

For the US and China, There's No Going Back

by Phillip Orchard - November 9, 2020

For months leading up to the U.S. election, there was no shortage of speculation over who Beijing would prefer to have in the White House in January. In several (unsourced) interviews with Western media, Chinese officials insisted that President Xi Jinping and his inner circle didn't have a particularly strong preference – that neither a Biden nor a second Trump administration would fundamentally reshape the trajectory of U.S.-China relations.

Yet nearly all of Beijing's recent behavior has betrayed an expectation that there'd be worse to come with either outcome – and that any window of opportunity opened by electoral chaos would likely be far too brief to capitalize on. And for good reason. **Beijing's own immense internal pressures and unforgiving geopolitical imperatives** are what's locking it into its increasingly assertive course. And this, in turn, is forging an increasingly bipartisan consensus in Washington that Communist Party-led China is the country's foremost strategic and economic challenge. As a result, there will be some tactical differences under a Biden presidency, as well as some changes in what particular challenges the administration prioritizes. But broadly speaking, the U.S.-China rivalry will only intensify from here.

The Bipartisan Consensus

It's become fashionable to claim that U.S. strategy toward China under several of Trump's predecessors was grounded in naivete and wishful thinking. The constant emphasis on engagement and bringing it into the global trading system was rooted in rose-colored assumptions that helping China get rich would eventually help bring democracy to China and incentivize Beijing to abide by the rules and norms of the established order – or so the argument goes.

But this argument misreads the historical record. U.S. national strategy documents from the mid-1990s, along with contemporaneous debates over China's entry into the World Trade Organization, make clear that the Clinton administration was under no illusions about the character of the Communist Party of China and **the long-term strategic and economic problems China's rise was likely to pose**. (The crackdown at Tiananmen Square was still recent history, after all.)

Rather, the Clinton administration's relatively friendly China policies – and those of the George W. Bush and Obama administrations – were shaped by three main things. One was an understanding

that the U.S. just didn't have much leverage to make the CPC do things it didn't want to do, particularly anything the CPC thought would weaken its control over China. The second was the realization that China's cooperation would be needed on matters of critical shared interest: nuclear proliferation, terrorism, global financial stability, environmental and epidemiological threats, and so on. The third, of course, was the widespread tendency among U.S. business communities to view China overwhelmingly in terms of their bottom line.

This third factor made it increasingly difficult for the U.S. to change directions once it started to more tightly integrate with China. Beijing simply had too many friends and captured interests in the U.S., making the economic and political costs of an abrupt decoupling too high for any administration to stomach, especially when there were much more immediate problems (like the Global War on Terror and the global financial meltdown after 2008) to worry about. U.S. consumers, too, had developed a taste for low-cost imports and were none too keen to give them up.

2017 marked an inflection point, though. By the time Trump launched the trade war, U.S. political, economic and military interests had begun to align. The U.S. middle class had been gutted. Many neoliberals and U.S. business sectors had been alienated by China's distortion of global markets, its flouting of WTO obligations, and Beijing's support of things like intellectual property theft. China's rapid emergence as a near-peer military competitor – one willing and capable of dictating terms to most of its neighbors – seemed to have snuck up on the U.S. defense establishment. This, combined with a perceived erosion of the U.S. Navy and Air Force's technological advantages, sowed **doubts among allies about U.S. commitments** and generated widespread alarm in D.C. that the U.S. was not ready for great power competition. **China's crackdown in Hong Kong** dashed any remaining optimism about Chinese democratization, while its concentration camps in Xinjiang outraged anyone with a pulse.

In other words, there's something about the CPC for just about every powerful constituency in the U.S. to hate. So it's getting harder and harder for Beijing to capture interests in the U.S., to exploit its internal divides, and to ensure that the path of least resistance for U.S. policymakers consistently favors the status quo with China. President Donald Trump's trade and tech wars made **meaningful progress on very few of their core goals**. But the fact that he was able to sustain them despite the economic costs, even amid the coronavirus-induced economic implosion, underscored the reality that **a paradigm shift is taking place**.

Staying the Course

To Beijing, the Trump era was not a paradigm shift; it was a confirmation of long-held suspicions that

the U.S. is singularly focused on kneecapping China's rise. If the trade and tech wars changed anything in elite circles, it was by narrowing the space for dissent and quieting those who've grown concerned that China's "wolf warrior diplomacy" and constant antagonization of its neighbors may backfire. This is why the CPC's rigidly top-down, censorial institutional culture matters. It creates echo chambers, suppresses informed, creative thinking, and incentivizes everyone who wants career success to toe the line. It also creates a dependence on stoking nationalism among its citizens and thus raises the political costs of compromising with the great Satan.

More important, though, the current leadership firmly believes the party's survival, to say nothing of the country's security and prosperity, hinges on a continuation of most of the policies that anger the U.S. most. This is why Xi is doubling down on state-managed mercantilism, as made explicit in [a recent speech](#). It's why Beijing seems content with hostile reactions to its moves in India, [Australia](#), Taiwan and elsewhere. And it's why it made [an exceedingly risky bet in Hong Kong](#).

Critically, [Beijing also happens to believe most of its policies are succeeding](#) – in its mind, for example, it passed the ultimate systemic stress test posed by the pandemic – and that the U.S. is a wheezing superpower in denial about its decline. The CPC sees little reason to change course, even if it means locking itself into a self-reinforcing feedback with the U.S. and putting it on a risky path toward confrontation.

This is the challenge Joe Biden has inherited. The optimal strategy toward China would sustain the balance of power, persuade like-minded states to assume the risks of retaliation by joining [an implicitly anti-China coalition](#), address domestic economic and technological vulnerabilities without doing excessive harm to [the U.S.' own economic well-being](#), and deter Beijing's most aggressive impulses without making cooperation on shared interests impossible – and without closing critical off ramps from a potential path toward war. In reality, many of these goals conflict. And any degree of meaningful progress will be expensive, both in financial terms and in political capital. Both will be in short supply given the intersecting domestic crises Biden will be juggling.

So while his administration will talk a big game about multilateralism, human rights and doing more to look out for the interests of friends and allies in the region, it will struggle to back it up. It will want to dramatically increase security assistance to partners along the South China Sea, for example, but everyone in Washington will have bigger budgetary priorities. It will want to do more to directly defend the material interests of U.S. partners in disputed waters – and dash Beijing's belief that it's on course to fundamentally overturn the balance of power in the Western Pacific – [but the U.S. Navy and Coast Guard are already overstretched and in dire need of an overhaul](#). It may strike

a quick deal with Beijing to scale back the bulk of the tariffs on Chinese imports that disproportionately hurt U.S. consumers, but Beijing won't concede much. The leverage required to curb Chinese mercantilism and technology theft will remain elusive, especially since trade pacts like the **Trans-Pacific Partnership** will be a political nonstarter. **It won't force U.S. firms who don't want to leave China to leave.**

Thus, exactly what the Biden administration chooses to prioritize with China, and the tactics it employs in its pursuit, is up in the air. But there's no going back to the status quo. The fundamental question now is where two countries can find equilibrium on the spectrum between strategic competition and war.

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