



Indian Council  
of World Affairs

# US-CHINA STRATEGIC CONTESTATION

## *Aspects and Prospects*

*Three Essays*

ARUN K. SINGH  
SRIKANTH KONDAPALLI  
CHINTAMANI MAHAPATRA

Indian Council of World Affairs  
Sapru House, New Delhi

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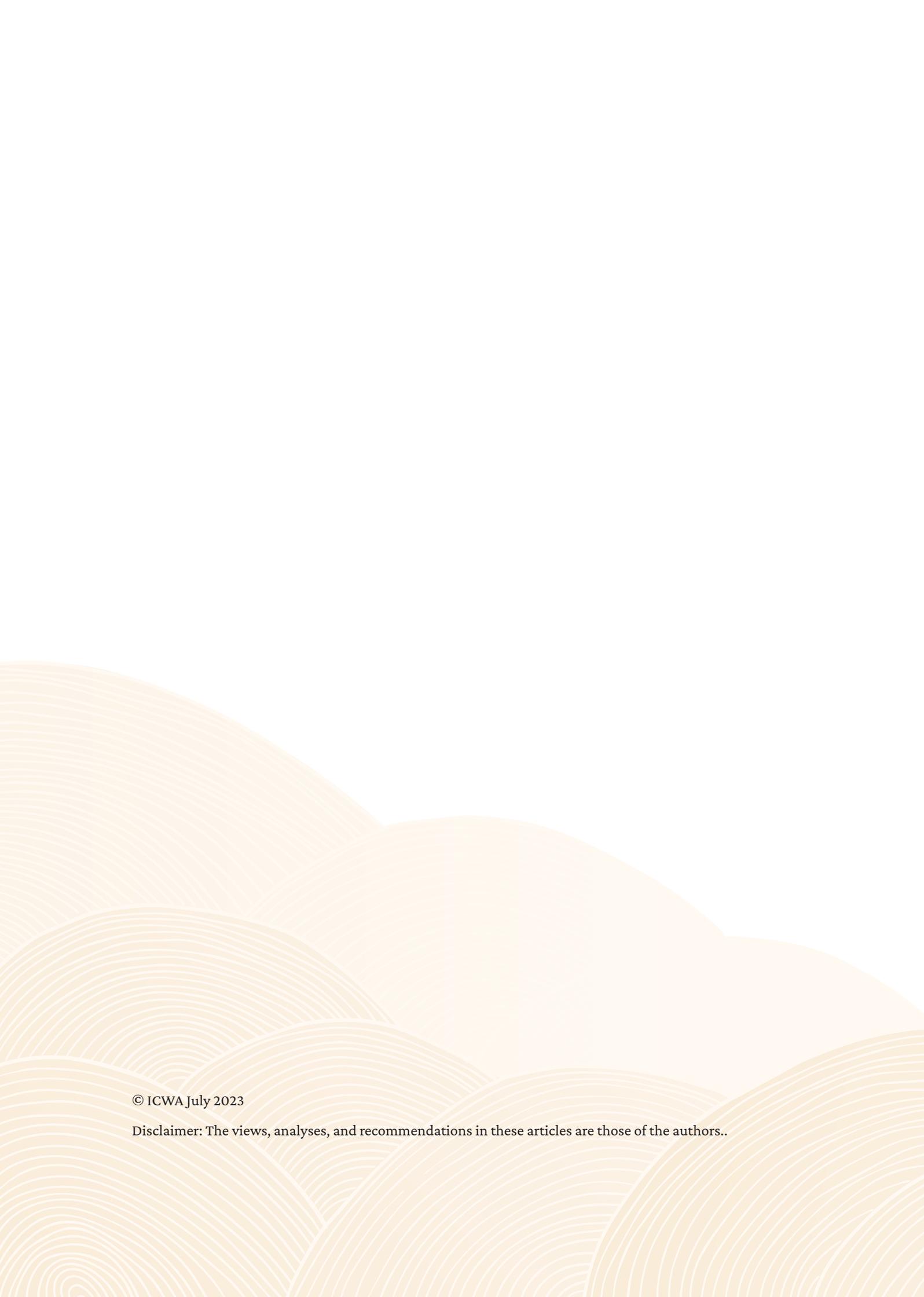
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# FOREWORD

The US and China have entered a period of intensified economic, political, technological and military contestation. Their relationship is now being termed as ‘strategic contestation’ which is being played out in different geographies as well as at the global scale. This will have a profound bearing on the emerging world order. In this context, it becomes important to understand and analyse the various aspects of the US-China relationship as well as its impact both at the regional and global level.

In this ICWA Special Publication, distinguished Indian experts examine the factors and the reasons for the US-China strategic contestation and its consequences. The first essay written by Amb. Arun K. Singh, India’s former Ambassador to the US, examines the evolution of the US strategy towards China arguing that the US policy on China remains a work in progress through successive Obama, Trump and Biden Administrations, though the long-term trend is that of intensifying rivalry. It also explores US relations with its Indo-Pacific allies and partners in the background of the US-China dynamics. The second essay by Prof. Srikanth Kondapalli analyses the areas of contestation between the two countries and examines the subject in its historical and contemporary context. He argues that the outcome of such intensive contestation is expected to be reflected on the balance of power, power transition and in the emerging world order with implications for several countries, including India. The third paper by Prof. Chintamani Mahapatra argues that both US and China will adopt a subtle and sophisticated mutual containment strategy which will complicate the international landscape and put other countries in a complex situation of making difficult choices. He describes the Ukraine conflict as a turning point in US perception of contemporary China; Taiwan as a flash point; and soft power as an area of subtle clash between the two countries.

ICWA hopes that this Special Publication will be useful for scholars, practitioners, and policy makers who wish to understand the dynamics of the US-China strategic contestation and its far-reaching implications.

**Amb Vijay Thakur Singh**

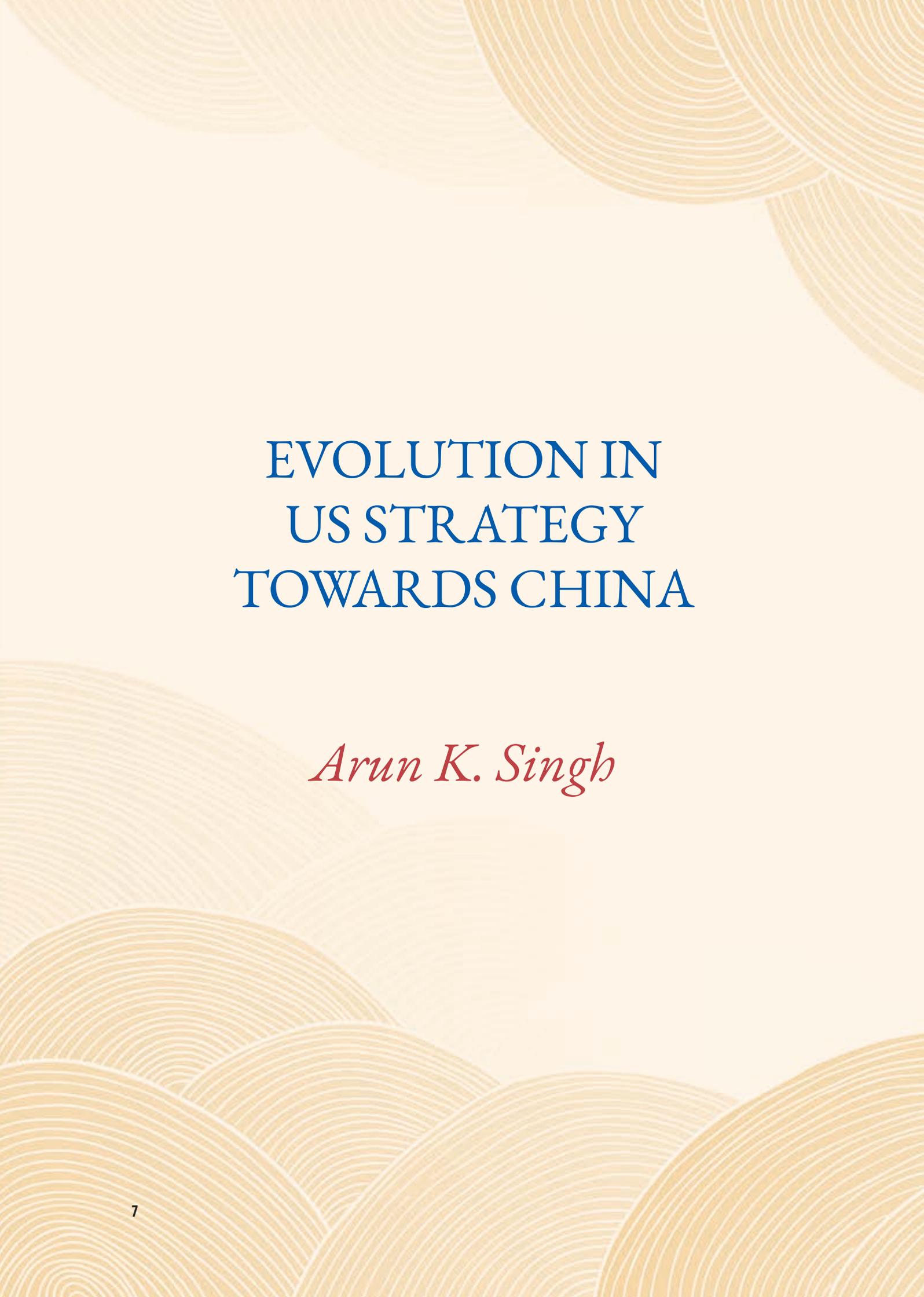
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EVOLUTION IN  
US STRATEGY  
TOWARDS CHINA

*Arun K. Singh*

US and China have now, for some time, been engaged in an intense economic, technological, diplomatic, and security contestation. Beijing's growing unilateral and assertive behaviour, especially in its neighbourhood, and the broader Indo-Pacific region, and its growing influence elsewhere, including in Europe, pose challenges to US assessments of its own continued global leadership and credibility.

US responses to the intensifying Chinese challenges have, however, often been marked by hesitation, diffidence, reversals, even as the arc of the relationship has inevitably veered towards rivalry. US initial strategy towards China, since the opening in 1971 and establishment of diplomatic relations in 1979, was aimed at deepening "engagement" in the expectation that this would lead to economic and political liberalization in China. US policymakers and analysts now repeatedly declare that this strategy and expectation failed. China under President Xi is seen as increasingly authoritarian, and economic policies as intensifying State and CCP

control, to the disadvantage of US and Western companies.

The first shoots of worries, related to China, appeared during the George W. Bush administration. During the 2000 Presidential race, George W Bush criticized Bill Clinton for having called China a 'strategic partner' and instead called it a 'strategic competitor', though the tone changed somewhat as the US sought Chinese support in the wake of the 2001 September 11 attacks, its plans in the run up to the invasion of Iraq in 2003, and to deal with the North Korea nuclear issue.<sup>1</sup>The Civil Nuclear Cooperation agreement with India, signed in 2008, was one indicator of the responses sought to be orchestrated to deal with the emerging longer term China challenge.

The subsequent Obama, Trump and Biden administrations have struggled with the right mix of coercive measures or incentivization, which would find as broad support as possible amidst divergent interests within the US business community, and gaps in economic, political or security compulsions of US allies and partners.

**Beijing's growing unilateral and assertive behaviour, especially in its neighbourhood, and the broader Indo-Pacific region, and its growing influence elsewhere, including in Europe, pose challenges to US assessments of its own continued global leadership and credibility.**

1 Economy, Elizabeth. Changing Course on China. *Current History*, 09, 2003. 243. Accessed May 6, 2023. <https://ceip.idm.oclc.org/login?url=https://www.proquest.com/magazines/changing-course-on-china/docview/200751097/se-2>

By 2010, China had surpassed Japan to become the second-largest economy in the world. This was seen as opportunity but also aroused some anxiety in US.

## ■ PROGRESSIVE HARDENING OF US STANCE TOWARDS CHINA IN THE OBAMA, TRUMP, AND BIDEN ADMINISTRATIONS

### BARACK OBAMA: 2009- 2017

The Obama Administration initially spoke of “strategic reassurance” to China, indicating that it was ready to accommodate China’s rise in a cooperative framework. However, subsequently it shifted to articulation of “pivot” or “rebalance” to Asia, as a signal that it was determining it necessary to shift resources and rebuild with allies and partners to respond to the intensifying China challenge.

Obama was elected President in 2008 when the financial crisis had hit the world economy, and his Administration initially prioritized US- China relations. By 2010, China had surpassed Japan to become the second-largest economy in the world.<sup>2</sup> This was seen as opportunity

but also aroused some anxiety in US.

It was becoming clear that while the two countries had areas of cooperation, they were also potential rivals. Obama visited Beijing in November 2009, becoming the first US President to do so in the first year of office. In the joint statement released after the meeting, Obama said, “the United States welcomes China’s efforts in playing a greater role on the world stage—a role in which a growing economy is joined by growing responsibilities.”<sup>3</sup> Mentioning South Asia, the joint statement called for cooperation between the US and China to bring about “more stable, peaceful relations in all of South Asia”. This reference generated a negative reaction in India, evoking memories of a similar declared intent, after India’s nuclear tests in 1998, when India- US relations were at a much lower threshold. The Administration, when approached, claimed that it was inadvertent, slipped in by the Chinese at a late stage in the negotiations, and that they would be careful not to permit

2 Barboza, David. 2010. “China Passes Japan as Second-Largest Economy.” The New York Times. Accessed March 24, 2023. <https://www.nytimes.com/2010/08/16/business/global/16yuan.html>.

3 The White House, Office of Press Secretary. 2009. Joint Press Statement by President Obama and President Hu of China. 17 November. Accessed March 08, 2023. <https://obamawhitehouse.archives.gov/the-press-office/joint-press-statement-president-obama-and-president-hu-china> “Remarks by President Obama at APEC CEO Summit,” White House, Office of the Press Secretary, November 10, 2014, <https://obamawhitehouse.archives.gov/the-press-office/2014/11/10/remarks-president-obama-apec-ceo-summit> “Press Conference with President Obama and President Hu of the People’s Republic of China,” White House, Office of the Press Secretary, January 19, 2011, <https://obamawhitehouse.archives.gov/the-press-office/2011/01/19/press-conference-president-obama-and-president-hu-peoples-republic-china>

any repeat in the future. Whatever be the validity of the explanation, no such reference to working together in South Asia has since appeared in a US- China joint statement.

Obama repeatedly expressed that the United States welcomed the “rise of China” that is peaceful, stable, prosperous, and a responsible player in global affairs.<sup>4</sup> The first National Security Strategy (NSS) released by the Obama administration in May 2010 mentioned China, along with India and Russia, as “21st-century centres of influence”.<sup>5</sup> The subsequent NSS released in 2015 states, “the United States welcomes the rise of a stable, peaceful, and prosperous China. We seek to develop a constructive relationship with China that delivers benefits for our two peoples and promotes security and prosperity in Asia and around the world.”<sup>6</sup>

Speaking at New York’s Asia Society on 13 February 2009, the Secretary of State Hillary Clinton, said, “...some believe that China on the rise is, by definition,

an adversary. To the contrary, we believe that the United States and China can benefit from and contribute to each other’s successes. It is in our interest to work harder to build on areas of common concern and shared opportunities.”<sup>7</sup>

Clinton, who had once openly criticized China’s human rights record in a 1995 speech in Beijing, on her first trip to the Chinese capital on February 2009 said she aimed to cultivate a constructive relationship with the Chinese leadership and that discussions about human rights shouldn’t interfere with other issues on the US-China agenda.<sup>8</sup> She was the first Secretary of State since the 1960s to make Asia her maiden destination.

However, in an article for Foreign Policy in October 2011, Hillary Clinton articulated the Obama Administration’s renewed focus on Asia-Pacific, to respond to Chinese political and economic ingress.<sup>9</sup> She argued, “As the war in Iraq winds down and America begins to withdraw its forces from Afghanistan, the United States stands at a pivot point...One of the most

4 The White House, Office of Press Secretary. 2015. Remarks by President Obama and President Xi of the People's Republic of China in a Joint Press Conference. 25 September. Accessed March 09, 2023. <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/remarks-president-obama-and-president-xi-peoples-republic-china-joint>

5 2010. “National Security Strategy 2010.” Obama White House Archives. Accessed March 24, 2023. [https://obamawhitehouse.archives.gov/sites/default/files/rss\\_viewer/national\\_security\\_strategy.pdf](https://obamawhitehouse.archives.gov/sites/default/files/rss_viewer/national_security_strategy.pdf).

6 “Fact Sheet: The 2015 National Security Strategy”, White House, Office of the Press Secretary, February 6, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/02/06/fact-sheet-2015-national-security-strategy>

7 2009. “U.S.-Asia Relations: Indispensable to Our Future.” U.S. Department of State 2009. Accessed March 24, 2023. <https://2009-2017.state.gov/secretary/20092013clinton/rm/2009a/02/117333.htm>.

8 Branigan, Tania. 2009. “Clinton seeks consensus with China on tackling global economic woes.” The Guardian. Accessed March 24, 2023. <https://www.theguardian.com/world/2009/feb/21/hillary-clinton-china-economy-human-rights>.

9 Clinton, Hillary. 2011. “America’s Pacific Century.” Foreign Policy. Accessed March 09, 2023. <https://foreignpolicy.com/2011/10/11/americas-pacific-century/>.

Expanding engagement with Asia became a priority for US policymakers since the Obama Administration announced its “rebalance” to the region in the 2012 Defence Strategic Guidance. US pivot to Asia or rebalance to Asia, thus, became the centrepiece of Obama’s Presidency in its second phase.

important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region.”

She reiterated the same approach in her speech in East-West Centre, Honolulu in November 2011, where she said, “the 21st century will be America’s Pacific century, a period of unprecedented outreach and partnership in this dynamic, complex, and consequential region.”<sup>10</sup>

Expanding engagement with Asia became a priority for US policymakers since the Obama Administration announced its “rebalance” to the region in the 2012 Defence Strategic Guidance.<sup>11</sup> US pivot to Asia or rebalance to Asia, thus, became the centrepiece of Obama’s Presidency in its second phase. The Administration’s rebalance approach was articulated during Obama’s trip to Asia in November 2015 as “President Obama’s ninth trip

to Asia and the Pacific in November 2015 reflects the growing importance of the region to US national interests and the Administration’s commitment to advancing our broader regional strategy, known as the Rebalance.”<sup>12</sup>

During her visit to India in July 2011, Clinton delivered a speech in Chennai talking about India’s role in Asia-Pacific. Voicing support for India’s Look East policy, she said that “India’s leadership will help to shape positively the future of the Asia-Pacific”. Her remark: “India straddling the waters from the Indian to the Pacific Ocean is, with us, a steward of these waterways,” revealed that the Obama administration considered India an important partner in the region.

Nevertheless, efforts to show accommodation for China’s aspirations continued. On 8 June 2013, in a meeting between Obama and Xi Jinping at Sunnylands, California, the latter called for “new type of great power relations”

10 2011. “America’s Pacific Century.” U.S. Department of State (U.S. Department of State). Accessed March 24, 2023. <https://2009-2017.state.gov/secretary/20092013clinton/rm/2011/11/176999.htm>.

11 2012. “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense.” Department of Defense. Accessed March 26, 2023. [https://www.globalsecurity.org/military/library/policy/dod/defense\\_guidance-201201.pdf](https://www.globalsecurity.org/military/library/policy/dod/defense_guidance-201201.pdf).

12 2015. “FACT SHEET: Advancing the Rebalance to Asia and the Pacific.” The White House. Accessed May 08, 2023. <https://obamawhitehouse.archives.gov/the-press-office/2015/11/16/fact-sheet-advancing-rebalance-asia-and-pacific>.

As the Obama Administration gradually, but not consistently, shifted from “strategic reassurance” to “pivot” or “rebalance”, even this could not be done with any effectiveness or in a perceptible manner, because US preoccupations in West Asia continued, and Russia’s actions related to Ukraine/ Crimea in 2014 brought focus back to European security issues.

between the US and China<sup>13</sup>, reflecting China’s growing ambitions and how the country viewed itself in the world order. The Obama Administration did not specifically oppose this formulation. In fact, in a speech in November 2013, titled “America’s Future in Asia,” National Security Advisor Susan E. Rice said, “when it comes to China, we seek to operationalize a new model of major power relations.”<sup>14</sup> The joint statement, released after Obama and Xi’s meeting in Beijing in November 2014, quotes Xi Jinping as saying, “We agreed to continue to advance the development of a new model of major-country relations between China and the United States.”<sup>15</sup> Obama did not oppose the formulation of a “new model” by Xi Jinping and said that “a strong, cooperative relationship with China is at the heart of our pivot to Asia.” The Administration also did not respond with any effectiveness to

Chinese militarization of some features in South China Sea in 2015, ignoring sovereignty claims of several South East Asian nations.

As the Obama Administration gradually, but not consistently, shifted from “strategic reassurance” to “pivot” or “rebalance”, even this could not be done with any effectiveness or in a perceptible manner, because US preoccupations in West Asia continued, and Russia’s actions related to Ukraine/ Crimea in 2014 brought focus back to European security issues.

### **DONALD TRUMP: 2017- 2021**

The tone changed during the Trump campaign for Presidency in 2016, and in several phases of his Administration. He anticipated, as his core support base, the US “middle class”, negatively

13 2013. “Chinese FM calls for active, comprehensive efforts to build new type of great power relations between China, U.S.” Embassy of People’s Republic of China in the United States of America. Accessed March 25, 2023. [http://us.china-embassy.gov.cn/eng/zmgxss/201307/t20130702\\_4368671.htm](http://us.china-embassy.gov.cn/eng/zmgxss/201307/t20130702_4368671.htm).

14 2013. “Remarks As Prepared for Delivery by National Security Advisor Susan E. Rice.” The White House, Office of the Press Secretary. Accessed March 25, 2023. <https://obamawhitehouse.archives.gov/the-press-office/2013/11/21/remarks-prepared-delivery-national-security-advisor-susan-e-rice>.

15 2014. “Remarks by President Obama and President Xi Jinping in Joint Press Conference.” The White House, Office of the Press Secretary. Accessed March 25, 2023. <https://obamawhitehouse.archives.gov/the-press-office/2014/11/12/remarks-president-obama-and-president-xi-jinping-joint-press-conference>.

The Trump Administration's National Security Strategy, released in 2017, said: "for decades, US policy was rooted in the belief that support for China's rise and its integration into the post-war international order would liberalize China. Contrary to our hopes, China expanded its power at the expense of the sovereignty of others."

impacted by the siphoning of jobs and manufacturing to China by hitherto US pursuit of untrammelled globalization during the phase of its unipolar global domination since the dissolution of the Soviet Union in 1991. He blamed China for its unfair and predatory economic policies, accusing it of forced technology transfer, theft of intellectual property, currency manipulation, and generating trade imbalances with the US.<sup>16</sup>

The Trump Administration's National Security Strategy, released in 2017, said: "for decades, US policy was rooted in the belief that support for China's rise and its integration into the post-war international order would liberalize China. Contrary to our hopes, China expanded its power at the expense of the sovereignty of others." The Strategy labelled China as a "strategic competitor"<sup>17</sup>, and stated that "the United

States will no longer tolerate economic aggression or unfair trading practices."

The Trump Administration sought to shape its approach towards China in the "Indo-Pacific" region by adopting, what it called, a "whole-of-government" strategy<sup>18</sup>. The 2017 NSS described China (along with Russia) as a "revisionist" power that "seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model, and reorder the region in its favour." The 2018 National Defence Strategy stated that "China is a strategic competitor using predatory economics to intimidate its neighbours while militarizing features in the South China Sea."<sup>19</sup> Under Trump, the US Pacific Command changed its name to Indo-Pacific Command, and usage of the Asia-Pacific nomenclature was replaced by

16 Corasanti, Nick, Alexander Burns, and Binyamin Appelbaum. 2016. "Donald Trump Vows to Rip Up Trade Deals and Confront China." The New York Times. Accessed March 25, 2023. <https://www.nytimes.com/2016/06/29/us/politics/donald-trump-trade-speech.html>.

17 2017. "National Security Strategy." Trump White House Archives. Accessed March 08, 2023. <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

18 2020. "United States Strategic Approach to the People's Republic of China." Trump White House Archives. Accessed March 29, 2023. <https://trumpwhitehouse.archives.gov/wp-content/uploads/2020/05/U.S.-Strategic-Approach-to-The-Peoples-Republic-of-China-Report-5.24v1.pdf>.

19 2018. "Summary of 2018 National Defense Strategy." U.S. Department of Defense. Accessed March 08, 2023. <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>

“Indo- Pacific”, in a move seen as aimed at orchestrating strategies and focus to counter China<sup>20</sup>, and also recognizing the value of the India partnership in the region. Over the last two years of the Presidency, a series of high-ranking officials, including the Vice President, Secretary of State, Secretary of Defence, Secretary of Commerce, Directors of CIA and FBI made targeted high-profile speeches calling out China and the Chinese Communist Party.

The Trump administration also advocated for greater trade protectionism citing national security concerns. It undertook a wide range of actions against China, including raising tariffs, tightening of export controls, enhancing investment screening, targeting some leading Chinese technology companies, and showing concerns related to China’s Belt and Road Initiative. Early into the presidency, in 2017, Commerce Secretary Wilbur Ross raised concerns about the US imbalance with China in the trade and technology sectors, warned of a “lopsided’ relationship<sup>21</sup>, and later at the

Milken Institute 2020 Asia Summit, he termed China “the principal military and economic threat” in the Asia-Pacific region<sup>22</sup>. Secretary of State Mike Pompeo, in a speech at the Richard Nixon Presidential Library and Museum in July 2020, said, “China ripped off our prized intellectual property and trade secrets, causing millions of (lost) jobs all across America”, and that, “...we’ve built out a new set of policies at the State Department dealing with China, pushing President Trump’s goals for fairness and reciprocity, to rewrite the imbalances that have grown over decades.”<sup>23</sup>

Obama had exercised caution while dealing with China, although some efforts were made to strengthen relations with countries in China’s periphery, without escalating tensions. The continued preoccupations of the US “war on terrorism” since 2001, legacy of its 2003 invasion of Iraq, and the 2008 economic crisis hindered the adoption of impactful responses to China as a strategic competitor. However, Trump’s domestic political strategies removed the Obama-era veneer of restraint, and many

20 Neuman, Scott. 2018. “In Military Name Change, U.S. Pacific Command Becomes U.S. Indo-Pacific Command.” NPR. Accessed March 29, 2023. <https://www.npr.org/sections/thetwo-way/2018/05/31/615722120/in-military-name-change-u-s-pacific-command-becomes-u-s-indo-pacific-command>.

21 Stevenson, Alexandra. 2017. “Wilbur Ross, Fresh From China Visit, Warns of ‘Lopsided’ Trade Relationship.” The New York Times. Accessed March 28, 2023. <https://www.nytimes.com/2017/09/27/business/wilbur-ross-china-trade.html>.

22 2020. “China a ‘principal military, economic threat’ in Asia, says US Commerce Secretary.” ANI News. Accessed March 28, 2023. <https://www.aninews.in/news/world/us/china-a-principal-military-economic-threat-in-asia-says-us-commerce-secretary20201208163612/>.

23 2020. “Secretary Michael R. Pompeo Remarks “Communist China and the Free World’s Future”.” U.S. Department of State, Office of the Spokesperson. Accessed March 28, 2023. <https://cl.usembassy.gov/secretary-michael-r-pompeo-remarks-communist-china-and-the-free-worlds-future/>.

in his Administration recognized China's strategic challenge.

Initially, when Trump came to power, there were some concerns that his Administration may diverge from the US "rebalance" to Asia. Within days of being sworn in, he withdrew from the Trans-Pacific Partnership<sup>24</sup>, which the Obama Administration had pursued as a way of consolidating a non-China economic grouping in the region. The Trump Administration, however, retained the relatively constant approach of previous Administrations towards "a free and open Indo-Pacific" in the 2019 Indo-Pacific Strategy<sup>25</sup>. It also brought in the Asia Reassurance Initiative Act (ARIA) on 31 December 2018<sup>26</sup>, making Southeast Asia, East Asia, and Oceania a focal point by authorizing US \$ 1.5 billion for project support.

Despite these, the Administration's record in the Indo-Pacific region remained mixed. In a June 2019 meeting with the Chinese President, during the G 20

summit in Osaka, he asked Xi to buy more farm produce in mid-West States, to help him win in the 2020 elections. Contrary to normal protocol, in January 2020, with great fanfare, he personally signed a Phase 1 trade deal with a Chinese Vice Premier, reducing tariffs on some Chinese imports with Chinese promises (not fulfilled subsequently) of "substantial additional purchases of US goods", and carrying out "structural reforms and other changes to China's economic and trade regime". The incongruity between Trump's "America First" policy<sup>27</sup>, his immediate political predilections and Administration's ambitions in the Indo-Pacific meant that the implementation of the strategy fell short.

### JOE BIDEN: 2021-

Biden inherited the policy of intensified periodic contestation with China from the previous Administration. He had to sustain it to try and tap into Trump's voting base, and also generate subsequent

**Trump's domestic political strategies removed the Obama-era veneer of restraint, and many in his Administration recognized China's strategic challenge.**

24 Glass, Andrew. 2019. "Trump scuttles Trans-Pacific trade pact, Jan. 23, 2017." Politico. Accessed March 09, 2023. <https://www.politico.com/story/2019/01/23/trans-pacific-trade-pact-2017-1116638>.

25 2019. "A Free And Open Indo-Pacific: Advancing a Shared Vision." U.S. Department of State. Accessed March 08, 2023. <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.

26 Thayer, Carl. 2020. "Asia Reassurance Initiative Act: Framework for a US Indo-Pacific Strategy?" The Diplomat. Accessed March 08, 2023. <https://thediplomat.com/2020/01/asia-reassurance-initiative-act-framework-for-a-us-indo-pacific-strategy/>.

27 2017. "President Donald J. Trump at the United Nations General Assembly: Outlining an America First Foreign Policy." Trump White House Archives. Accessed March 09, 2023. <https://trumpwhitehouse.archives.gov/briefings-statements/president-donald-j-trump-united-nations-general-assembly-outlining-america-first-foreign-policy/>

Biden's NSS clearly stated that "the PRC is the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it. Beijing has ambitions to create an enhanced sphere of influence in the Indo-Pacific and to become the world's leading power."

bipartisan support in US Congress to pass legislation to regenerate US domestic manufacturing, infrastructure and technological edge. Nonetheless, Biden has later tried to give a tinge of realignment to the approach towards China by including "competition" and "cooperation," while maintaining "communication" to provide guardrails<sup>28</sup>, and emphasizing the importance of cooperation with China in certain domains, such as climate change and health.

When Biden released his 2022 National Security Strategy in October<sup>29</sup>, the world was quite different compared to when Trump was in power. The Biden Administration had delayed the release of NSS in February 2022, citing the likelihood of a potential invasion of Ukraine by Russia<sup>30</sup>. The war in Ukraine meant that US global concerns

became two-pronged by having to simultaneously deal with the varying challenges from Russia and China, in the backdrop of growing economic and political cooperation between them. Despite the pressing and immediate challenge from Russia in Europe, Biden's NSS clearly stated that "the PRC is the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it. Beijing has ambitions to create an enhanced sphere of influence in the Indo-Pacific and to become the world's leading power." Biden Administration's Interim Strategy document, released earlier in March 2021, soon after Biden took office in January 2021, had used similar language to describe China<sup>31</sup>. The 2022 National Defence Strategy, released in October,

28 Dingli, Shen. 2021. "A Testy Opening Dialogue." China US Focus. Accessed March 08, 2023. <https://www.chinausfocus.com/foreign-policy/a-testy-opening-dialogue>.

29 2022. "Fact Sheet: The Biden-Harris Administration's National Security Strategy." White House. Accessed March 09, 2023. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/12/fact-sheet-the-biden-harris-administrations-national-security-strategy/>.

30 Toolsi, Nahal, Alexander Ward, and Quint Forgey. 2022. "Putin is delaying the National Security Strategy." Politico. Accessed March 09, 2023. <https://www.politico.com/newsletters/national-security-daily/2022/02/10/putin-delaying-national-security-strategy-00007916>.

31 2021. "Interim National Security Strategic Guidance." White House. Accessed March 09, 2023. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/03/interim-national-security-strategic-guidance/>.

## In the Biden Administration, there is renewed effort to nurture US alliances and partnerships in the Indo-Pacific.

prioritizes China as a “pacing challenge” and Russia as an “acute threat”.<sup>32</sup>

Biden’s Indo-Pacific Strategy, released in February 2022, asserts in its opening line that the Indo-Pacific is the most “consequential region for America’s future”.<sup>33</sup> In reference to China, the strategy states, “PRC’s coercion and aggression span the globe, but it is most acute in the Indo-Pacific” and that “collective efforts over the next decade will determine whether the PRC succeeds in transforming the rules and norms that have benefitted the Indo-Pacific and the world.”

The 2022 NSS and NDS also acknowledge the importance of building consensus and acting with allies and partners to counter China.

### ■ US RELATIONSHIP WITH ITS INDO-PACIFIC ALLIES/PARTNERS

Increasingly assertive Chinese nationalism, its military presence and activities near Taiwan, Japan, the

South China Sea, and India, along with US tensions with China on the trade, technology and military front, embody potential for a sharpening of the US-China rivalry.

US’s five treaty allies in the Indo-Pacific include Japan, Australia, South Korea, the Philippines, and Thailand. In the Biden Administration, there is renewed effort to nurture US alliances and partnerships in the Indo-Pacific.

### THAILAND

Bangkok’s 2014 coup and subsequent “democratic decline” posed challenges to exchanges with the US, while its growing economic and security convergence with Beijing deepened China-Thai relations. That Thailand does not have any territorial disputes with China and, consequently, does not treat China as a military threat has not gone unnoticed in the US. But Thailand values its longstanding alliance with the US since the relationship with the latter is useful when it seeks to limit its dependence on

32 Defense, U.S. Department of. 2022. “DOD Releases National Defense Strategy, Missile Defense, Nuclear Posture Reviews.” Accessed March 09, 2023. <https://www.defense.gov/News/News-Stories/Article/Article/3202438/dod-releases-national-defense-strategy-missile-defense-nuclear-posture-reviews/>.

33 2022. “Indo-Pacific Strategy.” The White House. Accessed February 10, 2023. <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

## While Washington views China as a primary challenge in Asia, Thailand does not.

Beijing<sup>34</sup>. Therefore, Thailand prefers close security ties with both countries<sup>35</sup>.

Secretary of State Antony Blinken visited in July 2022, a month after Defence Secretary Lloyd Austin stopped in Bangkok. Blinken signed a joint communique on a strategic alliance with his Thai counterpart<sup>36</sup>, while Austin sought to strengthen military ties between the nominal allies. However, it is crucial to remark that China does not find any mention either in the joint communique or in the official release of Austin's visit<sup>37</sup>. While Washington views China as a primary challenge in Asia, Thailand does not<sup>38</sup>.

### PHILIPPINES

The US-Philippines alliance in the Indo-Pacific has cooperated on counter-terrorism and responding to rising Chinese military pressure in the South

China Sea—where the Philippines has rival claims. Of the five US treaty allies in the Indo-Pacific, the Philippines is closest to Taiwan and, hence, is of great strategic interest to the US military.

Ties between the United States and the Philippines were soured under the previous President, Rodrigo Duterte, who made overtures toward China and was known for his anti-US rhetoric and threats to downgrade military ties<sup>39</sup>. Duterte dramatically shifted the country's foreign policy by seeking closer ties with China and distancing from the US during his six years in office. The new government under Ferdinand Marcos Jr., which came to power in 2022, has, however, indicated its desire to strengthen ties with the US.

In February 2023, the Philippines granted the United States greater access to its military bases amid mounting concern over China's intentions toward

34 Crispin, Shawn W. 2022. "China losing, US gaining crucial ground in Thailand." Asia Times. Accessed March 09, 2023. <https://asiatimes.com/2022/06/china-losing-us-gaining-crucial-ground-in-thailand/>.

35 Strangio, Sebastian. 2022. "Thai PM Meets US Defense Secretary in a Bid to Advance Security Ties." The Diplomat. Accessed March 09, 2023. <https://thediplomat.com/2022/06/thai-pm-meets-us-defense-secretary-in-a-bid-to-advance-security-ties/>.

36 2022. "United States-Thailand Communiqué on Strategic Alliance and Partnership." U.S. Department of State. Accessed March 09, 2023. <https://www.state.gov/united-states-thailand-communicue-on-strategic-alliance-and-partnership/>.

37 2022. "Readout of Secretary of Defense Lloyd J. Austin III Meeting With Thailand Prime Minister and Minister of Defence Prayut Chan-o-cha." U.S. Department of Defense. Accessed March 09, 2023. <https://www.defense.gov/News/Releases/Release/Article/3060226/readout-of-secretary-of-defense-lloyd-j-austin-iii-meeting-with-thailand-prime/#:~:text=Austin%20III%20traveled%20to%20Thailand,defense%20personnel%20working%20in%20Thailand.>

38 Abuza, Zachary. 2020. "America Should Be Realistic About Its Alliance With Thailand." War on Rocks. Accessed March 09, 2023. <https://warontherocks.com/2020/01/america-should-be-realistic-about-its-alliance-with-thailand/>

39 Grossman, Derek. 2021. "Duterte's Dalliance with China Is Over." The RAND Blog. Accessed March 09, 2023. <https://www.rand.org/blog/2021/11/dutertes-dalliance-with-china-is-over.html>.

## In February 2023, the Philippines granted the United States greater access to its military bases.

Taiwan and Beijing's extensive claims in the disputed South China Sea<sup>40</sup>. The US already has access to five sites. The expanded access will fill a crucial gap in US positioning in the region, say analysts, and enable it to better monitor Chinese activity in the South China Sea and near Taiwan.

On 29 April 2023, the Spokesperson of the US State Department, referring to recent "PRC harassment and intimidation of Philippine vessels" in South China Sea, reaffirmed "that an armed attack in the Pacific, which included the South China Sea, on Philippine armed forces, public vessels, or aircraft, including those of the Coast Guard, would invoke US mutual defence commitments".

### JAPAN

In the Indo-Pacific theatre, the US-Japan alliance is among the most critical. Japan's geostrategic location close to China, the Korean Peninsula, and Taiwan and its history of friendly relations with the US since WWII make it strategically

important in the region. Under the decades-old US-Japan security treaty, the United States pledges to defend Japan, which, in return, provides access to its military bases that Washington uses to project power deeper into Asia.

The Donald Trump Administration escalated the dispute over Japan's financial contributions to the alliance, publicly accusing Tokyo of not paying enough to house US troops<sup>41</sup>, but the Biden Administration has so far downplayed any such differences in the relationship. The steady redefinition of the US-Japan alliance gives Japan a legitimate cover to play a more active role in regional security. Over the past several years, Japan has remarkably increased its military capacity.

At the end of 2022, the Japanese government revised its National Security Strategy, National Defence Strategy, and DefenceBuildup Program, which redefined its defence strategy, indicating its progression toward a more activist approach<sup>42</sup>. The new National Security

40 Lema, Karen. 2023. "Philippines grants U.S. greater access to bases amid China concerns." Reuters. Accessed March 09, 2023. <https://www.reuters.com/world/philippines-grants-us-greater-access-bases-amid-china-concerns-2023-02-02/>.

41 Seligman, Lara, and Robbie Gramer. 2019. "Trump Asks Tokyo to Quadruple Payments for U.S. Troops in Japan." Foreign Policy. Accessed March 09, 2023. <https://foreignpolicy.com/2019/11/15/trump-asks-tokyo-quadruple-payments-us-troops-japan/>.

42 2022. "Japan's National Security Strategy." Ministry of Foreign Affairs of Japan. Accessed March 09, 2023. [https://www.mofa.go.jp/fp/nsp/page1we\\_000081.html](https://www.mofa.go.jp/fp/nsp/page1we_000081.html).

Strategy states that China poses an “unprecedented and the greatest strategic challenge” to Japan.

The three documents are projected to guide Japan’s military expansion. By approving the new strategies, Prime Minister Kishida Fumio has planned the most ambitious and rapid expansion of military power in Japan since the country’s Self-Defence Forces (SDF) were created in 1954. Japan adopts key security reforms, including a counter strike capability that makes a break from the country’s exclusively self-defence-only post-war principle. Besides, under the new strategies, Japan plans to start deploying long-range cruise missiles that can reach potential targets in China, nearly double its defence budget within five years to a NATO standard of about 2% of GDP from the current 1%, and improve cyberspace and intelligence capabilities. Responding to Japan’s New National Security Strategy, US National Security Advisor Jake Sullivan delivered a statement congratulating Japan on taking a bold and historic step<sup>43</sup>. The statement

highlighted how Japan’s objectives to increase defence investments significantly would strengthen and modernize the US-Japan alliance.

Soon after assuming office, President Biden and Japanese Prime Minister Yoshihide Suga committed to working together to take on the challenges from China at a joint news preference in the White House Rose Garden<sup>44</sup>. In January 2023, the US announced that it would create a Marine Littoral Regiment on Okinawa as Japan enhanced its own capabilities in the Ryukyu Islands<sup>45</sup>. While bilateral security commitments remain the anchor of this partnership, the US and Japan increasingly regard the alliance as an instrument to project their combined influence to promote stability and the rule of law in the Indo-Pacific region. Tokyo currently has been among those willing to call out Chinese behaviour explicitly<sup>46</sup>.

## AUSTRALIA

The significance of the US alliance with Australia became evident with the

43 2022. “Statement by National Security Advisor Jake Sullivan on Japan’s Historic National Security Strategy.” White House. Accessed March 09, 2023. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/12/16/statement-by-national-security-advisor-jake-sullivan-on-japans-historic-national-security-strategy/>.

44 2021. “Remarks by President Biden and Prime Minister Suga of Japan at Press Conference.” The White House. Accessed March 25, 2023. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/04/16/remarks-by-president-biden-and-prime-minister-suga-of-japan-at-press-conference/>.

45 Carroll, Christopher Edward. 2023. “What’s Behind Proposed Changes to US Marine Deployments in Okinawa?” The Diplomat. Accessed March 25, 2023. <https://thediplomat.com/2023/02/whats-behind-proposed-changes-to-us-marine-deployments-in-okinawa/>.

46 2022. “Japan-U.S. Joint Leaders’ Statement: Strengthening the Free and Open International Order.” White House. Accessed March 09, 2023. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/japan-u-s-joint-leaders-statement-strengthening-the-free-and-open-international-order/>.

While bilateral security commitments remain the anchor of this partnership, the US and Japan increasingly regard the alliance as an instrument to project their combined influence to promote stability and the rule of law in the Indo-Pacific region. Tokyo currently has been among those willing to call out Chinese behaviour explicitly .

announcement of AUKUS in September 2021. The trilateral security partnership between the US, the UK, and Australia intends to provide the latter with a conventionally armed, nuclear-powered submarine capability. With the prospect of deploying a new submarine fleet, Australia is set to become a far more important strategic player in the US-led alliance in the Pacific. The larger aim of the consortium is to promote security and stability in the Indo-Pacific region and respond to the rising threat from China.

“The United States has no closer or more reliable ally than Australia,” Biden said during a bilateral meeting with Australian Prime Minister Scott Morrison on the sidelines of the UN General Assembly

in New York in September 2021<sup>47</sup>.

Indisputably, Australia serves a useful function of deterrence at the Western edge of the South Pacific. The Biden administration intends to deploy more fighter jets, bombers, and other military assets to Australia<sup>48</sup>. President Biden took another step in March 2023 to counter China’s growing military strength in the Asia-Pacific region, formally unveiling plans with Britain and Australia to develop and deploy nuclear-powered attack submarines<sup>49</sup>.

## SOUTH KOREA

Historically, the US-ROK security alliance was forged in direct response to pressing security needs on the Korean

The significance of the US alliance with Australia became evident with the announcement of AUKUS in September 2021.

47 2021. "Remarks by President Biden and Prime Minister Morrison of Australia Before Bilateral Meeting." The White House. Accessed March 25, 2023. <https://www.whitehouse.gov/briefing-room/press-briefings/2021/09/21/remarks-by-president-biden-and-prime-minister-morrison-of-australia-before-bilateral-meeting/#:~:text=The%20United%20States%20has%20no,accomplished%20together%20over%2070%20years.>

48 2022. "US to 'deepen' defense ties with Australia in face of China threat." Financial Times. Accessed March 08, 2023. [https://www.ft.com/content/4e9b58e6-11aa-4c85-b38c-e7be07f39a25.](https://www.ft.com/content/4e9b58e6-11aa-4c85-b38c-e7be07f39a25)

49 2023. "Joint Leaders Statement on AUKUS." The White House. Accessed March 25, 2023. [https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/joint-leaders-statement-on-aucus-2/.](https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/joint-leaders-statement-on-aucus-2/)

The Trump Administration's transactional and populist approach opened some divisions between South Korea and the United States. However, the Biden Administration is working to repair the damage.

peninsula. The continuing nuclear and missile challenge from North Korea, the rise of China-led regional economic integration, and the development of complex economic interdependence between the US and China have made South Korea strategically vital to the US. Official US policy refers to the US-ROK alliance as “the linchpin of peace and prosperity in Northeast Asia, as well as the Korean Peninsula”; “a key node within the larger Indo-Pacific strategy, a strategy focused on contesting China’s expansionist and illiberal vision for the region and beyond”.<sup>50</sup>

The Trump Administration’s transactional and populist approach opened some divisions between South Korea and the United States. However, the Biden Administration is working to repair the damage. On April 26, 2023 ROK President Yoon was welcomed on a State Visit, only the second such visitor in the Biden Presidency (the other having been President Macron of France in November 2022).

South Korea’s and Japan’s complex history and negative perceptions of each other have inhibited closer trilateral cooperation between them and the US. The Biden administration has prioritized US-Japan-South Korea cooperation and has welcomed their recent steps towards rapprochement.<sup>51</sup>

In addition to strengthening ties with allies, the Biden Administration has also sought to do more through QUAD (India, Japan, Australia and US) and IPEF (Indo-Pacific Economic Framework) to offer positive opportunities to countries in the region.

## ■ THE PRESENT STATE OF US-CHINA RELATIONS

Though many China watchers in the US argue that US China strategy has been largely consistent since the Trump phase, there have been slight but notable shifts in approach under Biden: hardening of stance in some instances, and softening in others.

50 2019. “Indo-Pacific Strategy Report.” The Department of Defense. Accessed March 08, 2023. <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>.

51 Yeo, Andrew. 2023. “South Korea-Japan rapprochement creates new opportunities in the Indo-Pacific.” Brookings. Accessed May 08, 2023. <https://www.brookings.edu/blog/order-from-chaos/2023/03/17/korea-japan-rapprochement-creates-new-opportunities-in-the-indo-pacific/>.

**In April 2021, the US Senate approved the Strategic Competition Act of 2021, seeking to counter China. The Act mandated diplomatic and strategic initiatives to counteract Beijing, reflecting hard-line bipartisan sentiment on dealings with China.**

Soon after Biden assumed office, the US telecom regulator blacklisted five Chinese companies, including Huawei, on national security grounds under a 2019 law<sup>52</sup>. The first high-level gathering of US and Chinese officials under Biden in Alaska in March 2022 had a rather stormy start<sup>53</sup>. During the meeting, State Secretary Antony Blinken said, “the United States’ relationship with China will be competitive where it should be, collaborative where it can be, adversarial where it must be.” The meeting ended without releasing a joint statement.

In April 2021, the US Senate approved the Strategic Competition Act of 2021, seeking to counter China. The Act mandated diplomatic and strategic initiatives to counteract Beijing, reflecting hard-line bipartisan sentiment on dealings with China<sup>54</sup>. By June 2021, US Senate had

passed the Innovation and Competition Act of 2021, intending to compete with China by boosting American semiconductor manufacturing.<sup>55</sup>

In a major move in October 2022, the US Department of Commerce implemented export controls on advanced computing and semiconductors to China. The new export controls require companies to receive a license to export US-made advanced computing and semiconductor products to China. This would restrict China’s ability to purchase and manufacture certain high-end chips used in military applications. The new export controls, therefore, can be regarded as one of the strictest US actions against China in recent years<sup>56</sup>. The US chip measures have also been backed by important partners, including Japan and the Netherlands, the two other key players in the advanced

52 Shepardson, David. 2021. “Five Chinese companies pose threat to U.S. national security: FCC.” Reuters. Accessed March 09, 2023. <https://www.reuters.com/article/us-usa-china-tech-idUSKBN2B42DW>.

53 Tan, Joanna. 2021. “Here are the highlights from the heated exchange between the U.S. and China in Alaska.” CNBC. Accessed March 09, 2023. <https://www.cnbc.com/2021/03/19/here-are-the-highlights-from-the-heated-us-china-exchange-in-alaska.html>.

54 Zengerle, Patricia, and Michael Martina. 2021. “U.S. lawmakers intensify bipartisan efforts to counter China.” Reuters. Accessed March 09, 2023. <https://www.reuters.com/world/asia-pacific/us-lawmakers-look-advance-sweeping-bid-counter-china-2021-04-21/>

55 Franck, Thomas. 2021. “Senate passes \$250 billion bipartisan tech and manufacturing bill aimed at countering China.” CNBC. Accessed March 08, 2023. <https://www.cnbc.com/2021/06/08/senate-passes-bipartisan-tech-and-manufacturing-bill-aimed-at-china.html>.

56 Reinsch, William Alan. 2022. “Export Control: Too Much or Too Little?” CSIS. Accessed March 09, 2023. <https://www.csis.org/analysis/export-control-too-much-or-too-little>.

The balloon incident was another indicator that the two sides were lacking any agreed mechanisms to handle differences.

semiconductor ecosystem. It has also been indicated that the Administration is working on regulations to block US investment in high tech sectors in China.

Following Nancy Pelosi's visit to Taiwan in August 2022, Beijing launched military exercises around the island and suspended or cancelled eight official military-level dialogues and cooperation channels with the United States.<sup>57</sup> When Biden and Xi held their first in-person meeting on the sidelines of the G20 Summit in Bali in November 2022, it was agreed, however, that channels of communication would be kept open and that the Secretary of State would visit Beijing to continue the process.

When the Republicans took control of Congress in 2023, with bipartisan support they created a new Congressional Select Committee on competition with China. The committee focuses on issues surrounding the rivalry between the US and China, including technological capability, intellectual property protection, and research security.

There has been a fallout on relations due to the 'balloon incident', when a US fighter jet shot a Chinese spy balloon that had flown across a large swathe of US territory. Secretary of State Antony Blinken, who was scheduled to visit China in February 2023, had to postpone his trip indefinitely.<sup>58</sup> The incident was brought up during the meeting between Wang Yi and Blinken on the margins of the Munich Security Summit in mid-February 2023. From various accounts, the meeting saw tense exchanges.<sup>59</sup>

The balloon incident was another indicator that the two sides were lacking any agreed mechanisms to handle differences. It was also in evidence post the Nancy Pelosi visit, when the Chinese counterparts reportedly did not take calls from US defence officials. These intensified the calls for re-establishing some communication channels and "guardrails".

While delivering a speech at the John Hopkins University in Washington on 20 April 2023, the US Treasury Secretary Janet Yellen said that given the "critical

57 2022. "The Ministry of Foreign Affairs Announces Countermeasures in Response to Nancy Pelosi's Visit to Taiwan." Ministry of Foreign Affairs, the People's Republic of China. Accessed March 09, 2023. [https://www.fmprc.gov.cn/eng/zxxx\\_662805/202208/t20220805\\_10735706.html](https://www.fmprc.gov.cn/eng/zxxx_662805/202208/t20220805_10735706.html).

58 Palmer, James. 2023. "How a Chinese Spy Balloon Blew Up a Key U.S. Diplomatic Trip." Foreign Policy. Accessed March 08, 2023. <https://foreignpolicy.com/2023/02/03/china-spy-balloon-surveillance-montana-us-nuclear-blinken/>.

59 2023. "Blinken-Wang Yi meeting marked by sharp words and confrontation." Responsible Statecraft. Accessed March 09, 2023. <https://responsiblestatecraft.org/2023/02/20/blinken-wang-yi-meeting-marked-by-sharp-words-and-confrontation/>.

times we are in, where the world is simultaneously facing economic and environmental challenges against the backdrop of a war in Europe, constructive engagement between Washington and Beijing is imperative”.<sup>60</sup> Acknowledging that the US-China relationship is at a ‘tense moment’, Yellen suggested that US’s targeted actions against China, in the form of export controls, sanctions, and review of foreign investments were directed to achieve US national security, and the administration was also considering a program to restrict US outbound investments in China in specific technologies.

However, she added, “as we take these actions...these national security actions are not designed for us to gain a competitive economic advantage, or stifle China’s economic and technological modernization. Even though these policies may have economic impacts, they are driven by straightforward national security considerations. We will not compromise on these concerns, even when they force trade-offs with our economic interests.”

These comments were interpreted as signalling a softening of the approach

to China by seeking to limit the scope of economic and technology restrictions.

Speaking along similar lines at Brookings on April 27, US National Security Advisor Jake Sullivan, while elaborating on the ‘Biden Administration’s International Economic Agenda’ said, “We’ve implemented carefully tailored restrictions on the most advanced semiconductor technology exports to China. Those restrictions are premised on straightforward national security concerns...And we’re making progress in addressing outbound investments in sensitive technologies with a core national security nexus.”<sup>61</sup>

Attempting to show coordination with Europe, Sullivan stated, “we are for de-risking and diversifying, not decoupling. We’ll keep investing in our own capacities, and in secure, resilient supply chains. We’ll keep pushing for a level playing field for our workers and companies and defending against abuses.”

During her 20 April speech, Yellen had insisted that since the US and China are the largest and second largest economies respectively and are deeply integrated, a “decoupling” of both economies “would

60 2023. "Remarks by Secretary of the Treasury Janet L. Yellen on the U.S. - China Economic Relationship at Johns Hopkins School of Advanced International Studies." U.S. Department of the Treasury. Accessed May 08, 2023. Remarks by Secretary of the Treasury Janet L. Yellen on the U.S. - China Economic Relationship at Johns Hopkins School of Advanced International Studies. <https://home.treasury.gov/news/press-releases/jy1425>

61 2023. "Remarks by National Security Advisor Jake Sullivan on Renewing American Economic Leadership at the Brookings Institution." The White House. Accessed May 08, 2023. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/04/27/remarks-by-national-security-advisor-jake-sullivan-on-renewing-american-economic-leadership-at-the-brookings-institution/>.

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be destabilizing for the rest of the world”.

However, she also expressed concern about China’s “recent uptick in coercive actions targeting US firms”, especially at a time when China states that it is reopening for foreign investment. These comments were in response to Chinese actions against US firms such as Micron (semiconductors), due diligence firm Mintz, and consulting firm Bain. China has also expanded its anti-espionage law to tighten State control over a wider range of data and digital activities, causing concern to foreign business.<sup>62</sup>

On 28 April, the US Chamber of Commerce issued a statement in response to Beijing’s crackdown on some US businesses in China. The statement mentioned, “we encourage the Chinese government to consult with the foreign business community on the revised law and then issue implementing regulations that provide

reasonable clarity and address the practical questions investors have.”<sup>63</sup>

While speaking to David Ignatius from the Washington Post on World Press Freedom Day on May 3, US Secretary of State Antony Blinken indicated that Washington may be open to working with Beijing in finding a resolution for the ongoing war in Ukraine. He said, “in principle, there’s nothing wrong with that if we have a country, whether it’s China or other countries that have significant influence that are prepared to pursue a just and durable peace. ... We would welcome that, and it’s certainly possible that China would have a role to play in that effort. And that could be very beneficial.”<sup>64</sup>

In a conversation hosted by Foreign Affairs on May 2, on ‘How to Avoid a Great-Power War?’, General Mark Milley, Chairman of the US Joint Chiefs of Staff, implied that the Russian and

62 Yang, William. 2023. "China: Anti-espionage law heightens risks for foreign firms." DW. Accessed May 08, 2023. <https://www.dw.com/en/china-anti-espionage-law-heightens-risks-for-foreign-firms/a-65528537#:~:text=China's%20rubber%2Dstamp%20parliament%20last,deemed%20related%20to%20national%20security>.

63 n.d. "U.S. Chamber Statement on Concerns Over PRC Investment Climate." U.S. Chamber of Commerce. Accessed April 28, 2023. <https://www.uschamber.com/international/u-s-chamber-statement-on-concerns-over-prc-investment-climate>.

64 2023. "Transcript: World Press Freedom Day." Washington Post Live. Accessed May 08, 2023. <https://www.washingtonpost.com/washington-post-live/2023/05/03/transcript-world-press-freedom-day/>.

US policy on China remains a work in progress, as it strives to preserve its pre-eminence in the global system, but is now dealing with an adversary whose economy is deeply integrated with that of the US and the West, which has a lead in many cutting-edge technologies, and is the leading trading partner of more than a hundred countries, including some of the closest allies of US.

Chinese militaries may not have perfect knowledge of each other and that this can be attributed to the small number of bilateral military exercises between both countries.

General Milley said, “Whatever exercises they do are small, relatively inconsequential. I mean, they’re not without consequence, but they’re not huge military exercises together. In terms of military support and lethal support to Russia, nothing really significant yet. The Russians have asked, for sure; they’re asking a lot of countries for ammunition and so on. But there is a relationship, military relationship, with Iran and Russia, for example—that’s not good. But with China it’s been very, very modest.”<sup>65</sup>

## ■ CONCLUSION

US policy on China remains a work in progress, as it strives to preserve its pre-eminence in the global system, but is now dealing with an adversary whose

economy is deeply integrated with that of the US and the West, which has a lead in many cutting-edge technologies, and is the leading trading partner of more than a hundred countries, including some of the closest allies of US. Not all US allies, particularly in Europe, have a similar strategic threat perception related to China. Businesses that have invested heavily in China, from a time when it was encouraged, or in view of market opportunities, are uncomfortable with the political tensions or de-risking or decoupling. In fact, some such as Tesla, have announced fresh investments. China is also using its new strengths to selectively target companies or countries, also as a message to others. So far, there has not been any effective coordinated or collective push back to coercive Chinese actions.

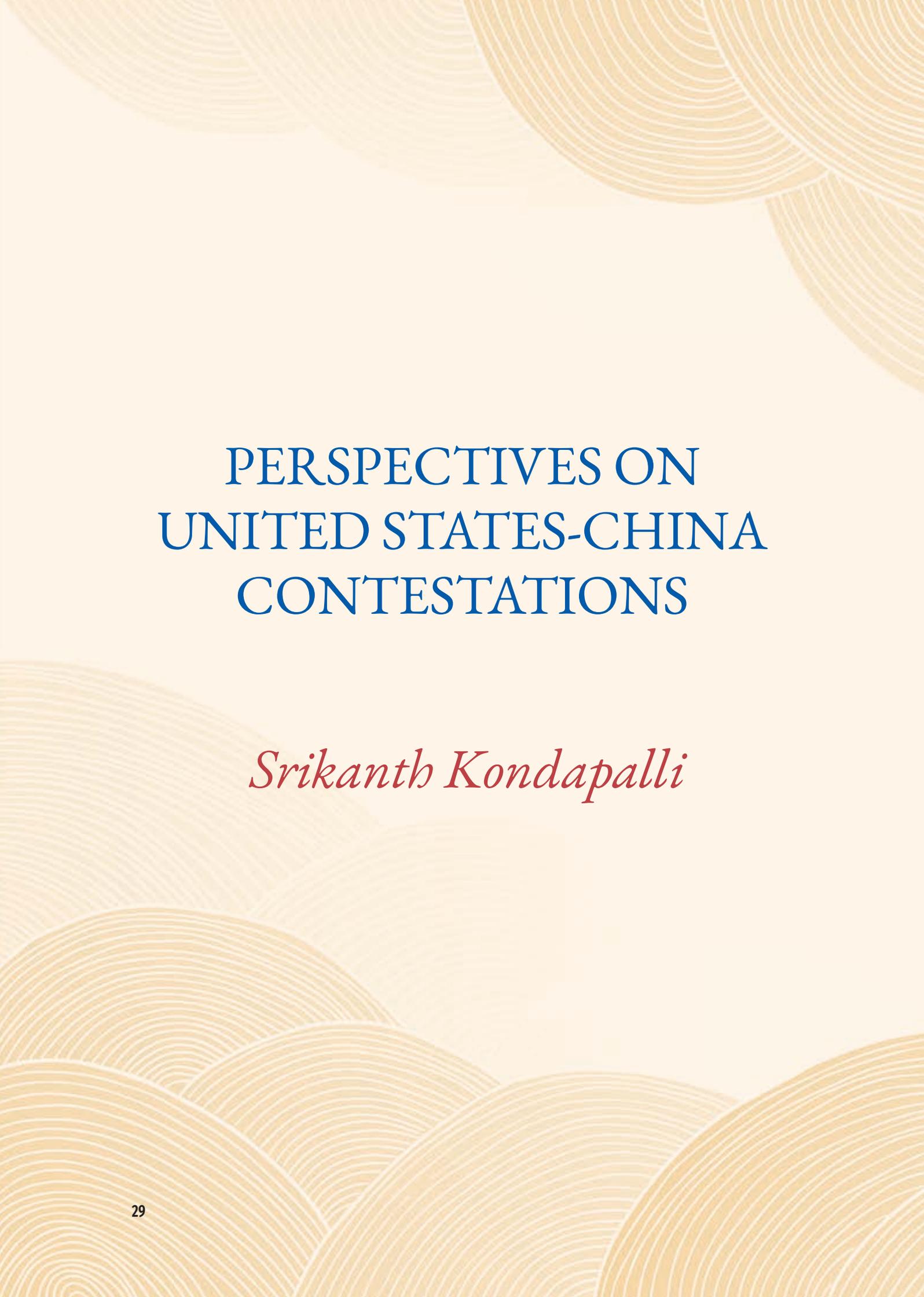
There have also been some recent contacts and meetings between US NSA (NSA) Jake Sullivan met with the director of the Chinese Communist Party Central

65 2023. "How to Avoid a Great-Power War: A Conversation with General Mark Milley." Foreign Affairs. Accessed May 08, 2023. <https://www.foreignaffairs.com/podcasts/how-to-avoid-great-power-war-mark-milley>.

Committee Foreign Affairs Commission Office, Wang Yi in Vienna from May 10-11, 2023), Secretary of Commerce (US Commerce Secretary Gina Raimondo met Chinese Commerce Minister Wang Wentao in Washington on May 25, 2023) and Secretary of State and their Chinese counterparts (State Secretary Antony Blinken held a telephone call with his Chinese counterpart Qing Gang on June 14, 2023, ahead of Blinken's visit to Beijing in the coming days). However,

the Chinese refused a meeting with US Secretary of Defence at the Shangri-la dialogue in early June.

US Administration strategy will, therefore, navigate a mix of coercion and engagement, aiming simultaneously to induce its allies and partners to follow similar strategies, for greater effectiveness. Nevertheless, the long-term arc will be one of growing economic, technological, and strategic competition between China and US. ♦



PERPECTIVES ON  
UNITED STATES-CHINA  
CONTESTATIONS

*Srikanth Kondapalli*

**China is rapidly modernising its military to make it into a “world class” by 2049. China already surpassed the US in naval capabilities in terms of quantity.**

The contestations between the United States and China are increasing in intensity at global and regional levels despite economic interdependence. These developments have a significant bearing on power transition and to the emerging world order, battered recently by the pandemic, Ukraine conflict and supply chain disruptions. Both the US and China are major players in the global economy, with the US being the world’s largest economy in terms of GDP and China becoming the second largest since 2010. Both have significant influence over global trade and investment and the globalisation process. The US and China are both leaders in technological innovation, particularly in the areas of artificial intelligence, biotechnology, and renewable energy. Both have been playing significant role in global and regional orders, with the US trying to

maintain its global leadership position, while China asserting itself first at the Asian region and at the global level. Both are significant military players across the world, although the US had exhibited tremendous capabilities in global operations such as in Kosovo, Iraq, Afghanistan and others. While the US has several bases abroad, China could muster Djibouti since 2015. China is rapidly modernising its military to make it into a “world class” by 2049. China already surpassed the US in naval capabilities in terms of quantity<sup>66</sup>. China had adopted a long-term plan for enhancing its comprehensive national power in its “two centennials” programme, although it is no match to the structural power that the US exercises<sup>67</sup>. Since the ascendancy of Xi Jinping to power in 2012, China-US contestations have increased manifold after a strategic shift on the Chinese

**Since the ascendancy of Xi Jinping to power in 2012, China-US contestations have increased manifold after a strategic shift on the Chinese side from “*taoguangyanghui*” (keep a low profile/hide your capabilities, bide for time) to “*fenfayouwei*” (accomplish something).**

66 Tai Ming Cheung and Thomas G. Mahnken, *The Gathering Pacific Storm Emerging US-China Strategic Competition in Defense Technological and Industrial Development* (New York: Cambria House, 2018); James Johnson, *The US-China Military and Defense Relationship during the Obama Presidency* (Palgrave Macmillan, 2018)

67 Jae Ho Chung, Ed. *Assessing China’s Power* (New York: Palgrave Macmillan, 2015)

side from “*taoguangyanghui*” (keep a low profile/hide your capabilities, bide for time) to “*fenfayouwei*” (accomplish something). Below a brief outline of the contested space is made along with the context in which US-China differences were manifested. In order to enlist China’s perspectives, a two-level analysis is made exploring communist party debates and the affiliated scholarly perceptions. It is argued here that US-China contestations are becoming sharper day-by-day and that India needs to take note of this and strive for a concert of powers and a balance of power approach.

## ■ AREAS OF CONTESTATIONS

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The areas of contention between the US and China are many. A brief mention of these rising frictions is made below. US-China contestations are manifested at the bilateral, multilateral and strategic spheres. At the bilateral level, differences over democracy and authoritarian party-state model, human rights, economic, trade, investments, free trade proposals and others. At the regional level, such contestations in different regions of Asia are manifested in active military responses to Taiwan Straits, Senkaku islands, South China Sea and others. As the US is less dependent on energy from West Asian region, China is attempting to

fill the vacuum as reflected in President Xi Jinping’s visit to Saudi Arabia and meetings with the GCC countries in 2022, in addition to facilitating the Saudi-Iran normalisation of relations. This is changing the contours of West Asian geo-politics. China also has a military base at Djibouti and had made forays into the Indian Ocean through its 40-odd Gulf of Aden naval missions, in addition to submarine visits and taking Hambantota on lease for 99 years. Hambantota came in handy to dock its surveillance ship Yuan Wang 5 in 2022. Closer home to the US, in South America, China has become the 2<sup>nd</sup> largest trading partner and largest investor and also constructing signals intelligence facilities. In Africa as well, China has become the largest trading partner and investor and engaged in arms transfer to several countries and pose a challenge to the nascent US Africom. In Europe, China’s 2<sup>nd</sup> largest trading position and investor, along with the BRI projects and 5G telecom services, is denting into the trans-Atlantic relations with multipolarity debates. Its multilateral initiative of CEEC+16 with central and eastern Europe is also challenging the dominant western European countries<sup>68</sup>. Of course, China’s Ambassador to France Lu Shaye’s comments on the legitimacy of former Soviet countries had created opposition

68 Wu Chien-Huei, Frank Gaenssmantel and Francesco Giumelli Eds. *Multilateralism in Peril - The Uneasy Triangle of the US, China and the EU* (London: Routledge, 2023)

to China in the region. These suggest that China is eyeing for global power, and has been analysing various key elements of power but also its weaknesses in order to effectively oppose the US<sup>69</sup>.

## ■ THE CONTEXT

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China had an adversarial relationship with the US since 1940s, when each saw the other as an enemy. The US trade embargoes and containment policy and active Chinese opposition in the Korean War resulted in a Cold War freeze. Henry Kissinger – Richard Nixon visits to Beijing and the common front against the then Soviet Union brought China and the US closer and a “non-enemy, non-friend” period ensued. China’s foreign policy fixation with the then superpowers and playing one against the other created space for Beijing<sup>70</sup>. Deng Xiaoping visited Washington in 1979 and sealed an understanding for stability in Taiwan Straits and blessings of the US for China’s rise in economic and technological spheres. China and the US became “useful adversaries” unlike the contentious US-Soviet bipolarity. China benefited substantially under Deng Xiaoping’s policies of “*taoguangyanghui*” [translated

as “keeping a low profile/ hide your capabilities, bide for time”] with a focus on enhancing its material capabilities. At one time the US even contemplated military supplies to China under the Peace Pearl Program of 1980s under which the US transferred avionics, head-up display systems and others. NATO provided briefing sessions for China to counter the Soviets in Afghanistan and the CIA and China’s military intelligence trained the Mujahideen. However, Tiananmen Square crackdown in June 1989 brought these relations down with western arms embargo. Nevertheless, the commercial and industrial lobbies in the US regained influence and soon after Deng’s “southern tour” of 1992 started pouring billions in the China market<sup>71</sup>.

Jiang Zemin’s tenure from 1989 to 2002 consolidated China -US relations under Clinton Administration with a “non-targeting” nuclear agreement, cooperation with the US in UN Security Council on regional conflicts in Iran, North Korea and others, working together in non-proliferation regimes, combating smuggling and narcotics and significantly in economic and trade relations. The US facilitated China joining the World Trade Organisation (WTO) after giving

69 However, despite enhancing its comprehensive national power, China is yet to overcome the “structural power” of the US. See Steve Chan, *Rumbles of Thunder: Powershifts and the Danger of Sino-American War* (New York: Columbia University Press 2023)

70 See G. John Ikenberry, Wang Jisi, and Zhu Feng, Eds. *America, China, and the Struggle for World Order Ideas, Traditions, Historical Legacies, and Global Visions* (New York: Palgrave Macmillan, 2015); Zhao Suisheng, *China and the United States Cooperation and Competition in Northeast Asia* (New York: Palgrave Macmillan, 2008); Zhu Zhiquan, *US-China Relations in the 21st Century - Power transition and peace* (London: Routledge, 2006);

71 Andrew T.H. Tan, *Handbook of US-China Relations* (Cheltenham, UK: Edward Elgar Publishing, 2016)

Xi's equations with President Joe Biden are equally frosty. Xi in fact delayed recognising Biden's electoral victory and, speaking at Davos, Xi alluded to the onset of a "new Cold War", while claiming leadership to the globalisation process.

it most-favoured nation treatment, despite the Taiwan Straits crisis in 1995-96, "accidental" bombing of the Chinese embassy in Belgrade in May 1999, EP-3 surveillance plane incident in 2001 or China's proliferation record with "countries of concern".<sup>72</sup>

This trend continued under Hu Jintao from 2002 to 2012 under "constructive and cooperative" partnership and even "drew on each other's strengths" as Hu pointed out to President Bush in his six points<sup>73</sup>. Addressing visiting President Barack Obama in 2009, Hu went further to "make continuous efforts to increase strategic mutual trust" and "jointly cope with regional and global challenges".<sup>74</sup> By 2010 China had become the 2<sup>nd</sup> largest economy and when Cheonan incident happened that year between the two Koreas, China imposed its "Monroe doctrine" in Yellow Sea and stopped the US-South Korea naval exercises. More significantly, China began imposing restrictions on the US Navy in South

China Sea when the USS Impeccable incident took place in 2009<sup>75</sup>. By 2011, Hu was telling Obama that "China and the United States should respect each other's core interests and major concerns" with "equality, mutual trust and the precept of seeking common ground while reserving differences". The then Vice President Xi Jinping went further during his visit to Washington in February 2012. He said that the "vast Pacific Ocean has enough space for two large countries like the United States and China".

After assuming power in 2012, Xi Jinping visited Sunnylands to meet Obama and formulated "major power/country relations" while insisting that bilateral relations should be "based on mutual respect and win-win cooperation". Since then, China outlined "non-conflict and non-confrontation"; mutual respect; and "win-win cooperation" with the US till roughly the end of the decade. Yet, Xi-Trump period is to witness major contestations, with the US sending ships

72 See 对抗, 博弈, 合作 - 中美安全危机管理案例分析 [Confrontation, Gaming, Cooperation - Classic Cases in Sino-American Security Crisis Management] (Beijing: World Knowledge Publications, 2007)

73 Guy Roberts, *US Foreign Policy and China - Bush's first term* (London: Routledge, 2015)

74 Aiden Warren and Adam Bartley, *U.S. Foreign Policy and China Security Challenges During the Bush, Obama, and Trump Administrations* (Edinburg: Edinburg University Press, 2021)

75 Feng Huiyun and He Kai, *US-China Competition and the South China Sea Disputes* (London: Routledge, 2018)

within 12 nautical miles of the Chinese occupied artificial reefs in South China Sea in 2017, while China capturing a US underwater drone in the region.

Xi's equations with President Joe Biden are equally frosty, although as Vice President he referred to Biden as his 'old friend' when Biden visited China in 2013 while the then-US Vice President spoke of their "friendship". Xi in fact delayed recognising Biden's electoral victory and, speaking at Davos, Xi alluded to the onset of a "new Cold War", while claiming leadership to the globalisation process. State Councillor Yang Jiechi made some direct criticisms of Trump and his policies on Hong Kong and Taiwan at the Alaska meeting. The new US Secretary of State Blinken as well was critical of the one-million incarcerations of Uighurs in Xinjiang, while the US Ambassador to the UN Lynda Thomas Greenfield mentioned about an "aggressive China" that is a malign force. Xi and Biden concluded two phone calls in February and September and virtual meet on November 15, 2022. Both met briefly at the G-20 summit meeting at Bali, with Biden asking China not to provide "material support" to Moscow in the on-going Ukraine conflict. These suggest

an increase in contestations in many spheres, including to a dangerous lack of strategic communications between the two leaderships recently.<sup>76</sup>

This period also coincided with China's militarization of the South China Sea<sup>77</sup>, amending its Maritime Traffic Safety Law (of 1984) and began enclosing the region under its coastguard and the US Secretary of State Rex Tillerson threatening to cut off access to the South China Sea reefs. US Defence Secretary Mattis visited South Korea and Japan in February 2017 to send signals of strengthening alliances with these countries. The new Defence Secretary Lloyd Austin as well assured his Japanese counterpart on alliances.

Taiwan continued to be a contentious issue for long, but what changed is China's "strategic initiative" as Xi Jinping stated that brought the issue to the fore. The US as well announced arms transfer in October 2008 for \$6.4 billion worth of arms, repeating a similar offer in January 2010 and \$10.7 billion in 2019. In October 2002, Jiang Zemin stated that "If the United States stops arms sales to Taiwan, China will withdraw missiles deployed along the strait areas." However, the US did not heed to this specious offer as there is no mechanism to monitor

76 Zhou Jinghao, *Great Power Competition as the New Normal of China-US Relations* (Palgrave Macmillan, 2023); Felix Heiduk Ed. *Asian Geopolitics and the US-China Rivalry* (London: Routledge, 2022); Renato G. Flóres Jr., *The World Corona Changed US, China and Middle Powers in the New International Order* (New York: Routledge, 2022)

77 James C Hsiung, *The South China Sea Disputes and the U.S.-China Contest International Law and Geopolitics* (Singapore: World Scientific Publishing, 2018)

While large scale mobilisation of fighter aircraft, transports, bombers and air craft carrier was made before by China, recent mobilisation across the Taiwan Straits has been unprecedented .

China's missile deployments. Taiwan President's Tsai Ying-wen's phone call to President-elect Donald Trump was retaliated by China which symbolically launched DF-41 inter-continental ballistic missile from along the Russian borders. President Biden extended "rock solid support" to Taiwan but reiterated the One China policy, even though a US military transport aircraft carried vaccines to Taiwan. The US Senate leader Nancy Pelosi's visit to Taiwan in August 2022 precipitated fierce response from China's military which conducted massive exercises across the Taiwan Straits. While large scale mobilisation of fighter aircraft, transports, bombers and air craft carrier was made before by China, recent mobilisation across the Taiwan Straits has been unprecedented<sup>78</sup>.

One of the most important aspects of US-China relations is economic, trade and investments developed since the Clinton Administration. However,

in recent times this has also become contentious. According to Yan Xuetong, China improved political relations through economic cooperation in the strategy of *yijingcuzheng* (以经促政). However, with change in strategy under Xi towards "rejuvenation", economic ties also witnessed tensions.<sup>79</sup>

Economic issues bounced back in US-China relations with criticism of China as a currency manipulator, increasing trade deficits, concerns over national security and intellectual property theft, broader geopolitical competition and arguments about loss of American jobs<sup>80</sup>. Trade deficits are increasing fast in US-China economic relations as with the other economic partners of China worldwide<sup>81</sup>. In 1979 when both sides began trading, bilateral trade amounted to just over \$2 billion, but rose to \$16 billion in 1989, \$94 billion in 1999, \$365 billion in 2009 and \$558 billion in 2019. However, China's exports to the US have increased manifold

78 For a background see Lin Cheng-yi and Denny Roy, Ed. *The Future of United States, China, and Taiwan Relations* (New York: Palgrave Macmillan, 2011); Stephen J. Hartnett *A World of Turmoil - The United States, China, And Taiwan in the Long Cold War* (East Lansing: Michigan State University Press, 2021)

79 Yan Xuetong, *Leadership and the Rise of Great Powers* (Princeton: Princeton University press, 2019)p. 34

80 On the subject see John C. Amon, *Trade Issues, Policies and Laws US-China Trade Perspectives and Impact on the Global Economy* (New York: Nova Science Publishers, 2021); Yoon Heo, *Free Trade and the US-China Trade War A Network Perspective* (New York: Routledge, 2023); Pak Nung Wong, *Techno-Geopolitics - U.S.-China Tech War and the Practice of Digital Statecraft* (London: New York, 2022); Yu Miaojie, *China-US Trade War and Trade Talk* (Singapore: Springer, 2020)

81 See Liang Guoyong and Ding Haoyuan, *The China-US Trade War* (London: Routledge, 2021)

than compared to the US exports to China. On an average China had a surplus trade of over \$200 billion to \$300 billion in the past more than a decade, resulting in a call to regulate trade. This is an issue that the EU, India and other countries have also raised with Beijing in vain.

Of the \$690 billion in trade in 2022, China exported to the US about \$538 billion in goods, while the US exported to China \$153 billion – a trade deficit of nearly \$380 billion in favour of China. Such deficits have been growing for more than a decade, provoking Trump to argue on May 2, 2017 that “We can’t continue to allow China to rape our country and that’s what they’re doing. It’s the greatest theft in the history of the world.” On April 6-7, 2017, the US announced at Mar-a-Lago a 100-day action plan to resolve trade differences with China. President Trump visited Beijing on a “state-visit plus” from November 8 to 10, 2017. With a non-implemented \$250 billion deal with China, Trump changed tack by saying “I don’t blame China. Who can blame a country that is able to take advantage of another country for the benefits of its

citizens? I give China great credit.” Yet the issue remained unsolved. In March 2018 the US imposes tariffs on all steel imports, including from China. On April 3, 2018 the US imposed tariffs on 1334 products and soon China’s telecom company ZTE issue came to the fore in April-June, 2018. Soon the US Committee on Foreign Investment in the United States-blocked 8 companies on national security concerns.

China blamed the US on “deglobalisation” and protectionist trends while not observing WTO regulations on fair trade and market access principles.

On 18 August 2017, the Office of the US Trade Representative (USTR) initiated an investigation of China under Section 301 of the Trade Act of 1974 in response to a request by President Trump. The investigation aimed to examine “acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation”.

China’s trade war with the US erupted in 2018 but was brewing for several years before on issues related to imbalance in trade, denial by China of its market access to the US goods and industry,

**China’s trade war with the US erupted in 2018 but was brewing for several years before on issues related to imbalance in trade, denial by China of its market access to the US goods and industry, currency manipulation, IPR thefts, and others. China also began domestic economic restructuring – with a signal that it is preparing for the decoupling process with the US.**

currency manipulation, IPR thefts, and others. China also began domestic economic restructuring from export-oriented model to that of increasing domestic consumption, Made in China 2025 campaign of reduced dependence on technologically advanced countries but sourcing from domestic market – with a signal that China is preparing for the decoupling process with the US. The eight Strategic & Economic Dialogues mechanism between the US and China was unable to successfully conclude trade disputes to the satisfaction of both parties. China generally resorts to endless negotiations with the other side to buy time, prepare itself to gain advantage and counter the other side or make tactical concessions for strategic gains.

In the light of no mid-course correction from Beijing, retaliatory measures were undertaken. On July 6, 2018, the Trump Administration implemented tariffs on China's products – about 25 percent tariff on 818 products. On August 14, a second round of tariffs were announced, while China took the solar panels issue to the WTO on the same day. On August 22, the US Treasury Under Secretary David Malpass and China's Commerce Vice Minister Wang Shouwen met in Washington to discuss the issue in vain. A day later tariffs were implemented by the US - about 25 percent tariff on 279

goods (worth \$16 billion) and include semiconductors, chemicals, plastics, motorbikes and electric scooters. China retaliated quickly by imposing tariffs on the US - on about 333 goods including commodities such as: coal, copper scrap, fuel, buses and medical equipment.

In all, the US initial tariffs on \$50 billion Chinese products were increased to \$ 200 billion more – bringing the total to nearly to \$300billion. Since China imports less from the US, it could only impose tariffs on limited number of US goods. The tariff war created conditions for the “decoupling” process between the US and China. It also had a negative impact on business sentiment in these countries as well as to the rest of the world. For the US, the impact of China's tariffs fell on soya bean farmers, LNG exports, pressure on the 70,000 US companies in China as they generate \$300 billion of sales domestically in the China market. The US services sector, specially travel, hotel, retail and entertainment, has made profits in the China market to the tune of over \$40 billion. China also tried to utilize this US sector to exert pressure on the US policies. For instance, President Xi wrote a letter to Starbuck's former chief Howard Schulz “to encourage him and Starbucks to continue to play an active role in promoting Chinese-US economic and trade cooperation and the development

The US has restricted investment in Chinese companies with ties to the military and has taken steps to limit Chinese access to US technology . In October 2022, Biden Administration restricted semi-conductor chip sales to China.

of bilateral relations”<sup>82</sup>. However, the US is in no mood to relent. According to Peter Navarro, Trump’s trade advisor China’s investment in strategic technologies pose challenges to the US manufacturing and defense industrial base and that current tariffs are a critical line of defense against predatory trade practices of China<sup>83</sup>. While the onset of the pandemic and other geo-political issues relegated the tariff issue to the background, in addition to an interim agreement in January 2020, the tariff war still continues.<sup>84</sup> The US has restricted investment in Chinese companies with ties to the military and has taken steps to limit Chinese access to US technology<sup>85</sup>. In October 2022, Biden Administration restricted semi-conductor chip sales to China.

China’s currency – renminbi (RMB) – status has also been a controversial issue in US-China relations for two reasons. One is the manipulation of the

exchange rate vis-à-vis the US dollar in order to gain an unfair advantage for its exports. It is estimated that the RMB is 20-40 percent undervalued. When China launched the reform and opening up policies, the RMB exchange rate with USD was devalued so that the competitiveness of China’s exports could be improved. In 1980, for instance, the exchange rate was RMB 1.5 which declined to 8.6 in 1994. Minor fluctuations continued till July 2005 when the peg was lifted. In the last decade, RMB hovered around 6 for a USD. As this issue is linked to exports, US (and EU, Japan, India and other countries) have been pressing China bilaterally and in the multilateral fora like the G20 to adopt a pact to curtail such trade imbalances. China has so far been either evasive or undertook tentative measures.

A second related issue is RMB internationalization through China’s trade partners and through BRI projects.

82 See “China’s President Xi asks former Starbucks CEO Howard Schultz to help repair U.S. ties with Beijing” NBC News January 15, 2021 at <<https://www.nbcnews.com/business/business-news/china-s-president-xi-asks-former-starbucks-ceo-howard-schultz-n1254414>>

83 See “Interview Transcript: Peter Navarro on US-China Talks, Trade” VOA News December 6, 2018 at <<https://www.voanews.com/a/transcript-peter-navarro-us-china-talks-trade/4689880.html>>

84 See Huang Yukon, “Who Wins and Who Loses in the US-China Trade War?” in Maria Adele Carrai, Jennifer Rudolph and Michael Szonyi Eds. *The China Questions 2 - Critical Insights into US – China Relations* (Cambridge: Mass: Harvard University Press, 2022)

85 On Huawei company controversy see Mike Blanchfield& Fen Osler Hampson, *The Two Michaels - Innocent Canadian Captives and High Stakes Espionage in the US-China Cyber War* (Toronto: Sutherland House, 2021)

This is seen by the US as a measure to reduce the USD's dominant role in currency circulation.

The decoupling process significantly impacted on both countries as well as on the global economy. It led to disruptions in global supply chains, as companies relocated to other markets specifically Southeast Asia so as to diversify their manufacturing and sourcing locations. This is also affecting innovation and technological development.

## ■ CHINA'S PERSPECTIVES

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As the “leading” organ of China, the Communist Party decides about the US policy, as with the other countries and sectors.<sup>86</sup> Unlike in other countries, the decision-making process in China is opaque and highly centralised.<sup>87</sup> The Central Small Leading Group, headed by the General Secretary of the party and other Politburo Standing Committee members and others such as the Vice Premier, State Councillor, International Liaison Department, representatives from the foreign ministry, military, commerce, culture and media participate. In February 2018, a Central Foreign Affairs

Commission was established to decide about the foreign policy postures of China, including towards the US.

The communist party congresses are considered to be the “apex” of all policies in China, including on foreign policy. The foreign ministry, its missions abroad, think tanks and universities contribute to the policy making processes. A brief mention is made below. In the last decade, Xi Jinping presided over three communist party national congresses in 2012, 2017 and 2022 that witnessed significant shifts in the foreign policy “guidelines”. Since the 18<sup>th</sup> CCP Congress in 2012, Xi engineered a shift in China's postures towards “accomplish something” [*fenfayouwei*], China Dream, China Rejuvenation and a “new era”. Core interests' protection became the norm, as with “new type of major power relations”. China's military is to be repositioned “commensurate with its international standing”. The November 2014 and June 2018 “foreign affairs work conferences” outlined outreach programmes and global deployments.

The 19<sup>th</sup> party congress was bolder. The Belt and Road Initiative (BRI) launched in 2013 was now placed in

86 Pu Xiaoyu, “How Does China See America” in Maria Adele Carrai, Jennifer Rudolph and Michael Szonyi Eds. The China Questions 2 - Critical Insights into US – China Relations (Cambridge: Mass: Harvard University Press, 2022)

87 Cai Xia, China-US Relations in the Eyes of the Chinese Communist Party – An Insider's Perspective CGSP Occasional Paper Series No. 1 June 2021 Hoover Institution, Stanford University; Hao Yufan and Su Lin, China's Foreign Policy Making Societal Force and Chinese American Policy (New York: Routledge, 2005) and Gilbert Rozman, China's Foreign Policy Who Makes It, And How Is It Made?(New York: Palgrave Macmillan, 2012). For the views of US see, Tao Wenzhao Ed. The US Policy Making Process for Post Cold War China -The Role of US Think Tanks and Diplomacy (Singapore: Springer, 2018)

Since the 18th CCP Congress in 2012, Xi engineered a shift in China's postures towards "accomplish something" [*fenfayouwei*], China Dream, China Rejuvenation and a "new era". Core interests' protection became the norm, as with "new type of major power relations". China's military is to be repositioned "commensurate with its international standing".

the party constitution. China also launched previously Asian Infrastructure Investment Bank (AIIB), seen in conjunction with the BRI as an alternative to the US-led liberal financial order<sup>88</sup>. At the 19<sup>th</sup> CCP congress in 2017, Xi went a step ahead with a concrete road map for China till 2049. He spoke about China moving towards the "centre stage" – a reference to displacing the US which is currently at the centre stage of global and regional orders since 1945 and more so since the disintegration of the Soviet Union in 1991. Xi vowed to build a community of shared destiny [人类命运共同体] – again a euphemism to

build partnerships closer to an alliance with likeminded countries. A "new type of international relations" was called for instead of the June 2013 "major power relations"<sup>89</sup>. More concretely, a road map for the next three decades was formulated at this congress and to celebrate the two centennials [两个一百] that of the hundredth anniversary of the communist party in 2021 with the commissioning of a "well off society", a "well-off society with socialism" in 2035 and at the hundredth anniversary of the PRC in 2049 realising "socialist modernisation" – possibly with the agenda of completely displacing the US. At this congress, China's red lines on

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88 The BRI and AIIB projected the party-state among several continents for the first time in its history, challenging the US in infrastructure projects, aid, finance, telecom sector and other areas. While the US and others began a "Build Back Better World" initiative, the BRI made much progress before the pandemic. Over \$950 billion of investments was made by China in the BRI projects. China's disbursed aid of over \$500 billion which is higher than the IMF and World Bank disbursements. See Seth Schindler and Jessica DiCarlo, Eds. *The Rise of the Infrastructure State - How US-China Rivalry Shapes Politics and Place Worldwide* (Bristol: Bristol University Press, 2022)

89 Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era" October 18, 2017 at <[http://www.xinhuanet.com/english/download/Xi\\_Jinping's\\_report\\_at\\_19th\\_CPC\\_National\\_Congress.pdf](http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf)>

Taiwan in “6 nos” were announced – a warning to the US. Since then, China began expanding its envelope over Taiwan and a sharp contest with Taiwan became explicit.

At the next party congress in October 2022, Xi stated that the party had effectively responded to “grave, intricate international developments and a series of immense risks and challenges”. He also said that China had “taken a clear-cut stance against hegemonism and power politics in all their forms, and we have never wavered in our opposition to unilateralism, protectionism, and bullying of any kind.” Further, Xi mentioned that China “opposes all forms of unilateralism and the forming of blocs and exclusive groups targeted against particular countries.” National security, rather than economy became the watchword at this congress for the first time in the communist party history. In fact, Xi declared that national security is the basis for China’s rejuvenation.<sup>90</sup>

During the closing session of the 14th National People’s Congress on March 4-13, 2023, Xi emphasised security as “the bedrock of development, while stability is a pre-requisite for prosperity” and called for building the PLA into a “Great Wall of

Steel” that safeguards national security, sovereignty and developmental interests of China. In another Politburo meeting, Xi reflected on the current period as “extremely unusual and extraordinary period”, and that “Western countries led by the US have contained and suppressed us in an all-round way”. These direct references and Xi’s visit to Moscow later indicates to the intensification of the decoupling process with the US in the coming years.

Overall while Xi emphasized on cooperation and constructive engagement with the US, specifically on issues of global governance and economic development, he is also ambitious to see rumblings in the recent global order since the global financial crisis and with the US inability to secure support to the 2<sup>nd</sup> Iraq war or its withdrawal from Afghanistan. Xi in other words was looking for “strategic opportunities”. Increasingly, then during Xi’s tenure, China-US confrontations increased manifold.

The current ranking Standing Committee member of the Politburo, Wang Huning is considered to have considerable influence in the making of China’s US policies. Wang is said to be the main person behind the theory of American

90 Xi Jinping, “Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects - Report to the 20th National Congress of the Communist Party of China” October 16, 2022 at <[https://english.www.gov.cn/news/topnews/202210/25/content\\_WS6357df20c6d0a757729e1bfc.html](https://english.www.gov.cn/news/topnews/202210/25/content_WS6357df20c6d0a757729e1bfc.html)>

decline that resonates in China's foreign policy circles. Earlier in 1988 to 1989, he visited the US and critiqued the US society, politics and economic and technological developments. He underlined the phenomenon of political equality, constitutional guarantees but also about income inequalities, broken families, discrimination of blacks and others<sup>91</sup>. Wang's views are widely held among the leadership and his work on "neo-authoritarianism" advocates intensifying Communist Party's hold over all walks of life in China and promote its economic and technological rise.

Wang's critique on American democracy also took the form of belittling, or even subverting, democracies abroad along with the promotion of party-state "China model" abroad.

Other major party-state representatives in China include recently retired politburo member and State Councillor Yang Jiechi, a former Ambassador to the US and later Foreign Minister, current State Councillor and former Foreign Minister Wang Yi and current Foreign Minister Qin Gang who recently served as Ambassador to the US. While the policy has been

set at the "small leading groups" and, thus, manoeuvrable space in a highly centralised set-up for the above three is limited even though they are also part of the decision-making process.

During his tenure as the Ambassador to the US, Yang's views on the US were in general pragmatic and promoted stable relations. Despite a few hiccups, those were also the hey-days of US-China relations. Yang's tenure could be termed broadly as managing the bilateral relations, even though he expressed reservations to the US on its policies towards Taiwan and other issues.

The current State Councillor Wang Yi is said to be a Japan specialist, even though in his interactions with the US counterparts he had insisted on equal treatment, and non-interference policies. Wang's tenure saw more "multipolarity" statements that were critical of the US unilateral policies.

China's current Foreign Minister Qin Gang surprised many with his harsh assessment of the US in his first press briefing in March 2023, even though as Ambassador to the US he made several conciliatory statements.

91 Wang Huning, 美国反对美国[America against America] (Shanghai: Wenyi Publications, 1991) excerpted at <<https://aaa.inversify.cn/>> According to one interpretation the "America against America" is also to influence the Wall Street, American commercial lobbies and enterprises to continue to enrich China while intensifying divisions in the American society. See Wu Yijun, "王沪宁将从"美国反对美国" 进入 "台湾反对台湾" " [Wang Huning will move from "America against America" to "Taiwan against Taiwan"] Shangbao March 13, 2023 at <<https://www-secretchina-com.translate.google.com/news/gb/2023/03/13/1030929.html>>. See also "王沪宁是 "美国衰败" 的主要幕后推手" [Wang Huning is the main driving force behind the "decline of America"] China News February 15, 2023 at <<https://news.creaders.net/china/2023/02/15/2577781.html>>

Many Chinese scholars argue for the inevitable rise of China and the decline of the US. They argue for power transition in which China will occupy the high pedestal eventually. They critique the US unilateral policies, imperial outstretch and its loss of soft power in Islamic states, without mentioning the aggressive postures of China on Senkaku islands, South China Sea disputes or India-China boundary question.

## ■ SCHOLAR'S VIEWS

Unlike in democracies, in authoritarian party-states like China, the scholarly community toe the line of the establishment. In fact, most of them are communist party members aligned to the Central Committee's decisions. Academic research in China is policy oriented in nature following the "Yanan spirit" of 1942 on art not for art's sake but for the benefit of the communist party. A narrow window of policy difference does exist but reprisals for crossing the line are effective to silence the scholars in universities and think-tanks. Many party-backed scholars in China are also advisors to the powers that be. Since Hu Jintao's time they are officially invited for briefing sessions at the politburo standing committee meetings on specific subjects including on relations with the US. This practice was continued under Xi Jinping when Sino-US contentions increased<sup>92</sup>. Below are in brief

the views of a few prominent scholars who work on US-related topics in China.

Many Chinese scholars argue for the inevitable rise of China and to the decline of the US. They argue for power transition in which China will occupy the high pedestal eventually. They critique the US unilateral policies, imperial outstretch and its loss of soft power in Islamic states, without mentioning the aggressive postures of China on Senkaku islands, South China Sea disputes or India-China boundary question.<sup>93</sup> They argue for the "legitimate" right of China over Taiwan even by use of force and critique the US for blocking such scenarios. They consider some Southeast Asian countries concern on the islands dispute as excessive or triggered by the US support. They consider China's changing "core interests" as sacrosanct and need to be defended at all cost, although they have no concern on the sovereignty claims of other Asian countries. They consider that

92 On various aspects of China's foreign policy and scholarly views see Feng Huiyun, He Kai and Yan Xuetong, Eds. *Chinese Scholars and Foreign Policy - Debating International Relations* (London: Routledge, 2019)

93 Susan L. Shirk, *Overreach - How China Derailed Its Peaceful Rise* (New York: Oxford University Press, 2023); Asle Toje Ed. *Will China's Rise Be Peaceful? Security, Stability, and Legitimacy* (New York: Oxford University press, 2018)

the US has reneged on multilateralism and free trade, even though they do not mention China's exclusive multilateral postures nor to its protectionist trends in violation of the WTO rules. While Yan Xuetong, Wang Yizhou, Wang Yiwei, Shi Yinhong, Ni Lexiong and others are considered to be realists, Wang Jisi and JinCanrong are part of the subtle "strategic ambiguity" school in China.

Yan Xuetong, who teaches at International Relations department of Tsinghua University, is considered by western scholars as a realist and a "hawkish policy advisor" to the Chinese government.<sup>94</sup> Yan is critical of the US policies suggesting that this undermined global stability and created tensions with other countries, including China<sup>95</sup>. Yan's key argument is that China is "catching up" with the US in many indicators to become a global power. Yan argued that China's relative rise and American decline since Global Financial Crisis in 2008 are to be traced to China's political leadership's ability to reform.<sup>96</sup> Yan argued

that "...China's aims would depend on the international context. In time of war, it should strive to build reliable alliances to maintain or increase its hegemonic status. In time of peace, it should strive to act like a humane authority".<sup>97</sup> Yan takes a dig at those in China who want to avoid conflict with the US as followers of Lao Zi's non-interference philosophy<sup>98</sup>. Yan does not mention why Vietnamese or others consider China's actions as hegemonic. While Yan thinks that the US is following unilateral policies across the globe, he does not think China is following similar unilateral policies in Asia. In order to defeat the US, Yan suggests that in addition to providing economic aid to countries, China should adopt a benevolent approach both domestically and externally promoting a "harmonious world" order and participating in moral governance<sup>99</sup>. Also, jettisoning the 1990s concept of multipolarisation, Yan argued that bipolar competition between the US and China is a reality since 2019, and the core of such competition is mainly reflected in digital technology<sup>100</sup>. However,

94 Yan Xuetong, *Ancient Chinese Thought, Modern Chinese Power* (Princeton: Princeton University Press, 2011) Ed by Daniel A. Bell and Sun Zhe. p.2

95 Yan Xuetong, "The Instability of China-US Relations" *The Chinese Journal of International Politics*, 2010, pp 1- 30

96 Yan Xuetong, *Leadership and the Rise of Great Powers* (Princeton: Princeton University press, 2019)

97 Yan 2011 p. 16

98 Yan 2019 p.34

99 Yan Xuetong, "中国如何打败美国" [How China defeats United States] November 28, 2011 at <[https://www.rfi.fr/cn/ 首页/20111128-阎学通：中国如何打败美国](https://www.rfi.fr/cn/首页/20111128-阎学通：中国如何打败美国)>

100 Yan Xuetong, "中美战略竞争将走向何方" [Where is China-US strategic competition heading] May 1, 2023 at <<https://www.aisixiang.com/data/142440.html>> Yan argued that compared to the 1990s when the US accounted for 26 percent of global output, today it is about 25 percent, while China's share had increased from 1 to 18 percent.

recently he suggested that the US decline in this decade is not possible<sup>101</sup>. He also suggested that the current period can be characterised by “uneasy peace, rather than a new cold war.”<sup>102</sup>

According to Wang Yizhou of Beijing University, China made rapid progress in many spheres. Recognising China’s comprehensive national power, the US should concede to China’s demands on Taiwan and on other issues. Wang argued: “how could China be placed under others, not to mention “crawling between others’ legs”; despite the growing importance of world affairs, after all, there should be a reproduction of the tributary system in the East centering on China, with China getting stronger while others weaken; the land in sovereignty disputes or already allocated to others in some negotiations, sooner or later will be returned to China upon demand; the United States will eventually receive retaliation or punishment for its all-directional unjust, unreasonable pressure on China.”<sup>103</sup>

Shi Yinhong who teaches at People’s University suggested that, given the

differences between the US and China on political systems, national trajectories, values and interests, there is a need for engagement process between the two countries. He is critical of the US tariff wars.

Wang Jisi has a pragmatic and nuanced view of the US, even though he was critical of the US on the tariff wars recognizing both its strengths and its weaknesses. He recognises that the US is a global power and that assessments of its inevitable decline are wrong<sup>104</sup>. Wang dismissed the view that the US is in decline. He suggested in 2008 that the US will continue to be the only superpower for 20-30 years<sup>105</sup>.

Jin Canrong who teaches at International Relations department of People’s University has been critical of the US for its unilateral policies, regime change and obstructing China’s rise. He suggested that China and the US should keep the dialogue process, communicate with each other and maintain global stability through non-proliferation talks, counter-terrorism and addressing climate change

101 Yan Xuetong, “美国还没走向绝对衰落，10年内被超越的可能性极小” [The United States has not gone into absolute decline, and the possibility of being surpassed within 10 years is extremely small] Sohu December 29, 2020 at <[https://www.sohu.com/a/441138463\\_100160903](https://www.sohu.com/a/441138463_100160903)>

102 Yan Xuetong, “Avoiding War, but Always Worried” China- U.S. Focus December 28, 2021 at <<https://www.chinausfocus.com/foreign-policy/avoiding-war-but-always-worried>>

103 Wang Yizhou, *Creative Involvement - A New Direction in China’s Diplomacy* (New York: Routledge, 2017) (p.20)

104 Wang Jisi, “China’s Search for a Grand Strategy: A Rising Great Power Finds Its Way” *Foreign Affairs* Vol. 90, No. 2 (March/April 2011), pp. 68-79

105 Wang Jisi, “US Power/US Decline and US-China Relations” Interviewed by Zhao Lingman *The Asia-Pacific Journal – Japan Focus* November 1, 2008, Vol 6 Issue 11 at <<https://apjif.org/-Wang-Jisi/2950/article.html>>

issues. He argued for the inevitability of China's rise and eventual displacement of the US in the international order.

According to Ni Lexiong, the US is pursuing a Cold War strategy of containing China and reflected in sanctions, strengthening military alliances, tariff wars and other measures to weaken China. Ni is of the view that strategic communication with the US is necessary to address mistrust in relations with the US.

Wang Yiwei has been critical of the US policies in China's neighbourhood and those related to the BRI projects. He argued that the US is pursuing "strategic competition" with China in economy, technology and military spheres but wants the two to explore "common ground".

## ■ CONCLUSION

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The current contestations between the US and China are in the economic, technological, military and strategic spheres. Both are making plans to dominate key sectors like hi-tech manufacturing technology and finance. Global commons are another area of contention between the two. Both are

also trying to dominate regional space in Asia and beyond. The outcome of such intensive competition is expected to be reflected on the balance of power, power transition and in the emerging world order. Many analysts indicate that conflict is inevitable with the US in various spheres and suggest a compromise solution by the US.<sup>106</sup>

US-China contestations have implications for several countries, including for India. As the fifth largest economy and poised to become the third largest in a decade, India cannot be impervious to the emerging contest between the US and China in economic, technological, strategic, military and at the global and regional orders. India's relations with both the US and China have become strategic in nature. While India today has less differences with the US, the territorial stand-off and China's hegemonic push in Asia and beyond have major implications for India. US-China competition is expected to restrict space in Asia and beyond. In these circumstances, a concert of powers could provide strategic stability to the region. India needs to strive for such a balance in Asia. ♦

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106 This is a mirror image of discussions in the US on China's rise with Graeme Allison's "Destined for War" or Samuel Huntington's Clash of Civilisations debate. On the other hand, others suggest an accommodative response from the US. See Kevin Rudd, *The Avoidable War – The Dangers of a Catastrophic Conflict between the US and Xi Jinping's China* (New York: Public Affairs, 2022); Lyle J. Goldstein, *Meeting China Halfway How to Defuse the Emerging US-China Rivalry* (Georgetown University Press, 2015)

# US-CHINA RELATIONS

*Volatile Present &  
Variable Future*

*Chintamani Mahapatra*

The United States-China relationship is very volatile today amid severe geopolitical tension afflicting the world. While Americans for centuries looked at China as a huge market that can benefit the traders and investors, during the heydays of colonialism American businesses were barred from doing any transactions in China. European colonial powers had established separate spheres of influences in China and did not allow any other country to trade in the territories under their control and influence.

It was at the turn of the 20<sup>th</sup> century that the United States emerged as a new colonial power by defeating Spain in a war and capturing the Spanish colony of the Philippines in the Pacific. The real US intention of occupying the Philippines was never to promote trade and investment. The goal was to make it a strategic base from where the US would seek to open a door to China to allow the American businesses to flourish in China. The “Open Door” note that Washington sent to European powers to allow American businessmen to enter their spheres of influence was rejected.

After winning the Second World War and establishing its position as a global superpower, the US once again tried to establish an economic foothold in China, but this time the Chinese civil war came on the way. Mao Tse Tung-led communist forces defeated the US-backed nationalist forces headed by General Chiang Kai-shek. And then the “containment of communism” doctrine President Harry S Truman adopted lay to rest any US desire to do business with the Chinese.

US-China trade was almost nil during the Cold War and began to change only after the Nixon Administration succeeded in realising détente with Mao’s China in late 1960s. The strategic goal of the Nixon Administration, shaped by the famous strategist Henry Kissinger, was to end US intervention in Indo-China, contain Soviet influence in Asia with Chinese cooperation and, of course, realise the long held dream of profiting from doing business with the most populous country in the world. Through several ups and downs since the establishment of diplomatic relations with China, the US was able to benefit from the Sino-Soviet rift, succeeded in promoting US-China

**Through several ups and downs since the establishment of diplomatic relations with China, the US was able to benefit from the Sino-Soviet rift, succeeded in promoting US-China trade, commerce and investment, and entertained an ambition to transform and reshape Chinese domestic polity.**

While the American dream of trading with China has finally come true, the trade deficit with China has become a persistent source of fretfulness in the United States.

trade, commerce and investment, and entertained an ambition to transform and reshape Chinese domestic polity.

### TRADE PARTNER TO ECONOMIC COMPETITOR

The economic objective of the United States in its China policy has become a splendid success story. China has become one of the most vital global markets for the United States. As per the available data US-China trade in 2021 was to the tune of more than \$657 billion. China was the largest source of US import of goods in the world. Moreover, total US investment in China by 2021 was more than \$118 billion dollar and Chinese investment in the United States was more than \$53 billion.<sup>107</sup> While the American dream of trading with China has finally come true, the trade deficit with China has become a persistent source of fretfulness in the United States. China sells three times more goods to the US than buys from it. US legislators have been periodically drawing attention of the Administration to ballooning trade deficit vis-à-vis

China. Concerns over “asymmetries in economic ties” and apprehensions over Chinese economic practices affecting US “competitiveness, national security and leadership<sup>108</sup>” have become a strong irritant in US-China bilateral ties. While the Trump Administration literally launched an economic Cold War against China by raising tariffs on billions of dollars worth of imports from China and provoked Beijing’s retaliation, successor Biden Administration has taken no steps yet to alter the tough Trump economic policy towards China. Washington has accused the Chinese government of engaging in “forced technology transfer”, stealing US trade secrets, “discriminating licensing practices” and “state funded strategic acquisitions of US assets.”<sup>109</sup>

The major economic worries in the policy making circles of the US emanate from the plain facts that China has become the largest trade partner of most US allies; has enhanced its hegemonic control over about 149 countries by signing agreements under its Belt and Road Initiatives (BRI) to develop road, air, water, energy and cyber infrastructure,

107 <https://crsreports.congress.gov/product/pdf/IF/IF11284>

108 Ibid.

109 Ibid.

## The US democratic polity today faces serious difficulties to compete with the authoritarian Communist Party-led China.

has used its economic muscle to punish countries that support Taiwan, has imposed cost on countries that accuse it of unleashing the COVID19 viruses; and, most important of all, the Communist Party-run Chinese State exercises controls over all economic activities within China as well as abroad.

China, being the number one banker to the United States by purchasing US Treasury Bonds and a growing influencer in international organisations, including the United Nations, the World Bank and the International Monetary Fund, and one of the principal donor countries in the world, poses sturdy challenges to the US-led world order and threatens to counter, reduce or replace the US influence from many parts of the world. The Chinese Communist Party is the sole decision maker and synchronizes the country's financial muscle to aggressively promote its interests abroad. This is quite distinct from the US system where the US Government does not have full control over Corporations and Companies. By buying massive amounts of raw materials, hydrocarbon resources; building critical infrastructure in scores of countries, and providing loans to numerous developing

countries in diverse regions of the world, China appears to have countered traditional US influence in the globe. The US democratic polity today faces serious difficulties to compete with the authoritarian Communist Party-led China. In addition, China's economic espionage in the United States is yet another major anxiety for the United States. In a report in 2018, the Federal Bureau of Investigation said that "the Chinese government has historically sponsored economic espionage, and China is the world's principal infringer of intellectual property rights. The annual cost to the US economy of counterfeited goods, pirated software, and threat of trade secrets is between \$225 billion to \$600 billion."<sup>110</sup>

### STRATEGIC PARTNERSHIP TO RISING RIVALRIES

Although Democratic USA failed to cultivate Communist China in early years after the end of the Chinese civil war, it quietly worked to bring about a rift in Sino-Soviet collaboration and to build a partnership with Beijing to counter Soviet influence. Henry Kissinger's diplomacy did bear fruit and China found itself as

110 Federal Bureau of Investigation, "China: The Risk to Academia, 2018, <https://www.fbi.gov/file-repository/china-risk-to-academia-2019.pdf/view>

a strategic partner of the United States in the latter's Cold War rivalry against the former Soviet Union. Washington had a strategic goal in building Chinese economic strength to counter the Soviet influence. In addition, a veiled American belief was that a friendly and economically prosperous China would become a stakeholder in the US-led world order. But the strategic partnership appears to have seen its limits and today China is already perceived as a strategic competitor by the US policymakers. The 2022 US National Security Strategy Report says: "The PRC is the only competitor with both the intent to reshape the international order, and increasingly, the...power to do it."<sup>111</sup> China is believed to be having "ambitions to create an enhanced sphere of influence in the Indo-Pacific and to become the world's leading power."<sup>112</sup> The US National-Cyber Security-Strategy Report, 2023, also has pointed out that the "People's Republic of China (PRC) now presents the broadest, most

active and most persistent threat to both government and private sector networks" and has both the intent and the power to reshape the international order with the "capacity to threaten US interests".<sup>113</sup>

Notwithstanding debates and discussion among strategic circles in the US for last couple of decades about China's growing economic strength and military power, governmental concerns over China's rising international profile and influence did not openly come to the surface until recently. There have been ups and downs in the relationship and Washington and Beijing stood on the opposite sides of several issues in international affairs and quarrelled over collision of an American spy plane and a Chinese aircraft on China's air space; accidental American bombing of the Chinese Embassy compound in Belgrade, China's assertive behaviour and sovereignty claims in South China Sea and East China Sea, unfair trade practices, violation of intellectual property rights,

**China's threats to US interests and position in the world began to loom large when the Trump Administration highlighted it in top official government reports. The National Security Strategy Report issued in 2017, for instance, reflected concern of the White House that "China and Russia want to shape a world antithetical to US values and interests"**

111 National Security Strategy, October 2022, The White House, Washington, D.C. <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

112 Ibid.

113 National Cybersecurity Strategy, March 2023, The White House, Washington, D.C. <https://www.whitehouse.gov/wp-content/uploads/2023/03/National-Cybersecurity-Strategy-2023.pdf>

violations of human rights, stealing of trade secrets by Chinese nationals etc. But China's threats to US interests and position in the world began to loom large when the Trump Administration highlighted it in top official government reports. The National Security Strategy Report issued in 2017, for instance, reflected concern of the White House that "China and Russia want to shape a world antithetical to US values and interests" and that "China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-driven economic model and reorder the region in its favour."<sup>114</sup> The report laments that: "For decades, US policy was rooted in the belief that support for China's rise... would liberalize China. Contrary to our hopes, China expanded its powers at the expense of the sovereignty of others."<sup>115</sup>

## UKRAINE WAR AND ITS IMPACT

The Russia-Ukraine war has immense impact on the US perception of contemporary China. In interesting turn of events, the US first had a dual containment strategy during the early

years of the Cold War to contain both Soviet and Chinese communism; later, the US strategy took huge political advantage of the Sino-Soviet differences; and by late 1960s the Sino-American détente was aimed at further deepening Sino-Soviet rift. By 1980s, the US had a policy of strengthening China and making it a partner against the Soviet expansionism. The US withdrawal from Indo-China in mid 1970s, Soviet invasion of Afghanistan in late 1970s and Vietnamese military intervention in Cambodia in late 1970s led to further deepening of connections between the United States and China.

As the time on the clock ticked on, one can witness today revival of a scenario of immediate post Second World War strategic scenario and once again Russia and China have forged closer energy and defence collaborations and the US has begun to perceive a threat from combined Russo-Chinese strategic partnership. For the United States both Europe and the Indo-Pacific region are critical for its security and prosperity. Russia has been challenging the European strategic landscape by following an assertive policy

**The Biden Administration has gone along with the threat assessments of the Trump Administration.**

114 National Security Strategy of the United States of America, December 2017, The White house, Washington, D.C., <https://history.defense.gov/Portals/70/Documents/nss/NSS2017.pdf?ver=CnFwURrw09pJ0q5EogFpwg%3d%3d>

115 Ibid.

as reflected in its stand on Georgian conflict, annexation of Crimea and China has been threatening US hegemony by its assertive policy in the Indo-Pacific.

The Trump Administration thus saw a whopping Chinese contest to its global interests and national security and took steps to stem it by imposing economic costs on China by starting a tariff war. The Biden Administration has gone along with the threat assessments of the Trump Administration. However, Russia's military intervention in Ukraine has further amplified the threat perception of the United States vis-à-vis Russo-Chinese political bonhomie and strategic partnership. As the Biden Administration unleashed a proxy war against the Russian military action in Ukraine by sanctioning Russia, providing sophisticated military equipment and ammunitions to Ukraine, supporting further expansion of NATO to include Finland along Russian border, and restoring NATO's unity, prowess and resolve, China steadily stood by Russia without, of course, openly endorsing Russian military intervention in Ukraine. Weeks before invading Ukraine, Russian President Vladimir Putin visited Beijing to witness the inauguration of Olympic Games and returned with a declaration of "limitless" cooperation between Russia and China. This has raised suspicion in the US that Putin and Xi Jinping are

together in the Ukraine war, which has become a consequential war and appears to be reshaping the strategic landscape in Europe. China, like many other countries, abstained from all UN resolutions condemning the Russian aggression, did not support US led sanctions against Russia, continued to do trading activities with Russia and expressed its view that Putin was provoked by the Western policies to take up defensive measures to safeguard its national security.

China at the same time has neither supplied weapons to Russia nor opposed its military activities in Ukraine. It has significantly opposed the use of nuclear weapons in the face of Russian statements on nuclear weapons that have wider ramifications in current geopolitics. The US nonetheless appears convinced that China is siding with Russia. Had the Sino-US trade conflict not taken place and the Trump Administration had repeated the mantra of "constructive engagement" of China, what policy China would have adopted on the Ukraine issue is difficult to guess. But the hard line approach adopted by the Trump Administration towards China and continued by the Biden Administration certainly impelled China to have a nuanced approach to the Ukraine War. Before the Ukraine War, the Sino-US strategic divergences were already widening. The US supports Japan when Chinese ships show up repeatedly

## As the proxy war in Ukraine ravages on, China seeks to present itself as peacemaker as opposed to alleged American belligerence.

near Senkaku Islands in East China Sea, Washington vehemently opposes the Chinese claim of sovereignty over vast stretches of waters in South China Sea, the Pentagon frequently conducts naval patrols in and around China in the Pacific, the State Department expresses its critical views of Chinese hesitation to pressurize North Korea on nuclear and missile tests, and, of course, persistently voices its concerns against unfair trade practises. On the other hand, Russia and China have had little squabbles despite differences over certain issues and rather coordinate their approach to regional security through regional mechanism such as Shanghai Cooperation Organisation.

Washington thus could not have expected China to follow its line on the Ukraine issue. As the proxy war in Ukraine War ravages on, China seeks to present itself as peacemaker as opposed to alleged American belligerence. China recently

played a key role in promoting Saudi-Iran détente raising eyebrows in the United States and elsewhere. Many analysts within the United States saw this development as marginalization of the US role in West Asian politics. The impact of the Chinese role in West Asian peace initiative was deeply felt in the US and a commentary in New York Times said: “The Americans, who have been the central actors in the Middle East for the past three-quarters of a century, almost always the ones in the room where it happened, now find themselves on the side lines during a moment of significant change. The Chinese, who for years played only a secondary role in the region, have suddenly transformed themselves into the new power player”<sup>116</sup>.

The US-Saudi relations were already disrupted since the murder of an American journalist in Saudi land with alleged role of the Saudi Crown Prince

**The United States promptly turned critical of the Chinese Peace Plan to end the Ukraine War. President Biden was quick to say: “I’ve seen nothing in the plan that would indicate that there is something that would be beneficial to anyone other than Russia.”**

116 Peter baker, “Chinese-Brokered Deal Upends Mideast Diplomacy and Challenges U.S.,” New York Times, 11 March 2023. <https://www.nytimes.com/2023/03/11/us/politics/saudi-arabia-iran-china-biden.html>

and US-Iran relations were going nowhere with no end in sight to return to the JCPOA on the nuclear issue. Yet, the Biden Administration downplayed the Chinese role. An Administration official said that it was only an agreement to reopen embassies and there was no “peace treaty”<sup>117</sup>. Soon after its peace venture in West Asia, President Xi Jinping visited Moscow and proposed a 12-point peace plan to end the Ukraine War. The United States promptly turned critical of the Chinese Peace Plan to end the Ukraine War. President Biden was quick to say: “I’ve seen nothing in the plan that would indicate that there is something that would be beneficial to anyone other than Russia.” He further said that the “idea that China would be negotiating the outcome of a war that’s totally unjust war for Ukraine is not rational.”<sup>118</sup> China has so far refrained from selling weapons to Russia. The US continues to spend billions of dollars for providing military and material assistance to Ukraine. While asking its NATO allies also to provide all kinds of assistance to Ukraine including aircraft and tanks, Washington calls upon Beijing not to militarily assist Moscow. China has so far refrained from doing so, but whether it will start backing Russia militarily or not would depend upon the

state of US-China relations in coming months and years.

But the most serious US action that seriously upsets Beijing has been Washington’s complex and continuing ties with Taiwan.

## TAIWAN—THE FLASH POINT

Taiwan has remained a flashpoint in US-China relations since the end of the Chinese civil war in 1949 with Communist victory and establishment of People’s Republic of China. The Chinese nationalists under Chiang Kai-shek’s leadership, fled to Taiwan and claimed as the rightful ruler of China, but failed to establish an independent country with international recognition. The United States, however, continued to recognise the government in Taipei as the government of China. Washington supported Taipei’s representation in the United Nations and not Beijing. This ended only after Sino-American détente, signing of the MoU recognizing “One China Policy”, and the establishment of diplomatic relations between the People’s Republic of China and the United States. The US Congress enacted the 1979 Taiwan Relations Act and Washington continues to maintain economic, security

117 <https://www.axios.com/2023/03/15/saudi-relations-biden-better-iran-china-deal>

118 [https://www.reuters.com/world/not-rational-china-negotiate-outcome-ukraine-war-biden-2023-02-25/#:~:text=2%20months%20ago-,Not%20rational%20for%20China%20to%20negotiate%20outcome,of%20Ukraine%20war%2C%20Biden%20says&text=Feb%2024%20\(Reuters\)%20%2D%20U.S.,peace%20plan%20for%20the%20conflict](https://www.reuters.com/world/not-rational-china-negotiate-outcome-ukraine-war-biden-2023-02-25/#:~:text=2%20months%20ago-,Not%20rational%20for%20China%20to%20negotiate%20outcome,of%20Ukraine%20war%2C%20Biden%20says&text=Feb%2024%20(Reuters)%20%2D%20U.S.,peace%20plan%20for%20the%20conflict)

President Xi Jinping has adopted a muscular approach to foreign policy, has unabashedly used military power to assert China's sovereignty claims, to frighten smaller countries and has vowed to annex Taiwan, if necessary, by force.

and cooperation in other fields with Taiwan till date. As per the understanding between the US and China based on communiqués the US would recognize the existence of one China with two systems until Taiwan's unification with China only through peaceful means. The US thus consistently maintains that there should be no use of force in unification and that it would assist Taiwan to defend itself against any external aggression. The US in principle opposes China's stand that it has the right to unify the motherland, if necessary by use of force. China, on the other hand, always maintains that there is only one China, that Taiwan is part of China and that it reserves the right to use force, if necessary, to unify the country.

Here lies the root cause of tension between the United States and China. The US periodically supplies military weapons, aircraft and ammunition to Taiwan for its defence. China vehemently opposes this security relations between the US and Taiwan. There have been several occasions when the US-China tension ran high enough over Taiwan

issue that could have led to open armed conflict. The Cold War time strategic understanding between the US and China came under test in less than five years after the end of the Soviet Union. The Taiwan Strait faced a potential armed conflict with Chinese military activities in 1995-96. The Bill Clinton Administration sent aircraft carrier to defend Taiwan in the face of Chinese offensive military manoeuvres in 1996<sup>119</sup>. China retreated at that time. The US was running a unipolar world order at that time and China's military capabilities were rather limited compared to the gargantuan US military presence in the region.

Fast forward to today and China's economic achievements and military modernization have reached a point where China almost openly contests the US power and hegemony. China's eyes have never been off Taiwan and the ambition to annex it with the Mainland has always been on the table. President Xi Jinping has adopted a muscular approach to foreign policy, has unabashedly used military power

119 For details, see Douglas Porch, "The Taiwan Strait Crisis of 1996: Strategic Implications for the United States Navy," *Naval War College Review*, vol. 52, no.3, Summer 1999.

to assert China's sovereignty claims, to frighten smaller countries and has vowed to annex Taiwan, if necessary, by force. More recently, in the midst of the pandemic, Chinese President Xi Jinping appeared too enthusiastic to use force, annex Taiwan and make it a province of the People's Republic of China. About 149 Chinese fighter planes flew close to Taiwan's airspace in a matter of 4 days in the first week of October 2021 and issued a stern warning to Taiwan not to aspire for an independent status.<sup>120</sup> This was not the first time that China has flexed its military muscle to threaten Taiwan of dire consequences, if Taipei would seek complete independence. China has issued such threats innumerable times since 1949. But the Chinese belligerent military postures were never as intimidating as it was this time.

The reaction against the Chinese military action from the United States, Japan, Australia and even Taiwan was sharp and there were anxieties over possible war. Why did China do so? First, the

world was struggling with the COVID19 pandemic. Secondly, China's domestic developments perhaps needed an outlet. The energy shortages, slowdown in economic activities, disruptions of supply chains, and the real estate debt crisis implied that President Xi Jinping was seeking external adventures to deflect the attention of disgruntled masses in the country. The Chinese image in the world was already getting dented with global criticism against treatment of Uighur Muslim masses in Xinjiang<sup>121</sup>, destruction of democratic polity in Hong Kong, continuing suppression of aspirations of the Tibetan people, encroachment of islands in South China Sea, repeated anti-Japanese naval expeditions in East China Sea, and bellicose show of force along the borders with India. The Belt and Road Initiative, a signature mega project of President Xi was also hitting roadblocks in some countries. It was quite possible that President Xi had planned to annex Taiwan— "unification" in his words—to bolster his image at home, and then to perpetuate his authoritarian control over

**In September 2022, in an interview to CBS television, President Biden said in response to a question that the US forces would defend Taiwan, if there were an "unprecedented attack".**

120 <https://fapa.org/1005-extra-edition-149-chinese-warplanes-entering-taiwans-adiz-over-four-days-u-s-grave-concern-over-chinas-pressure-against-taiwan/>

121 For details see, Lindsay Maizland, "China's Repression of Uyghurs in Xinjiang," Council on Foreign Relations, <https://www.cfr.org/background/china-xinjiang-uyghurs-muslims-repression-genocide-human-rights>

The US has not fought the Korean War, Vietnam War and Afghan War alone. And it will not fight a war with China alone. If Japan and Australia join the United States, their combined strength can be a credible deterrent against Chinese military action in Taiwan.

the party and the country. The United States that maintained an ambiguous strategic posture over the Taiwan issue was more forthcoming in defence of Taiwan under the Biden Administration.

The US policymakers understand that China's success in forcibly annexing Taiwan would have multiple adverse implications. First, it will enhance the power profile of China and make it a credible superpower. Secondly, Chinese hegemony over the Indo-Pacific will go unchallenged. Third, the South China Sea may next become the Chinese Lake for all practical purposes. Fourth, China's national wealth will considerably increase, if one would add the wealth of Hong Kong and Taiwan. Finally, and significantly, it will deal a body blow to the power and influence of the United States in the Indo-Pacific region.

President Joe Biden has more than once stated that he would defend Taiwan against any attack. In September 2022, in an interview to CBS television, President Biden said in response to a

question that the US forces would defend Taiwan, if there were an "unprecedented attack".<sup>122</sup> Although the United States has been arming Taiwan for decades and Taiwan has a sophisticated military machine, it is no match to the present-day Chinese military capabilities. Xi Jinping has made it an issue of national prestige and has a timeline to make Taiwan part of China certainly before hundred years of the establishment of the PRC. The US, however, has the difficult task of defending Taiwan if a highly modernized Chinese military would use force.

The Russian invasion of Ukraine led to speculations that China could try to re-enact Ukraine in Taiwan. If the US would not be able to bleed the Russian sufficiently by backing Ukraine, it could bolster the morale of China to annex Taiwan. China has been cautiously watching the staying power of Russia, damages done to Russian economy by the massive Western sanctions and making strategic calculations of cost

<sup>122</sup> <https://www.theguardian.com/world/2022/sep/19/joe-biden-repeats-claim-that-us-forces-would-defend-taiwan-if-china-attacked#:~:text=Asked%20in%20October%20last%20year,the%20means%20to%20defend%20itself.>

and benefit of any future military use to annex Taiwan.

The United States likewise, concerned over the modernized Chinese military and nuclear weapon capabilities and Beijing's ambition to "replace the United States in the Indo-Pacific, has been testing the Chinese resolve to use force in Taiwan. Despite repeated Chinese warning, former Speaker of the US House of Representatives Nancy Pelosi visited Taiwan and held discussion with President Tsai Ing-sen.<sup>123</sup> The White House did not do enough to persuade Pelosi to cancel her visit and China responded with unprecedented military live-fire exercises to demonstrate that Taiwan could be completely blockaded. However, China did not invade Taiwan and the US did not provoke a war with China. It appeared as if it was a trial balloon for the US to judge the Chinese resolve. The US did not stop at that. The new Republican Speaker of the current House of Representatives Kevin McCarthy decided to meet Taiwanese President in California. China again issued warnings against such a meeting<sup>124</sup>. But the meeting did take place and China once again threatened Taiwan

by holding live-fire military drills. There was no war!

Still, the billion-dollar question is: will the United States risk a war with China over Taiwan? If it does, will the US allies, such as Japan and Australia be on the US side against China and for Taiwan? The US has not fought the Korean War, Vietnam War and Afghan War alone. And it will not fight a war with China alone. If Japan and Australia join the United States, their combined strength can be a credible deterrent against Chinese military action in Taiwan. If Britain wants to vent its frustration over what China did to Hong Kong, it can join the US as well. However, the trillion-dollar question is: will all these countries risk their economic ties with China to protect Taiwan? All these countries are democracies and decision-making on war would be a complex game in each of these countries. China is an authoritarian state and decision-making would be easier and thus it would be a cause for concern for other democracies. All said and done, President Xi himself knows that any military invasion over Taiwan may or may not lead to a full-scale war with other countries. But diplomatic

123 For a detailed analysis, see Paul Haenle and Nathaniel Sher, "How Pelosi's Taiwan Visit has Set a New Status Quo for U.S.-China Tension," <https://carnegieendowment.org/2022/08/17/how-pelosi-s-taiwan-visit-has-set-new-status-quo-for-u.s-china-tensions-pub-87696>

124 "Taiwan's President Tsai Meets Kevin McCarthy Despite China's warnings", <https://www.npr.org/2023/04/05/1167872114/kevin-mccarthy-taiwan-president-tsai-meeting-california-china>

The Trump Administration also sought to project the Chinese failure to sensitize the world about the COVID19 virus that afflicted the entire world since early 2020s.

and political pressure will be enormous and even the economic consequences can be disastrous for China as well. The reactions of the United States, Japan and Australia and even the European Union are testimony to economic threat that President Xi would have to deal with, if he escalates the tension in the Taiwan Strait beyond airspace violation and indulging in war of words. None of the major powers supports Taiwanese independence for obvious reasons: it would mean losing business in lucrative Chinese market. But no major power is likely to be helpless bystander, if China invades and annexes Taiwan. The US and its allies have tolerated Chinese mistreatment of Uighurs and Tibetans, and death of democracy in Hong Kong, but they are unlikely to keep quiet if Taiwan is militarily annexed. Since an element of surprise is always there over Chinese next step, anxiety in Taiwan and tension in the Indo-Pacific region will remain alive.

### **CLASH OF SOFT POWER**

Another area of subtle clash between the United States in recent years has been

in the area of soft power. The American soft power and its impact around the globe, including on non-democratic countries, is well known. Democracy, individual freedom, liberty and human rights were used as powerful tool by the United States to undermine communist authoritarianism for decades. While establishing commercial ties with China, the US State Department and to some extent the US Congress continued to play the human rights card against China sometime for political purposes and sometimes even for commercial reasons to discourage American people to buy Chinese products tainted with forced labour.

The American media, Congressmen and Senators and the US state Department both during the Trump and the Biden Administration repeatedly criticized China for its human rights violations in Xinjiang, Tibet and suppression of democracy in Hong Kong. Unlike in the past, through “wolf warrior” diplomacy China retaliated by publishing its own human rights reports underlining massive human rights violations within the United States and even by criticizing American democracy highlighting the

societal polarization and the January 6 insurrection in the US Capitol that undermined US democratic ideals.

The Trump Administration also sought to project the Chinese failure to sensitize the world about the COVID19 virus that afflicted the entire world since early 2020s. Corona Virus is not a brand new virus. But COVID-19 is. Nobody heard about this COVID-19 until it created mayhem in the Chinese city of Wuhan. While global sympathy was there for the Chinese citizens who mercilessly suffered from this virus or died of this viral attack, the sympathy turned into suspicion, concerns, and even anger against China as COVID-19 spread around the world and assumed pandemic proportions. Former President Donald Trump dubbed it the 'China virus'. Trump's statement accelerated the US-China Cold Confrontation that was brewing for years and got accelerated by the "tariff war". President Trump's statement painted the Chinese government black, reduced its soft power, erased its trade benefits, and weakened China's soft power influence in the world. Although China continued to be ruled by the Communist Party

of China, its economic successes did enhance its soft power to a great extent.

China understood the consequences of the characterization of the virus as the 'China virus' and went on a diplomatic offensive to counter it. The use of the term Spanish Flu was not much of a botheration for Spain. Times were different then. But China realized the cost of the term 'China virus' both in terms of its image and business prospects. To a large extent, however, China succeeded in persuading countries to avoid using the term 'China virus'. The WHO began to use the term 'COVID-19' and even Donald Trump stopped using it. But by suspending US contribution to WHO and blaming this world body for being supportive of China, the Trump Administration further escalated its confrontation with China. Another challenge for China was managing growing demands for an international investigation into the origin of the virus. It all began with an American ally, Australia, calling for an independent investigation into the origin and spread of the virus beyond China's borders. Such demand soon caught the

**Edward Lee, a leading historian, is of the view that the Confucius Institutes "are not the innocent cultural centers offering Chinese language instruction they pretend to be. They are, rather, a key stratagem of China's "soft war" against America."**

attention of many and stretched as a wildfire. The conspiracy theories were already abundant. China bashers joined the chorus.

China refused to invite any international investigative team into its territory. Seen from the Chinese perspective, a propaganda war had been initiated against China by the Trump Administration to tarnish the image of China. China was furious that while buying its protective gear and other medical equipment, many countries, including the United States, continued to blame China for the pandemic. But the issue has not died down even after more than two years of the COVID19 pandemic. The New York Times recently reported that “the Chinese government muzzled scientists, hindered international investigations and censored online discussion of the pandemic” and under “pressure from their government Chinese scientists have withheld data, withdrawn genetic sequences from public databases and altered crucial details in journal submissions.”<sup>125</sup>

Another aspect of soft power that led to US-China differences was over educational exchanges and funding. Education as a tool of diplomacy has become internationally competitive and has entered a phase of contestation. Education policy of a country, especially related to offering fellowships, internationalizing university campuses, financing educational institutes abroad, introducing certain preferred courses in foreign universities or colleges or seeking franchise to open campus extension in other countries are increasingly competitive.

For decades after the end of the Cold War, students from many countries headed to universities in the United States, UK, France, Germany, Australia and Canada and many other countries for higher education, research collaborations and skill development. China after its newly acquired wealth resulting from unprecedented economic growth also began to draw international students in large number and sought to make them pro-China oriented. However, when China began to fund Chinese

**The US has yet again shown its capability to dominate world affairs by taking Russian aggression in Ukraine head-on.**

125 “Chinese censorship is Quietly Re-writing the COVID19 Story,” New York Times, 23 April 2023. <https://www.nytimes.com/2023/04/23/world/europe/chinese-censorship-covid.html>

**Both Washington and Beijing will seek in subtle ways not to allow the other to grow at one's cost. A kind of sophisticated mutual containment strategy adopted by both the countries will complicate the international waters for other countries to navigate.**

studies programmes abroad, it became an area of confrontation between the United States and China. The Chinese government funded a large number of Confucius Institutes in various American universities and, of course, in several other countries<sup>126</sup>. Edward Lee, a leading historian, is of the view that the Confucius Institutes “are not the innocent cultural centers offering Chinese language instruction they pretend to be. They are, rather, a key stratagem of China’s “soft war” against America.”<sup>127</sup> The US legislators have recently woken up to realize that China has been trying to “indoctrinate American children” and promote “Communist government’s propaganda” in the classrooms. According to Senator Ted Cruz, “Communist China is infiltrating American universities to meddle with our curricula, silence criticism of their regime, and steal

intellectual property including sensitive dual-use research,” and “Confucius Institutes are the velvet glove around the iron fist of their campaigns on our campuses. The American government needs new tools to protect the integrity of our universities and research, and to block academic espionage.”<sup>128</sup> Cruz actually introduced legislation intended to boost government’s capacity to deal with activities of foreign intelligence organizations in the American education system, called the Stop Higher Education Espionage and Theft Act of 2018.<sup>129</sup> The Federal Bureau of Investigation issued a report—China: the Risk to Academia—and accused the Chinese government of “posing a particular threat to US academia for a variety of reasons.”<sup>130</sup> Efforts were soon made to close down some Confucius Institutes and block the non-transparent flow of

126 Founded in 2004, the Confucius Institutes have enrolled more than nine million students at 525 institutes in 146 countries and regions. More than 100 institutes have opened in the United States, including at prestigious universities such as Columbia and Stanford. Lee Edwards, “Confucius Institutes: China’s Trojan Horse,” Commentary, The Heritage Foundation, 27 May 2021. <https://www.heritage.org/homeland-security/commentary/confucius-institutes-chinas-trojan-horse>

127 Ibid.

128 Washington Post, 22 May 2018. The bill doesn’t mention China by name, but it is a clear attempt to give the U.S. law enforcement community more tools to deal with the Chinese Communist Party’s expansion inside American educational institutions. <https://www.washingtonpost.com/news/josh-rogin/wp/2018/05/22/preventing-chinese-espionage-at-americas-universities/>

129 Ibid.

130 n.4

Chinese funds in the name of education to US universities. Other countries have taken similar steps, as for instance, the Australian Government has come up with a “foreign influence transparency scheme” to keep track on Confucius Institutes in the country. In one year, about 10 American universities moved to close their Confucius Institutes.<sup>131</sup>

## ■ CONCLUDING OBSERVATIONS

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While the present relationship between the US and China is volatile, the future is unlikely to be stable and tension-free. The debates that took place on relative decline of the United States and fast emergence of China as a superpower need to be rephrased. The relative decline of the US in terms of economic power and military prowess may have theoretical and academic justifications. But the US has yet again shown its capability to dominate world affairs by taking Russian aggression in Ukraine head-on. Despite all odds and difficulties the West has stood by the United States. No other country has that ability to counter Russia

in Ukraine. China’s rise to the status of a superpower appeared to be almost certain and then came the COVID19 pandemic. Chinese economic juggernaut has begun to face numerous hurdles. China’s military modernization appears to be world-class. It is also reportedly working towards bringing its nuclear arsenals at par with the US and Russia. But can China go without the Western-led international market place? Can the US and China afford a Cold War type relations in the face of deep economic interdependence?

There cannot be an old Cold War type relations between the US and China. The complex interdependence will make it costly for the countries. Yet these two countries will find it difficult to maintain a stable relationship. The US will remain fearful of losing its status in the global power structure and China will keep worrying about not making to the top despite its decades long efforts. The instability in US-China relations will navigate. For the moment, neither is there any possibility of war between the US and China, nor is there any possibility of peaceful co-existence. ♦

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131 <https://www.insidehighered.com/news/2019/01/09/colleges-move-close-chinese-government-funded-confucius-institutes-amid-increasing>



# ABOUT THE CONTRIBUTORS



## Amb. Arun K. Singh

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Arun K. Singh was India's Ambassador to the United States (2015-2016), France (2013-2015) and Israel (2005-2008). Ambassador Singh has extensive experience across the globe, including as India's Ambassador to the United States, Israel, and France. Throughout his distinguished 37-year career in the Indian Foreign Service, Ambassador Singh has served during pivotal periods in key global capitals, and was instrumental in shaping India's policies, notably the continued progress in the US-India relationship; India's closer ties to Israel; and the formulation and implementation of India's policies related to Afghanistan, Pakistan, and Iran, including in the period following 9/11.

Ambassador Singh is currently a Visiting Professor at Ashoka University, a Distinguished Non-Resident Senior Fellow in the Asia Program at The German Marshall Fund of US and at Carnegie India. In the spring of 2017, Ambassador Singh taught courses on US Foreign Policy in South Asia and Current Global Trends and Challenges at both American University and the School of Advanced International Studies at Johns Hopkins University. He was also a Distinguished Visiting Professor at Emory University, and the Centre for Advanced Study of India at the University of Pennsylvania. He was a Member of India's National Security Advisory Board over 2021-22.

Ambassador Singh holds a Master's Degree in Economics from Delhi University, where he specialized in econometrics, development policy, macroeconomics, and Indian economic history.



## Prof. Srikanth Kondapalli

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Srikanth Kondapalli is the Dean of School of International Studies and a Professor of China Studies at Jawaharlal Nehru University, New Delhi. He was Chairperson of the Centre for East Asian Studies, SIS, JNU from 2008-10, 2012-14, 2016-18 and 2018-20. He is educated in Chinese studies in India and China with a Ph.D. in Chinese Studies. He learnt Chinese language at Beijing Language & Culture University and was a post-Doctoral Visiting Fellow at People's University, Beijing from 1996-98. He was a Visiting Professor at National Chengchi University, Taipei in 2004, a Visiting Fellow at China Institute of Contemporary International Relations, Beijing in May 2007, an Honorary Professor at Shandong University, Jinan in 2009, 2011, 2013, 2015, 2016, 2017 and 2019; at Jilin University, Changchun in 2014 and at Yunnan University of Finance and Economics, Kunming in 2016 and 2017, a Non-Resident Senior Fellow at People's University since 2014 and a Fellow at Salzburg Global Seminar in 2010. He wrote two books:

- *China's Military: The PLA in Transition* in 1999 and
- *China's Naval Power* in 2001.

He wrote two monographs, and co-edited six volumes:

- *Asian Security & China* in 2004
- *China and its Neighbours* in 2010
- *China's Military and India* in 2012
- *China and the BRICS: Setting up a Different Kitchen* in 2016
- *One Belt One Road – China's Global Outreach*, 2017 and
- *China and Covid-19 – Domestic and External Dimensions* 2020

and a number of articles in journals and edited volumes – all on China. He received the *K.Subramanyam Award* in 2010 for *Excellence in Research in Strategic and Security Studies*.



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He was a faculty at the School of International Studies of JNU, from May 1999 till May 2022. He served as Rector (Pro-Vice Chancellor) of Jawaharlal Nehru University since From 1 March 2016 till 7 February 2022. He has held positions, such as Member, UGC Review Committee, Area Studies Programme; Member, Fellowship Expert Committee, ICSSR; Member, Editorial Board, Strategic Analysis, IDSA.

Recently, he was Tagore Chair Professor at Yunnan University of China. He has conducted research in several US Presidential Libraries (Especially Truman Library, Eisenhower Library, John F Kennedy Library and Johnson Library) and US National Archives in Washington, DC; and British Public Record Office in London.

Prof. Mahapatra has authored/edited 8 books, and has contributed chapters to above 30 edited books. He has published above 70 research articles in reputed journals. He has been awarded a number of international fellowships, such as Fulbright Fellowship, Commonwealth Fellowship, and Visiting Fellowships to undertake research in the US, UK, Austria, Australia and many other countries.

He has been a visiting faculty in several UGC-run Academic Staff Colleges, the Foreign Service Institute of the Ministry of External Affairs, National Defence College, Army War College, Naval War College and the College of Air Warfare. He is also a regular commentator in newspapers and on audio-visual media on international affairs.



## About ICWA

The Indian Council of World Affairs (ICWA) was established in 1943 by a group of eminent intellectuals led by Sir Tej Bahadur Sapru and Dr. H.N. Kunzru. Its principal objective was to create an Indian perspective on international relations and act as a repository of knowledge and thinking on foreign policy issues. The Council today conducts policy research through an in-house faculty as well as through external experts. It regularly organizes an array of intellectual activities including conferences, seminars, roundtable discussions, lectures and brings out a range of publications. It has a well-stocked library, an active website, and publishes the journal India Quarterly. ICWA has over 50 MoUs with international think tanks and research institutions to promote better understanding on international issues and develop areas of mutual cooperation. The Council also has partnerships with leading research institutions, think tanks and universities in India.



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