs of natural disasters made more severe by rising temperatures, America needs to reduce its dependence on fossil fuels—including through sensible engagement with Chinese companies that are leading in the EV sector.

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# Get China Right at City Hall

**Cutting off all contact with China at the local level hurts Americans' education, innovation, and the economy—there are better ways to manage the risks of engagement.**

Subnational U.S.-China ties run deep. Dozens of U.S. states and hundreds of cities signed twinning agreements with Chinese counterparts in the two decades after the normalization of relations between the two nations. By 2013, U.S. states had opened 36 offices across mainland China to promote trade and investment; between 2012 and 2017, U.S. governors and lieutenant governors made over 60 trips to China.

But since 2019, such forms of engagement—once uncontroversial among Republicans and Democrats alike—have come under fire. Citizens have mobilized against Chinese-linked investment and have voted out local officials who supported it. Members of Congress have criticized cities for engaging with China, in some cases implying that such contact was the product of malign influence by the Chinese Communist Party (CCP). The second Trump administration will likely push hard to sever many remaining subnational U.S.-China links.

If state and local actors underestimated the risks of engagement with China a decade ago, now some policymakers are overreacting. There are real risks, but many are manageable. Meanwhile, there are high costs to crude anti-China rhetoric and clumsy policies to cut state and local contact with China. Progress is being stalled in education, scientific innovation, economic development, and climate mitigation (see the [Gallagher](#) memo in this report); and Asian-Americans are increasingly being treated with fear and suspicion (see the [Kusakawa](#), [Chen](#), and [Johnston & Kim](#) memos in this report). There is a better way forward.

## **ACKNOWLEDGE REAL RISKS**

Critics argue that cities and states are the “[soft underbelly](#)” of U.S. international engagement. They contend that local interactions with Chinese government, business, and societal actors threaten national interests. The fear is that state and local governments, being under-prepared and under-resourced, may fall victim to [CCP influence operations](#) or that malign actors from the People’s Republic of China (PRC) may be able to access sensitive infrastructure or information.

These concerns have some validity. State and local governments have far less [financial and organizational capacity](#) than the federal government has for navigating international relationships and combating foreign threats. State and local actors have sometimes made errors of judgment in working with Chinese officials and businesses. In some cases, state and local officials have been [pressured](#) into parroting pro-PRC talking points. In other cases, state and local governments may have failed to properly vet government personnel or partners, as the recent indictment in New York of former aide [Linda Sun suggests](#) (see the [Hung](#) memo in this report).

It is also true that the Chinese government has used communities and social organizations overseas to [gather intelligence](#) and to [repress](#) and monitor human rights and democracy activists outside China’s borders. Meanwhile, lower-intensity influence efforts are also widespread at the subnational level. These include [pressure](#) by Chinese diplomats and entities linked to the CCP to limit criticism of China, avoid engagement with Taiwan, or adopt pro-China rhetoric (see the [Fu](#) memo in this report).

However, states and cities are neither defenseless against nor uniquely vulnerable to PRC influence or interference. The most sensitive sites in their jurisdictions—such as major military bases and national laboratories—are under federal management. Counterintelligence and law enforcement agencies keep a close eye on critical infrastructure facilities, defense-related industries, and research institutions.

Indeed, in recent years, federal oversight of subnational U.S.-China interactions has increased in many key areas. The Trump and Biden administrations tightened restrictions on [foreign investment](#), exports of [dual-use technologies](#), and [federally-funded research at universities](#). The U.S. Department of Justice and FBI have continued intense China-related law enforcement at the state and local levels, even after winding down the [controversial China Initiative](#) in 2022.

In a federal democracy, the national interest is not reducible to the priorities of the federal government alone.

If anything, many state and local officials are now erring on the side of caution, not carelessness, in their dealings with Chinese actors, **our research suggests**. For example, various states have rushed to enact **sweeping restrictions** on the sale of land and real estate to Chinese-controlled businesses or Chinese nationals. In 2023, 27 states passed or were considering legislation restricting agricultural land purchases by Chinese citizens or firms (see the **Gorski & Toomey** memo in this report). This is despite the fact that many of the most widespread and severe threats to U.S. intellectual property, security assets, and critical infrastructure lie in the **cyber realm** (see the **Sacks & Webster** memo in this report).

Still, shouldn't the security and economic interests of the United States as a whole override any benefits to individual states or cities of interacting with China? Yes, and no. In a federal democracy, the national interest is not reducible to the priorities of the federal government alone. The ability of states and localities to develop global ties that advance their economic and social needs is part of the U.S. national interest, properly conceived.

In practice, then, the benefits that states and cities derive from their foreign relations must be weighed against the harms that these relationships create. And so too must the benefits of federal policies on China be weighed against the harms they create.

#### COUNT THE BENEFITS

Some city and state partnerships are largely symbolic, but many such relationships have proven durable and substantive. Partnerships such as those between **San Francisco and Shanghai** and **Iowa and Hebei** have fostered hundreds of educational and cultural exchanges, two-way flows of investment and trade, and political dialogues. In 2013, a **Hebei delegation** to Iowa signed 20 trade agreements, valued at a billion dollars by the Iowa Economic Development Authority. More generally, China was a **top-three export market** for goods and services for 32 out of 50 U.S. states in 2022. Public and private universities hosted over 250,000 **Chinese students** as of March 2023, generating billions of dollars. Officials from states such as California and Colorado see **cooperation with China** as integral to their efforts to mitigate and adapt to climate change. These are matters of security, or even survival, for many residents.

So, when policymakers use blunt measures to address economic or security challenges from China, there can be major fallout for U.S. states and communities. Iowa's soybean and pork industries faced **huge financial losses** from the trade war with China during President Trump's first administration. California has suffered **massive losses** of tourist revenue due to a reduction in direct flights between the United States and China, even after pandemic-era controls were lifted. Meanwhile, political rhetoric and policies that target people of Chinese origin or nationality stoke **anti-Asian hate** and divide local communities.

Local engagement is not just about local benefits, though. It can advance strategic national priorities. Employing thousands of top-tier **Chinese researchers** at U.S. universities and laboratories has accelerated U.S. scientific progress and technological innovation, including in fields such as quantum computing and **generative AI** (see the **Huang** memo in this report).

And city- and state-level official visits and dialogues can support U.S. foreign policy, if they are properly coordinated with Washington. For instance, California Governor Gavin Newsom’s visit to China paved the way for the 2023 Biden-Xi summit.

### **TAKE THREE STEPS**

So how should local leaders in the United States navigate engagement with China? And what role should the federal government play in helping them to access the benefits while avoiding the most serious risks?

First, states and cities across the United States need to be intentional, informed, and proactive—rather than reactive or defensive—in their interactions with Chinese actors. Briefly, mayors and governors, city councils and state legislatures, need to audit their existing political, economic, and cultural ties to China and develop explicit strategies and ground rules for engagement. American cities and states have important leverage in setting the terms for engagement, given the eagerness on the part of Beijing and of China’s subnational governments to stabilize and rebuild relations with the United States.

State and local leaders need to think strategically about what kinds of dialogue or exchange would benefit their communities. And they should lay out clear ground rules and principles for contact with China. These might include: maintaining transparency; abiding by U.S. foreign policy; refusing to accede to unacceptable demands (such as to cut ties with Taiwan); and using dialogue channels to raise concerns about Chinese policies that affect their local communities (e.g., the lax handling of fentanyl precursor chemicals, harassment of U.S. residents, or cyber-intrusions affecting critical infrastructure systems).

It is crucial that states and localities involve their Chinese-heritage communities in this process, and that they learn from them in a way that prioritizes pluralism and participation (see the Hung memo in this report). Allowing one person or organization to speak for the local Chinese diaspora is unwise. It gives them outsized influence and does not represent the diversity of political views and cultural backgrounds within a community. The best way to safeguard subnational discussions on China from malign influence is to expand the circle of participants, not to shrink it.

Second, federal actors should support these efforts to develop proactive and balanced China strategies on the ground. Federal agencies can do more to ensure that state and local governments are well informed about the Chinese counterparts they may be engaging with, and about how to avoid the most serious risks. It can be difficult to differentiate between independent civic groups and organizations with strong ties to the Chinese government operating within local diaspora communities (in part because the Chinese government deliberately seeks to blur the line between the two).

Better information-sharing by federal agencies might help local governments to avoid inadvertently partnering with United Front organizations. The State Department and its Subnational Diplomacy Unit can expand training opportunities for local officials, loan more career diplomats to cities through the Lewis Local Diplomat program, and work with cities to create better platforms for sharing information and best practices with one another.

Finally, subnational diplomacy needs more philanthropic and public support. U.S. cities and states have limited staff and funding for international engagement, both in absolute terms and relative to their Chinese counterparts. Offers of Chinese financial support—for citizen diplomacy programs between sister cities or for local officials to visit China—are thus hard to turn down. Even if such funding does not buy political influence, it introduces potential conflicts of interest. A dedicated **innovation fund** would enable U.S. cities and states to engage without relying on Chinese government funding to do so.

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# DEMOCRACY, DISCRIMINATION, & TRANSNATIONAL REPRESSION

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# Defend National Security without Ethnicizing the Threat

**Framing the competition between the United States and China as a conflict between two peoples benefits no one—success depends upon the involvement of Chinese Americans.**

With the intensification of competition between the United States and China, there have been many troubling signs that political leaders, government officials, and private citizens are ethnicizing the competition as a conflict between two peoples—consciously or unconsciously (see the memos elsewhere in this collection by [Chen](#), [Huang](#), [Kusakawa](#), and [Johnston & Kim](#)).

A challenging aspect of this problem that is relatively overlooked is the role of the Chinese Communist Party (CCP). It is no secret that the CCP seeks to mobilize the support of the “[sons and daughters of China](#)” worldwide to advance its geopolitical goals. Beijing has regularly summoned diaspora organizations around the world to [conferences](#) connected to the [United Front Work Department](#)—an [organ](#) of the CCP that coordinates overseas influence and interference work. In one such conference, in August 2022, Xi [emphasized](#) the need to “rally all Chinese people both at home and abroad to realize national rejuvenation.” His assumption is that people of Chinese heritage, regardless of citizenship, should serve the goals of the CCP.

It is counterproductive to try to combat anti-Chinese racism while ignoring Beijing's efforts to weaponize the Chinese diaspora—for influence operations, espionage, and transnational repression. A more collaborative and compassionate approach to national security is needed.

### **EXTENSIVE PROGRAM**

The Chinese government has deployed meticulous schemes to turn overseas Chinese individuals into its agents. The charges against former government aide Linda Sun for violations of the Foreign Agents Registration Act were widely covered in September (see the memo by [Chen](#) elsewhere in this collection). That same month, former CIA [agent Alexander Ma](#) was sentenced to ten years in jail for selling U.S. national defense secrets to Chinese intelligence officials.

There have also been numerous instances of industrial espionage. In some cases, the Chinese government has cultivated employees of U.S. companies to appropriate specific technologies. For instance, officials of the Chinese State Council recruited former DuPont employee [Walter Liew](#) (aka Liu Yuanxuan) in the 1990s to set up a company and recruit other ex-employees to steal DuPont's recipe for producing titanium dioxide. This compound has both commercial and military applications. The Chinese government channeled compensation for this theft to Liew's relatives in China.


There are also many student organizations on U.S. campuses that maintain ties with the Chinese government. Some engage in transnational repression, according to [a preliminary report](#) from the Wilson Center. This includes the surveillance of Chinese students and the intimidation of scholars whose views Beijing deems unacceptable. Meanwhile, the fact that [China has had overseas police service stations](#) in the United States and elsewhere has raised concerns in recent years about the monitoring of Chinese communities.

The weaponization of a diaspora and transnational repression are not uniquely Chinese phenomena. Witness the assassination plots orchestrated by Iran, Russia, and India targeting dissidents in exile. The slaughter of journalist Jamal Khashoggi in Saudi Arabia's consulate in Istanbul is another case in point.


Beijing's campaign of transnational repression may be less deadly, but it has been described by [Freedom House](#) as "the most sophisticated, global, and comprehensive...in the world." This is due to the vast resources of the Chinese government. And it is a function of the fact that socioeconomic integration between the United States and China was deep until the relationship began to deteriorate about a decade ago. During the "[Chimerica](#)" era, having connections to the Chinese government was seen as an asset for many American executives, scholars, and government officials. Associations with Chinese officials were encouraged, not just tolerated.

### **THREE-POINT PLAN**

To safeguard the United States' democracy, national security, and economic interests against CCP infiltration, it is essential to enlist the support of Chinese Americans in three ways.



## Scrutinizing solely Chinese diaspora communities when investigating Beijing's influence is ineffective.



First, the U.S. government needs to ally with myriad Chinese community organizations to counter and monitor Beijing's efforts to exploit Chinese Americans. These organizations are best placed to explain to members what is at stake and alert them to the dangers and signs of interference operations. What's needed is investment in the kind of outreach programs that connect law enforcement with vulnerable communities. Examples include those used to support religious spaces susceptible to recruitment or attacks, or communities where drug gangs are active.

Second, a grace period should be established for lower-level offenses committed when U.S.-China relations were much more cordial, and the activities now considered problematic were tolerated or encouraged. The U.S. government should consider excusing infractions from this era, such as failures to disclose scientific collaborations with Chinese institutions (see the memo by Gorski & Toomey elsewhere in this collection).

Third, a rigorous methodology must be developed to focus on suspicious activities rather than on individuals of a particular heritage. Law enforcement should investigate whomever is suspected of committing such activities as defined by the U.S. government, regardless of their ethnicity.

Why so? Because Beijing has begun recruiting non-Chinese diaspora individuals for infiltration and transnational repression. In 2011, the Chinese state-owned company Sinovel recruited Dejan Karabasevic. The Serbian was an employee of AMSC, a U.S. company that was a world leader in wind turbine technology. Karabasevic was tasked to steal AMSC's trade secrets, including the source code for its software essential to operating the turbines. This theft contributed to China's dominance in the global wind turbine market. Other cases include: a former U.K. Royal Marine working for the Hong Kong Economic and Trade Office in London, accused of spying on and harassing exiled Hong Kong activists in the U.K.; three German citizens arrested last year for stealing naval data for the Chinese authorities; and U.K. parliamentary aide Christopher Cash and academic Christopher Berry, last year charged with spying for China.

In short, scrutinizing solely Chinese diaspora communities when investigating Beijing's influence is ineffective. It can both violate the rights of innocent citizens and divert resources away from detecting cases of People's Republic of China infiltration involving other individuals.

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# Racialization in the Rivalry Between the United States and China

**Researchers should study whether ‘radical Othering’ is returning amid intensifying U.S.-China tensions, and if so, what are the illiberal implications?**

The Trump phenomenon over the past decade indicates that a substantial portion of the United States can still be politically mobilized by negative stereotypes, both ethnic and racial. As security competition with China intensifies, a key question that researchers must address is to what extent these stereotypes may affect the quality of democracy in the United States, and particularly the treatment of Chinese American people.

In his first term, Trump used racialized tropes—“Chinese virus” and “Kung Flu”—during the pandemic. This language appears to have been correlated with the increase in anti-Asian social media messages and harassment in Trump-supporting counties. As he ran for his second term, Trump deliberately used racial stereotyping of immigrants to mobilize electoral support.

Theory and history suggest we should expect more of this stereotyping in the new administration. External security conflicts are often associated with ‘radical Othering’ in policy discourse. This is where the ingroup increasingly characterizes itself as exceptionally benign while portraying the outgroup as exceptionally malign. This dynamic leads the ingroup to attribute all security conflicts to the ‘Other’—often minoritized groups, migrant workers, refugees, or faith communities.

In an intensifying rivalry, radical Othering also leads to hypervigilance about notional internal threats to the ingroup’s cohesiveness. This can manifest as illiberal or discriminatory policing of perceived risks of contamination from the outgroup. There follows alarm about ideas, such as heretical or alien beliefs; the rise of social fears that ethnic or racial groups will ‘replace’ the majority group; and even the characterization of outgroups as sources of disease. Senator John Cornyn (R-Texas) famously blamed COVID-19 on a caricature of Chinese people’s eating of “bats and snakes and dogs.”

History offers many similar examples (see [Chen](#) memo in this report). In the late 19th century, Chinese immigrants to the United States were often framed as threats to Americans’ jobs and health, leading to [exclusionary policies](#). Anti-Japanese sentiment during World War II led to the internment of Japanese Americans. The Cold War era was marked by McCarthyism, which employed illiberal means against perceived ideological threats. After 9/11, Islamophobia intensified, raising concerns over the civil liberties of [Muslim Americans](#). In China, Xi Jinping has attributed internal security threats to cultural and ethnic attributes of Uyghurs to justify highly repressive policies towards them.

Despite these patterns, critical questions remain as to whether and how radical Othering is occurring in the context of the current U.S.-China rivalry, and, if so, whether it is leading to the marginalization of Chinese Americans and other groups associated with the perceived foreign threat. These questions need urgent study.

## THEORY AND EVIDENCE

International relations scholars have often argued that inter-state conflicts arise from security dilemmas. When two states are locked in a [security dilemma](#), their leaders and publics misinterpret the other side’s defensive actions as signs of aggressive intent. This can set off a spiral of actions and reactions that increase the probability of conflict.

Largely, studies of security dilemmas overlook the role of perceived differences in identity, including the [role of racism](#) and its [repressive domestic implications](#). We argue, building on [Social Identity Theory](#), that the dehumanization or even explicit racialization of an ‘Other’ can intensify a security dilemma, making cooperation and trust even more difficult to achieve.

Due to the deepening of U.S.-China rivalry, the United States may be once again witnessing the sorts of dehumanized and racialized images that frame an outgroup as exceptionally malign. For example, in a public talk in 2019, the then head of Policy Planning at the State Department, Kiron Skinner, argued that the Cold War with the Soviet Union was a dispute “within the

Largely, studies of security dilemmas overlook the role of perceived differences in identity.

Western family.” By contrast, the competition between China and the United States, she continued, would be uniquely destabilizing because China was “not Caucasian.”

Similar sentiments were expressed by Michael Anton, the newly selected head of Policy Planning. He stated that “Russia is part of our civilizational ‘sect’ in ways that China can never be.” Skinner’s chapter in Project 2025’s *Mandate for Leadership* on reforming the State Department claims that 5,000 years of history means that China’s “internal culture and civil society will never deliver a more normative nation.” Similarly, Senator Marsha Blackburn once tweeted that “China has a 5,000-year history of cheating and stealing. Some things will never change.”

History and theory suggest that such discourse is likely to intensify a ‘them and us’ dynamic. But thus far, the links between the U.S.-China security dilemma, radical Othering, and support for policing against perceived political, social, or physical contamination are largely anecdotal. These links require more analysis.

There is some evidence that a sizable constituency in U.S. domestic politics might be moved by anti-Chinese Othering to support more illiberal policies. For example, surveys by the Committee of 100 indicate that almost one third of respondents believe Chinese Americans are more loyal to the People’s Republic of China (PRC) than to the United States. The trope of disloyal members threatening ingroup cohesion is common when groups police against threats from an Other. An important research question is whether this percentage will increase as U.S.-China relations deteriorate.

A particularly interesting trope used increasingly since 2017 to delegitimize criticism of U.S. China policy is the term “CCP talking point”. A specific version of this is that discussing increased anti-Chinese racism in the United States is a Chinese Communist Party talking point, and therefore presumably illegitimate. However, “anti-Chinese racism” can be both a CCP talking point and an accurate characterization of the effects of radical Othering in the United States.

There has indeed been a rapid rise in references to anti-Chinese racism in PRC media coverage of, and CCP criticisms of, U.S. China policy. At the same time, evidence suggests an increase in racialized anti-Chinese tropes and behaviors in the United States. The effectiveness of the “CCP talking point” trope in limiting or undermining debate about the Othering of Chinese Americans needs to be tested systematically.

One final feature of note is the role of the outgroup in encouraging radical Othering by the ingroup—inadvertently, indifferently, or even deliberately. For instance, CCP discourses under Xi Jinping have emphasized the obligation of the “sons and daughters of China” in realizing the rejuvenation of the nation (see also the Hung memo elsewhere in this collection). This rhetoric aims to mobilize Chinese people worldwide, regardless of their citizenship. As such it blurs the distinction between nationality and ethnicity, and thus increases the threat that some hawks perceive from Chinese Americans. More empirical research is needed, therefore, into the relationship between Xi’s statements about the children of China and discourses about Chinese American loyalty.



## RESEARCH QUESTIONS

Theory and evidence suggest that radical Othering and racialization may undermine the quality of liberal democracy. However, more systematic research is needed to test this possibility in the case of U.S.-China rivalry. The following questions should be studied through surveys, survey experiments, and the analysis of political language.

Does simply invoking a “**China threat**” and adjacent rhetoric significantly and durably increase prejudiced views toward ethnic Chinese individuals, both U.S. citizens and non-citizens? And do stereotyped portrayals of China or the CCP—for instance, as cunning or deceptive—reduce or heighten the Othering of Chinese Americans among those exposed to these claims?

Are perceptions of Chinese Americans’ disloyalty increasing? If so, in which social, economic, ideological, or self-identified racial groups? Are such perceptions influenced by elite messaging that includes dehumanizing stereotypes of Chinese people?

Do discourses that stereotype Chinese people as having malign traits lead to greater support for limiting the access of Chinese Americans to certain jobs? And do such discourses lead to calls for limits on publications and organizational activities promoting alternative perspectives on China?

As the U.S.-China security dilemma intensifies, answers to these questions could serve as indicators of the potential for political and social discrimination against both Chinese Americans and Asian Americans more broadly.

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# Distinguish Foreign Influence from Foreign Interference

**Policymakers and the media often conflate very different activities —disciplined distinction is crucial to U.S. national security and the safety of Asian Americans.**

Discourse in policy circles and the media often uses the terms ‘foreign influence’ and ‘foreign interference’ interchangeably. This conflation is confusing and dangerous. Distinguishing the two activities has significant policy implications: for routing out dangerous interference, and for reining in rising hostility towards Asian Americans in general. Language matters when it comes to defining what is and is not a crime.

The primary distinction should be the type of power that is being exercised. Foreign interference entails the exercise of so-called ‘sharp power’ by the home state against a target state. Sharp power is defined by the National Endowment for Democracy as any effort that “pierces, penetrates, or perforates the political and information environments in the targeted countries.” Foreign interference activities are characterized by four ‘c’s— they are covert, corrosive, criminal, or coercive. The exemplar is electoral interference: It directly undermines the most fundamental institutions of democracy.

## Language matters when it comes to defining what is and is not a crime.

Foreign influence, in contrast, is achieved through ‘soft power’. This is the ability of the home country to persuade other countries or foreign actors to behave in its interest. Soft power is exerted through attraction, not coercion. By this definition, activities that individuals in a host country engage in which might make the culture, values, and policies of the home country more attractive are a form of foreign influence. Normally, these activities are transparent and legal; they abide by domestic laws, and they do not contravene international human rights instruments. Influence activities are not fundamentally harmful to the interests of the host nation or to its citizens.

One example of the sort of slippery elisions that are now commonplace is The New York Times’ coverage of the indictment of the Chinese American Linda Sun, a former aide to two Governors of New York. Sun is charged under the Foreign Agents Registration Act (FARA) with using her office to advance a foreign government’s interest covertly. One story discussed how the Department of Justice is trying to stop the Chinese government from “wielding its influence secretly.” Subsequent reporting detailed the Chinese government’s “interference efforts” under a headline about influence. Readers could be forgiven for feeling confused.

The term ‘Chinese influence’ is particularly problematic. When used rhetorically by the House Select Committee on the Chinese Communist Party as an argument for banning TikTok or for blocking U.S.-China civil society exchanges, the net can be cast too wide. All too often the phrase ‘Chinese influence’ equates the Chinese government with people of Chinese descent and fails to distinguish between attempts at influence and interference, as Andrew Chubb of the Asia Society has argued.

This linguistic fog can create a real danger of overreach in designing and implementing policy that ought to target illegal activity, not the Chinese diaspora as a whole (see also the Gorski & Toomey memo elsewhere in this collection).

### **BENIGN OR MALIGN?**

All governments engage in some form of foreign influence operations. Some of these are more threatening to national security than others.

Cultural exchanges are often among the more benign influence tools. All-expenses-paid trips are used by both democratic and authoritarian governments to win hearts and minds. For example, Birthright Israel trips enable Jewish youth in the worldwide diaspora to travel to Israel for ten days for free. Funded jointly by private donors and the Israeli government, these opportunities are clearly meant to give participants a positive view of Israel and to develop their Jewish identity. They tend not to be framed by the American media as malign foreign influence activities, because of the close alliance between the two countries.

Another example is language and cultural centers. Alliance Française, for instance, has its roots in 19th century France’s colonial ambitions in North Africa and the Mediterranean, using language as a “tool of empire”. Today, its mission is to spread Francophone culture and language around the world, which is arguably an exercise in soft power.

In contrast, U.S. policymakers considered Confucius Institutes to be part of Beijing's **malign influence operations**. These institutes were **funded by the Chinese government** and set up on American university campuses. **Senator Chuck Grassley (R-Iowa)** called them “fronts for Chinese propaganda” in a warning to 74 American educational institutions and districts to investigate the partnerships. Some of the institutes reportedly taught content that aligned with the Chinese government's views and attempted to influence decision-makers to refrain from hosting speakers deemed to be enemies of the People's Republic of China (PRC). Facing enormous pressure from the U.S. government and the **potential loss of federal funding**, universities chose to end their partnerships with Confucius Institutes.

### **A THREAT SPECTRUM**

Given the complexities of each case, how should policymakers proceed? A useful heuristic is to plot a case along a spectrum of threat to national security, with benign influence at one end and interference at the other. In the middle sit the Confucius Institutes, which many would consider to be malign influence but do not rise to the same level of threat as electoral interference. Plotting cases in this way may help reserve the most punitive measures for foreign interference while recognizing that some forms of foreign propaganda are just that—attempts to wield soft power.

Already, branches of the U.S. government and other governments are refining their definitions. According to a **2023 report** from the Attorney General and the Secretary of Homeland Security, foreign interference in an election is: “any covert, fraudulent, deceptive, or unlawful actions or attempted actions of a foreign government” which are “undertaken with the purpose or effect of influencing, undermining confidence in, or altering the result” of elections or electoral institutions. Such definitions should be applauded and adopted across government agencies.

Likewise, the **Australian government** defines foreign interference as: “activities carried out by, or on behalf of, a foreign actor” that are “deceptive or clandestine, and contrary to Australia's sovereignty, values and national interests.” Australia underscores that foreign influence activities are, by contrast, open and transparent. In Canada, the **Countering Foreign Interference Act** also emphasises the importance of activities being transparent and accountable. It defines a foreign interference offense as “surreptitious or deceptive conduct with the intent to influence a political or governmental process” or otherwise harm Canadian interests.

Critics counter that the term ‘influence’ is so entrenched as a shorthand for malign foreign activities that it is no longer useful to parse different forms of influence, nor to delineate influence and interference. But to stamp out genuine sharp power that is covert, corrosive, criminal, or coercive—without penalizing or demonizing innocent people—distinguish we must.

### **PROTECT AND POLICE**

Casting the net too wide means that far too many innocent people come under suspicion. A new McCarthyism is **on the rise** in the United States,

with Asian Americans increasingly the targets of discrimination in and outside of government (see also the memos by Huang, Kusakawa, Chen, and Johnston & Kim elsewhere in this report).

Instead, policymakers should do more to protect international students, rights activists, and community members from transnational repression by foreign governments (see the Hung memo elsewhere in this report). For instance, Canada’s Foreign Interference Commission issued an initial report in May 2024 that “some intelligence indicated” that international students were receiving “veiled threats” from the Chinese consulate to support Beijing-friendly candidates, lest their visa status be jeopardized. Safeguarding the rights and security of diaspora populations requires a human rights and civil liberties framework in addition to a national security approach.

Autocratic regimes blame all domestic problems on vague foreign influence. A robust democracy is one that can find and punish foreign agents while at the same time safeguarding vulnerable minorities. The clear use of consequential terms is essential to both activities.

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# History Demonstrates AAPI Resilience, Solidarity, and Activism

**For the fastest-growing sector of the U.S. electorate, the importance of continuing to mobilize, vote, and engage to shape civil rights is clear.**

For over a century, Asian Americans have faced waves of anti-Asian sentiment in the United States, spurred by political rhetoric and economic scapegoating. At each stage, Asian American and Pacific Islander (AAPI) communities have risen and organized to protect themselves, and to claim their place in society. The story of this activism is one of resilience and mobilization. By creating a stronger, more powerful voice in the fight for equality, AAPI communities continue to shape the landscape of civil rights in America.

Anti-Asian sentiment has deep historical roots, from the 1882 Chinese Exclusion Act banning immigrant laborers from China, to the internment of Japanese Americans during World War II (see the [Johnston & Kim](#) memo elsewhere in this report). Such events set the stage for early coalition-building and advocacy. The landmark case of *United States v. Wong Kim Ark* (1898) laid crucial legal groundwork. The plaintiff Wong Kim Ark, a Chinese American born in San Francisco, challenged the U.S. government when he was denied

reentry after a trip abroad. The Supreme Court ultimately ruled in Wong's favor, affirming that children born in the United States are entitled to citizenship under the 14th Amendment. This victory set the **precedent of birthright citizenship**, protecting the rights of many immigrant families.

In the 1970s and 80s, Japanese American community leaders, joined by broader **Asian American coalitions and civil rights advocates**, mobilized for redress and reparations for the injustice of the WWII internments. Organizations such as the Japanese American Citizens League (JACL) and the National Coalition for Redress/Reparations (NCRR) coordinated community education, lobbying efforts, and grassroots organizing.

In 1980, Congress established the **Commission on Wartime Relocation and Internment of Civilians** (CWRIC). Hearings were held across the country. Former internees testified to the emotional, financial, and social toll of what they had endured. Organizers meticulously gathered and publicized evidence. They engaged the media to increase public awareness—of Japanese Americans' incarceration, and of similar suffering incurred by other groups, such as indigenous peoples ordered to leave their lands.

The movement found support from Japanese American politicians, including Senators Daniel Inouye and Spark Matsunaga, and Representatives Norman Mineta and Robert Matsui. The tenacity of these leaders and organizers culminated in the passage of the **Civil Liberties Act of 1987**, which granted an apology and \$20,000 in reparations to each surviving Japanese American who had been interned.

The Act was a transformative moment: It established that Asian Americans could mobilize to secure justice through legislative change.

## **A UNIFIED IDENTITY**

In 1982, Vincent Chin, a Chinese American, was murdered in Detroit. Chin was beaten to death by two white men who blamed him for the economic downturn impacting Detroit's auto industry, as Japan's automotive sector grew. His killers received minimal sentences—three years' probation and a \$3,000 fine, with no jail time—due to a plea bargain. For many Asian Americans, this leniency underscored their vulnerability and the inadequacy of the justice system in protecting them.

The injustice marked another turning point: It motivated individuals from diverse backgrounds to come together under an Asian American identity to combat systemic discrimination, hate crimes, and violence. Until this point, many groups had organized around specific ethnicities, such as Chinese, Japanese, Filipino, or Korean. Chin's death highlighted the need for solidarity in the face of institutional racism.

This newfound unity led to the formation of new advocacy groups and alliances. One of the first was **American Citizens for Justice** (ACJ). ACJ lobbied for federal civil rights charges against Chin's killers and raised awareness of anti-Asian violence. The campaign was spearheaded by journalist Helen Zia, lawyer Liza Chan, and Lily Chin—Vincent's mother. Rallies in Detroit, San Francisco, Los Angeles, and elsewhere **roused Asian**

American communities and attracted national media attention. These efforts garnered support from **other civil rights groups**, from Black organizations to women's groups, and drew attention from the U.S. Department of Justice.

This period also saw the growth of coalitions of legal expertise. The Asian American Legal Defense and Education Fund (AALDEF) and Asian Law Caucus, both established in the 1970s, and the Asian Pacific American Legal Center (APALC) used legal advocacy to address cases of anti-Asian discrimination and racism in employment, education, and housing. The creation of the National Asian Pacific American Bar Association (NAPABA) in 1988 reflected an increased need to build a **network of Asian American lawyers** to advocate for the community.

Chin's case created a country-wide movement that paved the way for modern organizations like Stop AAPI Hate and The Asian American Foundation.

### **SOUTH ASIAN ACTIVISM**

The aftermath of the September 11 attacks brought heightened scrutiny and discrimination against Muslim, Arab, and South Asian communities. The USA PATRIOT Act expanded government surveillance powers, leading to widespread profiling and targeting of Muslim Americans and those perceived to be from the Middle East, which included many South Asians. This environment of fear and prejudice triggered waves of hate crimes, unlawful detentions, and discriminatory acts.

In response, established Asian American civil rights organizations joined forces with Muslim and South Asian leaders to rally in their defense, while highlighting the necessity of centering the people affected. This prompted the growth of South Asian advocacy. Organizations such as South Asian Americans Leading Together (SAALT) and the Sikh Coalition were founded. The Sikh American Legal Defense and Education Fund (SALDEF), established in the 1990s, was strengthened to prioritize the protection of the civil rights of all South Asians.

The shared experience of xenophobia spurred ever greater collaboration between civil rights groups. This solidarity drew attention from federal agencies such as the FBI and the Department of Justice, which began working with Muslim and Arab American communities to address and combat hate crimes and discrimination.

### **COVID-19**

The pandemic brought a new wave of activism and organizing. Politicians calling COVID-19 the "China virus" and "Kung Flu" (see also the Johnston & Kim memo in this report) fueled a new **surge in harassment and violence** against Asian Americans, who were also hard-hit by **health** and **economic** disparities.

AAPI organizations rallied to support their communities. They documented incidents, advocated for policy change, and attended to health needs. They addressed language barriers, dispelled misinformation, and countered stereotypes. National organizations such as the Association of Asian Pacific American Community Health Organization (AAPCHO) and the Asian and

Pacific Islander American Health Forum (APIAHF) amplified local efforts; they invested in health education, outreach, and social services to address inequities and strengthen community resilience. Voter networks, such as the regional training program infrastructure built by APIAVote, helped mobilize community organizations to distribute personal protective equipment (PPE), information, tests, and ultimately vaccines.

One interesting case study of national-local collaboration concerns the Asian Community Development Council (ACDC) in Las Vegas. Founded in 2015 with a modest budget of \$30,000, ACDC has grown into the city's leading Asian American nonprofit, with a budget in the millions, serving tens of thousands of people. Led by Vida Chan Lin, ACDC began with a vision to address health care access, housing insecurity, workforce development, college readiness, and naturalization assistance. During the pandemic, ACDC expanded its services to include food banks and vaccination sites. From its inception, in partnership with APIAVote, ACDC integrated voter registration and civic engagement into the mission of the organization, registering 20,000 voters. This elevated ACDC's profile and opened doors to expanding its core services.

Also during this period, groups like Stop AAPI Hate meticulously gathered data, gaining national attention, which ultimately led lawmakers like Representative Grace Meng and Senator Mazie Hirono to champion the passage of the COVID-19 Hate Crimes Act. The creation of the Alliance for Asian American Justice provided a national network of pro bono legal support to victims of hate crimes. California, under the leadership of Assemblymember Phil Ting, allocated \$14 million to bolster efforts against such incidents, distributing resources to over 80 organizations.

Advocacy groups decided that part of the problem was gaps in school education. Learning from those who raised awareness of the internment camps, groups—including APIAVote—pushed for legislation to incorporate multicultural and Asian American history into K-12 curriculums. This effort resulted in significant achievements: Today, 12 states have statutes that require an AAPI studies curriculum.

The pandemic was another clarifying moment in the history of Asian and Pacific Islander Americans: It highlighted the interconnectedness of health equity, economic justice, and civil rights. With a larger and more engaged AAPI population, more AAPI elected officials, and greater representation in the media, the strategies employed mirrored those of the 1980s and 2000s, but with significantly more resources, allies, and visibility.

All this resulted in a record 60% turnout of AAPI voters in the 2020 election.

## **POLITICAL POWER**

For a century and a half, AAPI activism has risen to the challenges of building a more equitable society.

Solidarity makes it harder for harmful stereotypes and discriminatory policies to gain traction. Now, as the fastest-growing sector of the electorate in the United States, AAPI voters are a formidable political force. With early data showing increased AAPI engagement in the 2024 election, the potential of this

The community continues to confront new policies that echo past discriminatory practices.

community to shape the nation’s future is clear. And when individuals engage beyond voting—by running for office and joining civic organizations, say—that further builds influence and fosters understanding and collaboration.

Despite these advances, the community continues to confront new policies that echo past discriminatory practices. Calls for the return of the China Initiative, and restrictions on property ownership that target Chinese nationals, cast suspicion on Asian Americans and immigrants (see the **Gorski & Toomey** memo in this report). Once again, AAPI groups have mobilized to lobby against racial profiling.

As the new administration settles in, AAPI organizations stand bigger and stronger, ready to ensure that their voices and needs are heard and prioritized, and to champion justice, inclusion, and the protection of civil liberties.

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# CIVIL LIBERTIES, LAW ENFORCEMENT, SCIENCE, & HIGHER EDUCATION

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# Protecting Civil Rights Amid U.S.-China Competition

**National security claims do not justify racial profiling by the Department of Justice or discriminatory state laws that conflict with federal powers.**

In a second Trump administration, deepening geopolitical tensions between the United States and China may have grave implications for civil rights.

In recent years, federal and state governments have sought to address real and perceived threats to national security through a variety of anti-China laws and policies. This trend is now likely to intensify. Many of these measures harm U.S. interests. Being overbroad, they stigmatize people of Asian descent and immigrants while doing little to address genuine security concerns.

As litigators at the American Civil Liberties Union seeking to safeguard civil rights in the United States, we've represented wrongly prosecuted Chinese American scientists; we advocated for the end to the China Initiative; and we are currently fighting Florida's alien land law in court. We've seen firsthand how fearmongering, xenophobia, and sweeping national security claims result in policies that erode people's civil rights and civil liberties. The new administration must pursue more effective ways to keep America secure.

## THE CHINA INITIATIVE

As President Trump takes office, politicians—primarily but not only Republicans—are all but certain to urge the Department of Justice (DOJ) to revive its now-abandoned China Initiative. Doing so would be a grave mistake. That program, launched during the first Trump administration, didn't work and did great damage to Asian American communities in the process.

Under the China Initiative, the U.S. government aggressively prosecuted scientists and academics at U.S. universities and research institutions, scrutinizing Asian American researchers and others with perceived connections to China. **Officials have argued** that the idea of the initiative was to develop “a coherent approach to the challenges posed” by the Chinese government.

In practice, the China Initiative incentivized FBI agents and DOJ prosecutors to profile people of Asian descent as ‘spies’ and to pursue weak and flawed criminal investigations. The consequences were devastating for the people affected and for scientific research in the United States (see the [Huang](#) and [Kusakawa](#) memos elsewhere in this collection).

The China Initiative was cast as an effort to address economic espionage and the theft of trade secrets—legitimate law enforcement concerns. But many of the resulting prosecutions **had no connection to espionage**, instead citing alleged false statements, visa fraud, or tax avoidance. Most disturbingly, many China Initiative prosecutions were based on scientists’ alleged failures to adequately disclose their work history or international collaborations—conduct that, just a few years earlier, would have been addressed through civil or administrative processes. Under the China Initiative, these failures-to-disclose formed the basis for extraordinarily harsh criminal charges and penalties.

As part of this effort, high-ranking officials cast broad suspicion on scientists, technologists, and academics of Chinese heritage, encouraging FBI agents and prosecutors around the country to find and bring China Initiative cases. For example, FBI Director Christopher Wray described the “China threat” as “not just a whole of government threat, but a whole of society threat,” requiring “**a whole of society response**.” Agents and prosecutors heeded the call, subjecting individuals with academic or other scientific ties to China to disproportionate scrutiny and novel prosecution theories.

Unsurprisingly, many of the government’s prosecutions of scientists of Asian descent turned out to be irretrievably flawed. The **list of failed cases is long**. It includes [Gang Chen](#), a decorated professor of mechanical engineering at MIT who was wrongly accused of failing to disclose Chinese academic affiliations in grant applications; Anming Hu, a scientist at the University of Tennessee, Knoxville, falsely accused by the FBI of having ties to the Chinese military and placed on the No Fly List; Feng Tao, a professor of chemical engineering at the University of Kansas who was acquitted of baseless charges of wire fraud and giving false statements; and Chen Song, a Stanford neurologist who was wrongly accused of visa fraud with four other scientists. That is just the start.

DOJ’s framing and focus on the “China threat”—as opposed to discrete evidence of wrongdoing—encouraged agents and prosecutors to look for people and alleged crimes that ‘fit’ the initiative. Discriminatory profiling like this produces weak cases because it is especially prone to confirmation bias. Investigators interpret findings to support a belief or suspicion, rather than examining the evidence objectively for flaws or alternative explanations.

As Republicans in Congress seek to reinstate the China Initiative, the DOJ would be wise to resist. Far better is to focus FBI agents and prosecutors on specific types of serious misconduct—whatever its origin—and to follow the evidence (see the Hung memo in this report). If economic espionage and theft of trade secrets are urgent priorities, the focus must be on investigating those specific offenses based on credible information—not on broadly scrutinizing scientists with connections to China in search of something to charge.

Further reforms would also help guard against bias and its effects. DOJ must overhaul other long-standing policies that permit racial, ethnic, and national origin profiling in the name of national security. That means closing the loopholes and gaps in DOJ guidance, and it means tightening the FBI rules that allow agents to open and pursue investigations without evidence of wrongdoing.

## **DISCRIMINATORY LAND LAWS**


At the state level, politicians have also sought to capitalize on increased tensions by proposing anti-China measures. These efforts—and the xenophobic rhetoric surrounding them—have profound consequences for Chinese and other Asian communities in the United States. Florida Governor Ron DeSantis, for example, has pushed several laws to “crack down on Communist China.” These include severe restrictions on the ability of Chinese immigrants to buy homes in the state.

Florida is not alone. Over the past two years, more than a dozen states have enacted laws limiting the ability of “foreign adversaries” to acquire real property, with a particular focus on people and businesses connected to China. With Republicans now in control of Congress, similar proposals may gain new traction in Washington.


This new wave of discriminatory land laws harks back to a previous racist chapter of American history. In the 19th and early 20th centuries, many states enacted similar “alien land laws,” largely to prohibit Chinese and Japanese immigrants from acquiring land, gaining an economic foothold in the United States, and becoming full members of American society. Over the 20th century, nearly all of these laws were repealed or struck down by courts.

The claim that such laws are once again necessary fails for two key reasons.

First, many of the new state land laws prohibit the purchase of ordinary homes. Indiana, for example, prohibits any Chinese citizen who is not a U.S. lawful permanent resident from purchasing a home within ten miles of a “military installation,” which is defined to encompass Indiana National Guard armories. There are 64 of these armories across the state, in nearly every major urban area—putting large swaths of the state off-limits to Chinese



The federal government already has a process for reviewing real estate transactions that may impact national security.



immigrants. Other new state laws are similarly restrictive. But there is no evidence that homeownership by Chinese people in the United States harms national security. Like the earlier generation of discriminatory laws, these sweeping measures serve only to stigmatize immigrant communities seeking better lives for themselves and their families.

Second, the federal government already has a process for reviewing real estate transactions that may impact national security. Congress has vested the Committee on Foreign Investment in the United States (CFIUS) with broad jurisdiction to evaluate real estate transactions near military installations, to impose mitigation measures, and to refer problematic transactions to the President for prohibition. This gives the federal government the flexibility to address genuine national security threats on a case-by-case basis, and to account for the foreign affairs implications of prohibiting any one transaction.

This nuanced federal scheme conflicts with categorical state prohibitions. The state-level laws provide no opportunity for case-by-case review or mitigation measures, and they risk creating substantial foreign policy complications.

### MOVING FORWARD

The United States must adopt targeted, evidence-based approaches to national security that address actual threats without undermining the fundamental rights of Asian Americans and immigrants. The Trump administration and the new Congress should refuse to resurrect the China Initiative and reject legislative proposals that restrict the ability of ordinary immigrants to lease land or buy homes.

Crucially, the federal government should reform policies that invite racial profiling in the national security context, and aggressively challenge state laws that conflict with federal regulation, infringe on the President's foreign affairs powers, and unconstitutionally discriminate against people. By rejecting overbroad and biased laws and policies, the United States can both ensure its security and uphold its commitment to equal justice under the law.

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**Patrick Toomey** is the deputy director of the American Civil Liberties Union’s National Security Project, where he works on privacy and surveillance, racial and ethnic discrimination, and the use of novel technologies like artificial intelligence. Toomey has represented Asian American scientists wrongly prosecuted by the U.S. government, has challenged the new wave of “alien land laws,” and has supported efforts to strike down government bans on apps like WeChat and TikTok.

# Scientists Are Mired in China-U.S. Tensions

**Chinese American researchers and educators must balance transparency and compliance with advocacy and awareness.**

Chinese American researchers and educators must continue to grapple with three complex challenges as a second Trump administration begins.

The first is the sharp deterioration of U.S.-China relations. The second, related challenge is that linguistic and family connections to China, considered an asset until around a decade ago, have come to be seen as a massive liability. The third challenge is Chinese Americans' relative lack of political capital, arising from different approaches to communication and airing grievances.



During the 1990s and up to the first Trump administration, American academic institutions eagerly sought out Chinese American faculty.

### ASSET OR LIABILITY?

Historically, Chinese Americans' dual cultural competence allowed them to serve as intermediaries in scientific, economic, and academic collaborations between China and the United States. During the 1990s and up to the first Trump administration, American academic institutions eagerly sought out Chinese American faculty to create and manage collaborations with their peers in China.

Many U.S. universities established physical presences in China—including Harvard, Stanford, the University of Chicago, and NYU. Others formed collaboration agreements with Chinese universities, including MIT, the University of Michigan, and the University of California.

Beginning in 2018, these alliances have met with suspicion, amid rising geopolitical tensions between the two nations. As the U.S. government has implemented stringent policies to counter perceived threats of intellectual property theft and espionage, Chinese American researchers and professionals have faced increased scrutiny (see also the [Gorski & Toomey](#) memo elsewhere in this report).

The China Initiative, launched by the Department of Justice in 2018, exemplifies this shift. By 2021, at least 77 individuals had been charged, according to a [report by MIT Technology Review](#), of which about 88% were of Chinese heritage.

Notable examples of the devastating impact of the China Initiative include the cases of Professors Anming Hu, Franklin Tao, and Gang Chen (see the [Kusakawa](#) memo elsewhere in this report for more details). Hu, an engineer at the University of Tennessee, was charged with, and then acquitted of, wire fraud and lying about his affiliation with a Chinese university. Tao, a chemist at the University of Kansas, had convictions (of wire fraud and false statements) overturned for lack of evidence. Chen, a mechanical engineer at MIT, was arrested on allegations of failing to disclose connections to China—charges that were dropped a year later.

These researchers, and many others, had their lives and careers derailed. They were scrutinized as potential national security risks simply due to their normal activities undertaken in China during the era of broad engagements between the two countries. The collateral damage has been profound, as revealed by a study conducted by the Asian American Scholar Forum (AASF) in 2022. Called [Caught in the Crossfire: Fears of Chinese-American Scientists](#), it provides crucial insights.

The survey of 1,949 Chinese American scientists and researchers across the United States found widespread stress and anxiety. Almost three quarters said they feared being surveilled by the U.S. government; nearly two thirds said they were afraid of being falsely accused of spying. Many—42%—of the China-born scientists polled said they were considering leaving the United States. More than one third of all who replied (38%) were thinking about leaving academia or changing professions altogether. This climate of fear has impacted science itself: 45% of respondents had reduced their collaborations with scientists based in China; 40% had reduced their participation in federally funded projects.

The China Initiative officially ended in 2022. Its profound effects on collaboration and talent retention are still being felt, presenting significant challenges to the U.S. research ecosystem and its global competitiveness.

### **LEGITIMATE CONCERNS**

The situation for scholars is complicated by the fact that the People's Republic of China (PRC) does pose legitimate national security concerns. Among Chinese American academics, there has not been sufficient understanding or explicit acknowledgment of this complex facet of U.S.-China relations (see the [Hung](#) memo elsewhere in this report).

Take China's military-civil fusion (MCF) strategy. It blurs the lines between civilian research and military development. Under the MCF policy, officially adopted by the Chinese government in 2015, scientific and technological advances in civilian sectors are quickly repurposed for military use. This creates serious concerns about how even benign research collaborations could be leveraged to bolster China's military capabilities. According to a [2020 report](#) by the U.S. Department of State, this strategy covers areas such as artificial intelligence, autonomous systems, advanced computing, quantum technologies, and biotechnology. A nuanced strategy to counter this is required.

Similarly, there are national security concerns over the PRC's Thousand Talents Program (TTP), launched in 2008. Many countries have their own programs for attracting academics and entrepreneurs; few have an explicit MCF strategy. The TTP had recruited over [7,000 high-level overseas professionals](#) as of 2018, raising real questions about the effect of the TTP on future military capabilities.

### **ASSERTIVENESS GAP**

These increasing tensions place a growing burden on the political advocacy and communication skills of the Chinese American community. Jackson Lu, an assistant professor at MIT, has conducted research indicating that Chinese Americans may tend to [use indirect communication styles](#), which can be misinterpreted as evasiveness or passivity in the American context. Lu and his colleagues suggested in their 2020 article that East Asians were less likely to be promoted to leadership positions, in part due to being perceived as less assertive compared to their Western counterparts.

Contributing to these broad-brush differences are cultural norms that emphasize humility, conflict avoidance, and respect for authority. As a result, Chinese Americans can struggle to advocate for their rights, particularly in instances of discrimination or unjust scrutiny.

Another reason for the communications breakdown can be the upbringing in China that many first-generation Chinese Americans experienced. Autocracies like the PRC often do not emphasize or develop public communication skills in their citizens. In authoritarian regimes, conformity and obedience are valued over individual expression and dissent. This distinct experience can make it difficult for some first-generation Chinese Americans to assert their rights within a democratic society that prizes open dialogue and debate.

As Nobel laureate Amartya Sen explains, writing of “discussion democracies” in his book *The Argumentative Indian*, public discourse is fundamental to democratic processes. Here, the ability to engage in debate and articulate viewpoints enables the representation of interests and the protection of rights. However, many Chinese Americans, shaped by cultural norms that discourage open confrontation, have not honed the skills to actively participate.

### **A PATH FORWARD**

To address these challenges, the community of Chinese American researchers and educators must balance transparency and compliance with advocacy and awareness. It is not easy to articulate a clear and convincing strategy to counteract national security risks while protecting civil rights, but three things can help.

Researchers need to be up-front about their affiliations and collaborations with foreign institutions, and adhere fully to U.S. regulations. In the current climate, maintaining clear records and understanding the boundaries of international ties is essential. Such transparency will build trust, and it will help researchers avoid inadvertent legal or ethical violations. Researchers should also demand that the U.S. government be transparent about its own policy, process, and deliberations regarding disclosure, conflicts of interest, and many other related issues.

In addition, scholars need to develop greater awareness of the potential dual-use implications of research and the national security strategies of the PRC. Academics and professionals should be educated on the military-civil fusion policy and other ways in which seemingly innocuous collaborations could have unintended consequences.

Finally, Chinese American researchers must invest in developing political networks, communication skills, and advocacy strategies that enable them to effectively navigate the democratic landscape (see the [Chen](#) memo elsewhere in this report). By actively engaging in policy discussions, forming alliances with other communities, and openly addressing issues of discrimination and profiling, the community can better advocate for its rights and interests.

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### **FURTHER READING**

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# Case Studies of Asian Americans Accused of Espionage

**Criminalizing ordinary academic activities under the guise of national security concerns has a chilling effect on scholarship and innovation.**

National security concerns have increasingly been weaponized against Asian Americans over the past decade, as has happened many times since the late 1900s. A particular low was the China Initiative that operated between 2018 and 2022.

It was launched by the Department of Justice under the first Trump administration, notionally to address economic espionage and intellectual property theft attributed to the Chinese government. It resulted in a new wave of racial profiling that called into question the loyalty of Asian American scholars, particularly individuals of Chinese descent.

Demands for the second Trump administration to revive the initiative are alarming. It did little but criminalize ordinary academic activities—as evidenced by three failed recent legal cases against researchers reviewed here (see also the Gorski & Toomey memo elsewhere in this report). The initiative fostered a climate of fear and suspicion that did grave harm to individuals, wasted resources in law enforcement, and damaged science and higher education in the United States (see also the Huang memo elsewhere in this report).

## CASE STUDIES

Without concrete evidence, the U.S. government was able to derail each of these scholars' careers and label them as spies.

In 2021, Gang Chen, a professor at MIT, was charged with wire fraud and failure to report a foreign bank account—not espionage. But U.S. Attorney **Andrew Lelling claimed** Chen was involved in efforts to promote China's scientific development. These allegations were absent from the criminal complaint. Chen sought sanctions against Lelling, noting that public statements speculating about his mindset were inappropriate. The court denied these.

On January 20, 2022, the **prosecution dropped all charges**. By then, Chen had been placed on paid leave and barred from campus. He has since returned to his lab. However, after the ordeal he describes as a “living hell,” he feels uncertain about applying for U.S. government research funding again.

Another professor, Xiaoxing Xi at Temple University, faced similar accusations of being a “technological spy.” In May 2015, the FBI raided his home, detaining his family and interrogating him about a publicly known device called a “pocket heater.” **The government alleged** that Professor Xi violated an agreement by sharing information about the heater with colleagues in China. Xi was indicted on four counts of wire fraud. The indictment alleged that **Xi exploited the device** “for the benefit of third parties in China...in an effort to help Chinese entities become world leaders in the field of superconductivity.”

In this case, the government relied on the Foreign Intelligence Surveillance Act (FISA) to conduct warrantless investigations against an American citizen. Despite the lack of evidence supporting the claims, the case persisted under the overarching narrative of espionage. Ultimately, the **charges against Xi were dismissed**, but not before significant emotional and professional damage had been inflicted.

Anming Hu, an associate professor at the University of Tennessee, became the first scholar to face trial under the China Initiative. In February 2020, Hu was arrested on charges of wire fraud and making false statements related to allegations that he concealed his affiliation with a Chinese university while applying for a NASA grant. Although the charges were unrelated to espionage, he was painted as a national security threat and a spy.

The investigation began after the FBI noted Hu's alleged participation in China's Thousand Talents Program, a recruitment initiative aimed at attracting overseas scholars and entrepreneurs. In July 2021, after a mistrial, the court **dismissed all counts against Hu**, concluding that no rational jury could find he intended to defraud NASA.

All three cases illustrate a persistent pattern of casting suspicion on Asian Americans in academia simply because of their heritage, and using espionage as an underlying rationale, without levying the actual charge. This increased scrutiny and unwarranted targeting was one of the troubling trends that led to the founding of the **Asian American Scholar Forum (AASF)** in 2021.



It is essential that the United States attracts international talent and collaborations to maintain its leadership in science.

### CHILLING EFFECT

This hostile environment has had a chilling effect on the Asian American academic community. A **survey of over 1,300 faculty members** found that while 89% wish to contribute to U.S. science and technology, 72% feel unsafe, and 42% fear conducting research here. Additionally, 61% feel pressured to leave the United States, particularly junior faculty and federal grant recipients. Due to these fears, nearly half—45%—plan to avoid federal grant applications, especially in engineering and computing.

The climate of fear has led to a notable increase in scientists returning to China. This is a loss for American society. As highlighted in a **recent report** by the National Academies of Sciences, Engineering, and Medicine, it is essential that the United States attracts international talent and collaborations to maintain its leadership in science and technology.

While there are legitimate national security concerns related to U.S.-China relations (see also the **Hung** memo elsewhere in this report), scapegoating Asian Americans is a cheap political ploy. It undermines collaboration and innovation in academia. And it undermines the core values of the United States without making anyone safer.

### FURTHER READING

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Today, SAIS carries on this tradition. Johns Hopkins SAIS alumni number more than 24,000 graduates, a network of professionals working across the globe. From private-sector executives to entrepreneurs, leaders of nongovernmental organizations to ambassadors, and international media correspondents to energy consultants, SAIS alumni are defined by their innovative thinking, analytical approach, and policy expertise. They are leaders in their fields, life-long students committed to the betterment of the world.

## **INSTITUTE FOR AMERICA, CHINA, AND THE FUTURE OF GLOBAL AFFAIRS (ACF)**

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