



# The Biden Administration's Policy on China: From "Engagement" to "Competition" — US Policy Change

**Sahashi Ryo, Associate professor, Institute for Advanced Studies on Asia,  
University of Tokyo**

Not much longer than a half year since its inception, it has already become evident that China is at the core of the Biden administration's global strategy. Moreover, it is talking about rebuilding US-Europe relations and the international cooperation system, take on the climate crisis, and stop the retreat of global democracy. The Democratic Party's left wing has called for an exploration of internationalism that does not overemphasize military affairs, while the Biden administration criticizes the diplomacy of the Trump era and stresses the revival of US leadership.

On March 3 in 2021, the Biden administration released ["Interim National Security Strategic Guidance"](#) as a provisional version of the "National Security Strategy" (NSS). In the guidance,



Prof. Sahashi Ryo

China is described as the "only competitor," paying more attention to China than to Russia. Much of the presidential policy guidance published so far has also identified China as the biggest challenge to the Biden administration's global strategy. After the normalization of US-China diplomatic relations, there is no place for objections to shifting the mainstream US strategy for China.

Meanwhile, the Biden administration argues that cooperation with China can also be in areas such as climate change, with the goal being strategic competition rather than conflict. Looking at the actual measures, there is a lot of uncertainty and lack of consistency as well. How should we view the Biden administration's strategy for China? Firstly, I want to frame it in a historical context.

## What Is the Conventional US Strategy for China?

In the 1970s, President Nixon and National Security Advisor Kissinger and others started moving the US closer to China. It is well known that this stems from major strategic interests, such as containing the Soviet Union and the early end of the Vietnam War. Yet what I would like to emphasize here is that after that approach, the US continued to support China's modernization. The US opened up study-abroad opportunities for Chinese students, sold experimental facilities and weapons, made investments, and so forth. You could say that it was the US, Japan, Europe, and other developed countries that brought up China.

The ideas underpinning this US strategy for China was the "three expectations" that China would conduct "marketization reform," conduct "political reform," and "take on a bigger role in international society," even if at a slow pace. In other words, they thought that China would eventually

share values with the US. This was no more than optimism on thin grounds, but it became a major policy target. There was also the conceit that China would grow but not catch up with the US.

This is the main point of *Beichu tairitsu—Beikoku no senryakutenkan to bundansareru sekai* (US-China rivalry—US strategy shift and a divided world), which is a work by me that was published this summer.

Looking back with what we know now, it may seem strange that the American side had such expectations. However, the US did not give up on building relations with China with its different political system, even after the Tiananmen Square incident in 1989, and formalized the engagement policy in the 1990s. China's expectations for the future are not limited to the US industry that is embedded in Chinese business, but also extends to Washington, which is supported by foreign-policy statements at that time, government documents, and the recollections of people who were involved. President Jiang Zemin and Premier Zhu Rongji also displayed a corresponding posture toward reform.

The China alert theory has been popular since then. Technology outflow from the US, arms exports to the Middle East from China, China's human rights issues, and above all the trade deficit with China have been the focus. However, the alert theory was completely toothless before the engagement policy that was the mainstream of strategy for China, so the repeated response was continued conditional engagement. There was no strong partisanship there. The Democratic Clinton administration paved the way for China's accession to the WTO. The subsequent Republican administration of George W. Bush was initially tough on China, but the war on terror since the September 11 attacks in 2001 moved the focus to relations with China. As part of that, the US continued to press Taiwan's Chen Shui-bian administration because it was thought to destabilize the status quo.

However, since the start of the Xi Jinping administration in 2013, as the Chinese government has tightened its social control and begun to take a more robust foreign-policy stance than ever before, the US government started to revise the long-standing US-China relations. This is the result of "distrust of China" due to the loss of the aforementioned "three expectations" and growing "fear of China catching up." Meanwhile, the Chinese government's stance toward the US has not changed much, so the changes in US-China relations have originated from the US.

## **The Engagement Strategy That Fell Apart**

The US strategy for China of engagement and support began to fall apart around 2015 when the policy line of the Xi Jinping administration became better understood. The Xi administration has tightened society with various forms of legislation with an emphasis on domestic security, while retreating on marketization reform. At the same time, it has strengthened its own vision, as seen in the Belt and Road Initiative and elsewhere. By contrast, the US has rapidly lost its expectations for China, and experts inside and outside the government have adopted a tough stance. However, there was little time left for the Obama administration in the second half of its second term, with strong voices at the center of the administration saying that Chinese diplomacy needed consideration. As such, it ran out of time just when the "freedom of navigation" operations in the South China Sea and anti-cyberattack measures were off the ground.

In Japan, some people praised the Obama administration in its first term for the emphasis on Asia under the slogan pivot or rebalance, while rating the second term lower. Yet in reality, the first term of pivoting to Asia was not much different from the engagement policy, given that it was based on recognition of the need to strengthen participation in regional institutions. The second half of the second term is where we find the revision of the perception of China, which really shook things up and led to the Trump administration. This is the reason the Biden administration, which belongs to the same Democratic Party as the Obama administration, is currently showing such a strong stance toward China. Even if Hillary Clinton had been elected in the 2016 presidential election, she might have adopted a similar stance to the Biden administration.

In reality, Trump was elected and transformed the strategy for China in earnest. Trump himself has very little interest in the Xinjiang Uygur Autonomous Region, Hong Kong, or Taiwan, and did not initiate strategic change because of human rights or geopolitics. Yet he called for an end to the inflated trade deficit with China, shaking up US-China relations many times to present himself as a deal maker. The true hardliners on China and others used this. The timing of stagnated trade talks coincides with the implementation of hardline policies, including regulations on the Chinese multi-technology corporation Huawei Technologies. Moreover, after the COVID-19 pandemic, as China's secretive response resulted in a further spread, the Chinese political system was exposed to criticism. In such a political situation, many policies revising relations with China were realized in science and economic activities.

This shift in strategy for China was driven by US government departments and experts who were disillusioned with China and feared that it would catch up. The scientific and industrial sectors also did not hide their dissatisfaction with the Chinese government for instigating technology outflow. The self-conceit over China power was gone and the reality of competition for techno-hegemony set in. Not only Congress, but also religious circles and the media strongly criticized China's human rights record. Amid such dissatisfaction, President Trump, who was aiming for reelection for other reasons, can be said to have opened the floodgates.

## **The Biden Administration Aiming for Competition and Stability**

Inaugurated in January 2021, the Biden administration has adopted ideas about issues from the end of the Obama administration as well as the policy techniques prepared by the Trump administration. In the past, the goal was to change the actions of the Chinese government, but in recent years it seems that the policy targets have become slowing down China's growth and punishing it rather than changing it.

To prevent advanced technologies from passing over to China, the Trump administration put in place export controls and restricted science and technology exchanges (including the acceptance of international students) as well as expanded systems for investigating illegal technology outflow. Furthermore, with regard to information and communications, Chinese products and services have been removed from government procurements and some Chinese companies have been taken off the stock market and other avenues for raising capital, and there have been moves to restrict imports on the grounds of human rights violations. Moreover, the administration issued a series of additional tariffs on China, escalating things to what could be termed a "trade war."

The Biden administration has reviewed some of the much-criticized Chinese app regulations, but it preserves most of the former administration's measures while focusing more on human rights and competing better with China. The new staff appointments for the regulatory agency Department of Commerce have been announced, but they are the same hardliners on China who were involved in policymaking in the previous administration.

The severity of the perception of China has not changed. Kurt Campbell, who handles Indo-Pacific strategy in White House, has also been calling China a violent power in the international community recently. At the same time, Campbell carefully stresses the importance of ensuring that no full-scale conflict or crisis erupts between the US and China. If that were to happen, it would inevitably have an impact on the global economy, and above all, Biden's "Foreign Policy for the Middle Class," which emphasizes job creation, would become contradictory. State Department spokesperson Ned Price has said that, Deputy Secretary of State Wendy Ruth Sherman, who is visiting China in July, "intends to show what healthy competition looks like."

The US intention to achieve a balance between competition and stability with China is also evident in its policy on Taiwan. The Biden administration is following the Trump administration by further strengthening US-Taiwan relations, as senior US military officials one after the other have made statements to restrain the activities of the People's Liberation Army (PLA). This is due to fears that deterrence could fail. Moreover, based on ideas about Taiwan involvement that go beyond conventional geopolitical reasons, Taiwan with its advanced democracy system is a global hub for semiconductor manufacturing, with some considering it as vitally important.

On the other hand, the Biden administration remains cautious about revising the strategic ambiguity (in the sense of making explicit the defense of Taiwan), which is what many experts outside the government are advocating, and maintains the "One-China" policy.

In other words, the intention is to not take any decisive action lest it threaten the stability of the Taiwan Strait. Of course, this rests on a delicate balance. The US Congress is working on further legislative work for engagement with Taiwan, and as China has also become more sensitive to the actions of the US, it is possible that the situation will suddenly destabilize in the future.

## **Restoring Relations with Allies and Expectations**

The Biden administration is convinced that the previous administration has damaged alliances, the largest strategic asset of the US. This is why restoring relationships with allied nations has been a priority from the outset.

In particular, Japan was identified as a front-line allied nation. The [Joint Leaders' Statement of the Japan-US summit meeting](#) with key Biden administration ministers (April 16, 2021) expanded and redefined the role of the alliance in the US-China conflict era by naming not only traditional military security but also economic security and science and technology as pillars of the Japan-US alliance.

Expectations were on many allied nations to justify the new global strategy with its focus on China and to develop the environment for that. The joint statements of the US-Korea summit meeting and the G7 summit also mentioned peace and stability across the Taiwan Strait, but the others countries

have not actually shifted to policies as hard-line as the US strategy for China. Still, they decided to stay abreast with the US at a time when US-China confrontation is to be expected. The UK, France, and Germany have also begun dispatching ships to the Indo-Pacific, but some believe that the American load should be reduced by focusing on measures against Russia.

Meanwhile, the Biden administration's Southeast Asia policy has finally begun. Secretary of Defense Lloyd Austin and Vice President Kamala Harris visited Southeast Asia in succession. Although the overall picture of the policy is not yet visible, we can see an intention to strengthen bilateral relations and substantive regional cooperation rather than having diplomatic consideration for ASEAN. But not only are they unable to come up with a meaningful economic strategy, they also ignore Indonesia and Thailand while repeating high-level visits to Singapore and Vietnam, thus giving a contradictory impression of the Biden administration's focus on global democracy. As always, the ASEAN countries are wary of being caught up in the US-China conflict, and Singaporean Prime Minister Lee Hsien Loong also highlighted regional concerns at an international conference hosted by a US private foundation in August.

The Biden administration values Japan-Australia-India-US (Quad) cooperation, holding a [leaders' video conference](#) in March, but they are not really addressing strategic challenges. They have yet to find a useful framework that can anchor a Free and Open Indo-Pacific (FOIP) other than alliances.

## **The Impact of Afghanistan**

On August 15, the antigovernment forces of the Taliban occupied the Afghan capital Kabul far more quickly than expected. The democratically elected President Ashraf Ghani resigned and fled the country. US troops commenced military action in Afghanistan after the September 11 attacks in 2001 and had been continuously stationed there since. Indeed, American society felt a strong disgust towards what had become the longest war in US history. Withdrawal from Afghanistan was a policy that the Biden administration inherited from its predecessor, but the “withdrawal without honor” has been seen as a clear failure both in the US and abroad, providing ammunition for critics of Biden diplomacy.

The Biden administration argues that further involvement would not have led to any better prospects. It also claims that it is necessary to focus on the challenges of global strategy and on China. However, it is likely that this situation will have an impact on US strategy for China and the intimately connected task of building international order.

Firstly, the US has lost its moral leadership. There is a high risk of a humanitarian crisis as the Taliban purge American collaborators and former administration officials as well as replace women's rights and education and social policies with policies based on their own ideology. It is unconvincing for the US, which has turned a blind eye to the concerns and thrown a democratically elected administration under the bus, to present a picture of the confrontation of democracy and tyranny elsewhere. Also domestically, the Republican Party has intensified its criticism of the Biden administration over the withdrawal from Afghanistan, so that increasing partisanship is tying the Biden administration's hands in foreign policy.

Secondly, the US cannot be a bystander. China and Russia are concerned that Islamic extremism will affect their countries, so they cannot easily get along with the Taliban. China and Russia might intervene to change the regional balance, depending on future developments, and they might even seek cooperation with the US. It might be that the US today does not have the power to stay involved in Afghanistan, and many argue that this withdrawal has actually shown that the US cannot focus on China in the long term.

Some of the Chinese state media and some in Taiwan conclude that the US cannot be trusted after abandoning Afghanistan and connect this issue with that of Taiwan, but that is just political discourse. As mentioned earlier, the US is deepening its commitment to Taiwan for more complex reasons than ever before.

## **Future Prospects**

The Biden administration has shifted to a strategy for China that presupposes a US-China conflict, and is moving forward with science and technology policy and industrial policy, for example by revising supply chains for semiconductors and other goods. China is also quietly preparing for a new era, including the establishment of the Data Security Law and the Anti-Foreign Sanctions Law in June. The US and China will avoid military conflict and a complete breakdown in relations, but we should expect that bilateral relations are no longer stable, that the antagonism cannot be resolved, and that mutual interdependence will fade. Even if there is US-China cooperation in climate change and other fields, this cannot eliminate the serious discord between the US and China about their respective worldviews.

Firstly, the regulations on advanced science and technology will become the strictest in the future. Monitoring of Chinese researchers at US universities and the flow of foreign funds will become even stricter. The United States Innovation and Competition Act Bill that passed the Upper House is unlikely to pass the Lower House, but we will likely see more in the way of expanding subsidies and research systems for domestic promotion.

Second, the US-China conflict will accelerate on the financial front. Of course, the American finance sector is still heavily interested in Chinese private capital and is expanding businesses. At the same time, Chinese companies' capital raising on the US market is becoming stricter, not only because of US regulations, but also due to interference from the Chinese government. In the future, financial decoupling will proceed in the same way as in the advanced technology field. This will transform the facts of globalization that have spread across the world for more than thirty years.

Thirdly, the Biden administration likes to paint a picture of opposition between democracy and tyranny (or authoritarianism). It is criticizing the Uyghur and Hong Kong issues from the standpoint of civil liberties and human rights. In China's eyes, this is a unilateral forcing of value standards. Still, the Biden administration, which announced that it would invite world leaders and NGOs to the Summit for Democracy at the end of 2021, is unlikely to be deterred. Of course, the Biden administration wants to defend democracy, which is different from the former neoconservative push to expand democracy. China and Russia are identified as contenders here. We should expect the ideological confrontation between the US and China to intensify.

## How Does Japan Need to Think?

How should Japan behave in a world predicated on US-China conflict? In my book, *US-China Conflict*, I emphasize that diplomacy should be imbued with values and not just the logic of power. If it is only the latter, Japan will be committed to taking great pains to maintain relations with both countries as long as the US and China continue to be growing powers.

This not only means a retreat of liberalism and democracy, which are principles that Japan respects. If we are committed to maintaining relations and fall into value relativism, the rules that support order will weaken and will not benefit Japan.

Japan should envision diplomacy that pursues power and values together. More concretely, we should utilize US power in the Asian region as well as deal with human rights violations and ensure management of dual use technologies. We should also devote efforts to building an international system that stands united against coercion based on economic power. For this, Japan must also strengthen diplomatic relations with countries that move cautiously without leaning to either the US or China. At the same time, we should distinguish ourselves from the hardline views in the US by continuing to explore areas where we can make rules and improve circumstances, taking note of any changes in China.

What Japan needs is not to aim to become a bridge between the US and China, for which prospects are anyways poor. We ought to become a bridge between the order of the world we want and reality. Rules are what will be the foundation of Japanese diplomacy.

*Translated from “Biden seiken no Chugoku senryaku: ‘Kanyo’ kara ‘Kyoso’ e, Amerika no hoshin tenkan (The Biden Administration’s Policy on China: From “Engagement” to “Competition” – US Policy Change),” Chuokoron, October 2021, pp. 52-59. (Courtesy of Chuo Koron Shinsha) [November 2021]*

---

### **SAHASHI Ryo, Ph.D.**

**Associate professor of international relations at the Institute for Advanced Studies on Asia, the University of Tokyo**

Born in 1978. He specializes in international politics in East Asia. He serves as a research fellow at the Japan Center for International Exchange and has been a visiting associate professor at Walter H. Shorenstein Asia Pacific Research Center, Stanford University. He received his B.A. from International Christian University and his Ph.D. from the Graduate Schools for Law and Politics at the University of Tokyo. His publications include *Kyozon no Mosaku—Beikoku to “Futatsu no Chugoku” no Reisen-shi* (Seeking for coexistence—Cold War history of the United States and the “two China”), *Beichu Tairitsu* (U.S.-China Rivalry).

---