U.S. China Policy Under the Biden Administration

Overview
The inauguration of Joe Biden as president of the United States has brought a new tone to Washington, D.C., but it is unlikely to bring about any immediate changes in American policy towards China.

The four years of the Trump administration coincided with a hardening of attitudes towards China within the U.S. Congress and national security community that is bipartisan in nature and will not immediately change with the new administration.

During confirmation hearings held to date, President Biden’s Cabinet nominees previewed a policy that retains the Trump administration’s goal of confronting a rising China, but seeks to accomplish the goal of “out-competing” China through coordination across government agencies and with key allies and international organizations. Secretary of State Antony Blinken said that although he disagreed with the way Trump went about implementing his policy towards China, “the basic principle was the right one.”

Should the Biden administration look to change any Trump-era China policies, it will likely be slow to do so, both because domestic priorities are likely to predominate for the first few months and because it will look to consult with allies before it takes action. Although it will continue to signal a willingness to cooperate with China on global challenges such as COVID-19 and climate change, the Biden administration has said it will not offer to ease restrictions on Chinese businesses or reduce tariffs on imports of Chinese goods.

The Biden administration’s reluctance to make a significant departure from the Trump era will likely be met with frustration in Beijing, possibly leading to the enactment of threatened response measures that had been held in abeyance in anticipation of a change in direction. Another risk is that the continuation of Trump administration policies could cause the United States to cross Chinese redlines without considering the strategic implications. This risk is most acute with regards to Taiwan.

Key Personnel and Domestic Political Factors
Before discussing the Biden administration’s specific policies and personalities on China, it is worth considering the domestic political context in which it will be operating. The national security and economic team that President Biden has assembled includes many veterans of the Obama administration, in which Biden served as vice president.

Outreach to China as part of a “Pivot to the Pacific” was a critical foreign policy objective of President Obama’s second term in office, beginning with a meeting with President Xi in California in 2013 and culminating in a state dinner at the White House in fall 2015. Although this diplomacy achieved certain agreements and statements of principle, in the years that followed, many on both sides of the aisle in the United States have grown increasingly frustrated at the pace of change in China and criticized these efforts as being overly trusting of Chinese intentions.

Bipartisan Consensus
It is essential to note the bipartisan nature of this emerging consensus. The Trump administration attacked U.S. policy towards China dating back to Nixon’s visit to China and the re-establishment of diplomatic relations in 1979, with former Secretary of State Mike Pompeo saying that “our policies—and those of other free nations—resurrected China’s failing economy, only to see Beijing bite the international hands that were feeding it.” A 2018 Foreign Affairs article written by Kurt Campbell and Ely Ratner, who are now, respectively, Biden’s National Security Council Coordinator for the Indo-Pacific and Special Assistant to the Secretary of Defense for China, struck a similar note. Campbell and Ratner argued that “neither carrots nor sticks have swayed China as predicted. Diplomatic and commercial engagement have not brought political and economic openness. Neither U.S. military power nor regional balancing has stopped Beijing from seeking to displace core components of the U.S.-led
system. And the liberal international order has failed to lure or bind China as powerfully as expected.”

President Trump’s approach to China failed to coerce any significant agreement aside from the rather anemic Phase One trade deal. However, it did clarify that taking a tough line on China has bipartisan support within Congress. On issues such as Hong Kong and Xinjiang, Congress was out in front of the administration when it came to pushing for sanctions, with measures such as the Hong Kong Human Rights and Democracy Act passing nearly unanimously.

Indeed, opposition to China is one of the few things that both parties in Washington, D.C. appear to agree on. It brings together disparate coalitions such as the labor unions and human rights advocates of the left and the national security hawks and religious freedom campaigners of the right.

**Biden’s Cabinet**

During confirmation hearings, Biden’s Cabinet nominees were consistent in their messaging regarding China (see next page).

China was consistently described as the leading nation-state challenge to the United States (with the “nation-state” qualifier added from the Trump administration’s position as an acknowledgment of non-state threats such as COVID-19 and climate change). Secretary Blinken said that he agreed with the Trump administration’s characterization of China’s treatment of Uighur Muslims as genocide, that he believed China misled the world about the COVID-19 pandemic, that Taiwan needed the means to defend itself, and that the U.S. government should do more to support human rights and democracy in Hong Kong. Defense Secretary Lloyd Austin stated that China seeks to be a dominant world power and that the United States needs to have a credible military deterrent to respond.

To some extent, the positions taken during confirmation hearings reflected the political dynamics in Congress. Democrats hold only narrow margins in both chambers, and Republicans are likely to be opposed to any actions seen as “soft on China.” For instance, following Treasury Secretary Janet Yellen’s confirmation hearing, four Republican senators (moderates Ben Sasse and Mitt Romney along with China hawks Tom Cotton and Marco Rubio) wrote a letter criticizing her testimony for not having provided sufficient details on how the Treasury Department would seek to reduce America’s “financial and technological interdependence with Xi Jinping’s evil regime.” While the hearings indicate a Biden administration that will continue a more hardline U.S.-China policy, there are early signs that President Biden’s multilateral approach would necessitate incorporating some small measures to de-escalate tensions and build goodwill going forward.

**Policymaking Process**

In terms of how Biden administration stakeholders are likely to work together to enact China policy, there is expected to be a return to the formal, interagency policy development process that was largely eschewed during the Trump administration. National Security Council (NSC) staff such as Kurt Campbell will play a key role. Diplomatic officials such as Deputy to the U.S. Ambassador to the United Nations Jeffrey Prescott will be responsible for seeking to rebuild ties and trust with allies to coordinate policy on China. President Biden sees China’s trade policy as a geopolitical issue as much as an economic one, and the economic team, including Secretary Yellen and U.S. Trade Representative (USTR) Katherine Tai, are likely to defer to the White House. The result of all these factors will be a policy approach that is tightly coordinated, with the broader elements and departments of the executive branch becoming more about execution than independent policy generation within their respective areas.
## Biden Administration Officials on China

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<thead>
<tr>
<th>Official</th>
<th>Role</th>
<th>Quote</th>
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<tbody>
<tr>
<td>Joe Biden</td>
<td>President of the United States</td>
<td>“The best China strategy, I think, is one which gets every one of our...allies on the same page. It’s going to be a major priority for me in the opening weeks of my presidency to try to get us back on the same page with our allies.”</td>
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<td>Antony Blinken</td>
<td>Secretary of State</td>
<td>“There is no doubt that [China] poses the most significant challenge of any nation-state to the United States in terms of our interests.”</td>
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<tr>
<td>Lloyd Austin</td>
<td>Secretary of Defense</td>
<td>“China is our most significant challenge going forward.”</td>
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<td>Janet Yellen</td>
<td>Secretary of the Treasury</td>
<td>“We need to take on China’s abusive, unfair, and illegal practices.”</td>
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<tr>
<td>Gina Raimondo</td>
<td>Secretary of Commerce Nominee</td>
<td>“Whether it is the Entity List or tariffs or prevailing duty, I intend to use all those tools to the fullest extent possible to level the playing field for the American worker.”</td>
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<tr>
<td>Kurt Campbell</td>
<td>National Security Council Coordinator for the Indo-Pacific</td>
<td>“China’s growing material power has... destabilized the region’s delicate balance and emboldened Beijing’s territorial adventurism. Left unchecked, Chinese behavior could end the region’s long peace.”</td>
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<tr>
<td>Jake Sullivan</td>
<td>National Security Advisor</td>
<td>“In order to get China to change its abuses, we do need to build up leverage. We just have to do it the right way, by investing in our sources of strength.”</td>
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<tr>
<td>Katherine Tai</td>
<td>U.S. Trade Representative</td>
<td>“[Regarding China] a progressive trade policy has to have both offensive and defensive elements.”</td>
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<tr>
<td>John Kerry</td>
<td>Special Climate Envoy</td>
<td>“We have serious differences with China on some very, very important issues, and I am as mindful of that as anybody, having served as Secretary of State and in the Senate.”</td>
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Policy Implications

Regarding changes to specific Trump-era policies, the two things to note at the outset are that they are unlikely to be dramatic and are unlikely to come quickly. Many officials within the Biden administration recognize the need to de-escalate current tensions and provide respite and relief from the Trump administration’s open antagonism. However, domestic politics, competing priorities, bureaucratic inertia, and the deliberative policy approach described in the past section will lead towards an incremental approach towards change. The below section lays out areas of likely continuity, change, and risk.

Areas of Continuity with the Trump Administration

Entity List and other commerce-related measures

The Biden administration is unlikely to add to existing sanctions on Chinese officials or companies (outside human rights issues, as discussed below), but they will be gradual in seeking to roll any back, should they even choose to do so. In terms of restrictions placed on Chinese companies through the Commerce Department’s Entity List and similar lists maintained by other departments, Secretary of State Blinken and Secretary of Commerce nominee Gina Raimondo both indicated in their testimonies that they intend to carefully study the issue before considering removing any companies. To an extent, these sanctions measures have bureaucratic and institutional momentum of their own as they work their way through the enactment process, so they are not easily reversed absent a concerted effort and will to do so. There will at least likely be an attempt at rationalizing the administration’s policies, making the decision process more transparent and the companies involved less seemingly arbitrary.

Huawei

The Biden administration has clearly signaled that it intends to maintain the current restrictions on Huawei. After Gina Raimondo gave an ambiguous answer regarding the policy towards Huawei in her confirmation hearing and was criticized by a number of senators, the White House press secretary clarified that it is the position of the administration that “telecommunications equipment made by untrusted vendors, including Huawei, is a threat to the security of the U.S. and our allies...We’ll ensure that the American telecommunications network...do not use equipment from untrusted vendors and we’ll work with allies to secure their telecommunications networks and make investments to expand production of telecommunications equipment by trusted U.S. and allied companies.” Going forward, the FCC plans to subsidize the removal and replacement of Huawei equipment where it is present in U.S. networks.

U.S.-China trade policy

The Biden administration, including USTR Tai and the Secretary of Commerce, is unlikely to dial back tariffs immediately. The tariffs on industrial goods are popular with organized labor, a key Democratic constituency. The administration has been reluctant to comment on the issue beyond repeatedly stating that it would review the existing tariffs on Chinese goods in the coming months.

Hong Kong and the national security law

While condemning the Chinese government for cracking down on pro-democracy protestors, the Biden administration has yet to articulate a concrete policy stance. Based on previous statements made by National Security Advisor Jake Sullivan and others on the campaign trail, the Biden team is likely to maintain the Trump team’s hardline against Chinese actions in Hong Kong and sanctions on officials seen as being responsible. The question of further escalation in Hong Kong is ultimately outside of the Biden team’s hands. They may find themselves reacting to additional moves made by the Chinese mainland government in the territory.

Human rights abuses and Xinjiang

The Biden administration stands firmly aligned with the former Trump administration’s view on the situation in Xinjiang and may ultimately take a more robust line based on human rights concerns. Secretary of State Blinken affirmed as much in his testimony by agreeing with the Trump administration’s labeling of the situation as a genocide. The reintroduction of the Uighur Forced Labor Prevention Act in the new Congress may provide an opportunity to add implementation requirements to announced new rules, providing structure and clarity for the way forward.
Areas of Change

Competition within the system

The rhetoric of the Trump administration, in particular a series of ideological speeches delivered by administrations officials in summer 2020, sought to push China out of the international system, make it a pariah, de-couple global supply chains, and turn back the clock on two decades of a rising and integrating China. The Biden administration’s criticism of the Trump approach is based on the fact that this objective was unrealistic and unsuccessful. The Biden team believes that keeping China integrated into the world’s marketplace and its political forums will increase broader prosperity and act as a dampener on Chinese policy aggression. As a result, the Biden administration will likely be more inclined to listen to the business sector than the Trump team was and will actively solicit its views on how that might best be done—particularly for trade, technology, and competitiveness-related policies.

One can also expect an emphasis on adherence to international behavioral norms and the use of the institutions and dispute resolution processes that have maintained stability in the postwar international order.

Strengthening relationships with key allies

While on the campaign trail, President Biden and his team consistently emphasized how vital the United States’ alliances are to competing with China strategically. In a Foreign Affairs article published just before the inauguration, Kurt Campbell invoked the example of the post-Napoleonic Concert of Europe, in which allies worked together to maintain a balance of power that prevented any state from gaining regional hegemony.

Both Jake Sullivan and Ely Ratner have emphasized rebuilding the U.S.-Japanese relationship, and President Biden and Secretary Austin have reaffirmed the United States’ security commitment to the country. Various Biden transition team members have also expressed support for Australia during its recent trade dispute with China. Despite Biden’s willingness to engage allies, efforts at economic outreach (such as a possible return to the Trans-Pacific Partnership) may be constrained due to domestic political considerations, such as opposition to greater trade liberalization among organized labor.

Cooperation on issues such as climate change

The Biden administration will seek out areas of cooperation between the United States and China, especially on issues that require global coordination, such as climate change and COVID-19. The administration does not view its China policy as one-size-fits-all, nor does it consider everything China does bad. Special Envoy for Climate John Kerry has stated numerous times that his priority will be to find points of cooperation on climate-related issues between the United States and China.

However, in remarks on January 27, Kerry made clear that he would not give ground on issues such as intellectual property theft or the South China Sea (SCS) in exchange for a deal on climate. “Those issues will never be traded for anything that has to do with climate,” Kerry said. “That’s not going to happen.” Going forward, the administration will look to establish actionable programs within the bounds of prescribed redlines.

Competition in international organizations

In a departure from the Trump administration, President Biden has also stated that the United States will remain a part of the World Health Organization and join the COVAX initiative, signalling a new willingness to leverage leadership in international organizations when competing with China.

Look for the United States to be much more aggressive in attempting to forestall China’s efforts at shaping global standards along with leading regulatory and dispute resolution bodies (which it has been pursuing over the past four years in the wake of Trump administration indifference), such as the World Trade Organization.

During her confirmation hearing, Linda Thomas-Greenfield, Biden’s nominee for U.S. ambassador to the United Nations, stated that “I see what they’re doing at the United Nations as undermining our values...I will be working aggressively against China.”

An emphasis on human rights

While the Trump administration noted human rights abuses in certain instances, predominantly related to the Uighur forced labor issue, discussion on human rights issues writ large was muted.
Both Secretary Blinken and President Biden have emphasized the importance of advancing human rights when it comes to preserving U.S. legitimacy and moral authority abroad, and issues that were sidelined during the Trump administration, such as legal reform, can be expected to receive renewed focus.

**A focus on cybersecurity**

While the Trump administration traditionally preferred to antagonize China on cyber matters while taking a “go-it-alone” approach, the Biden administration will attempt to bring together a broader coalition to address China’s behavior in this domain as well as generate a broader global consensus as to what activity is and is not acceptable.

There may also be points of cooperation between the United States and China that will be explored, including transnational cybercrime or the establishment of agreements against the hacking of sensitive facilities and infrastructure.

However, such “cyber codes of conduct” were a topic of discussion during the Obama-era negotiations with China, and the issue of verification and enforcement of such agreements would likely continue to bedevil any negotiations.

**Currency manipulation**

While this was only a fleeting priority under the Trump administration, Secretary Yellen has specifically called out China for its currency valuation practices. Whether this translates into action remains to be seen, as the RMB’s value has been getting stronger, weakening any argument for currency manipulation.

**Areas That Could Escalate**

**U.S.-Taiwan policy**

The Trump administration used Taiwan as a convenient opportunity to needle Beijing, increasing advanced military equipment sales and sending Cabinet-level delegations to the island.

It remains to be seen whether and to what extent the Biden administration will be willing to stretch the limits of the agreements that have defined America’s intentionally ambiguous relationship with Taiwan since 1979.

Pressure exists on both sides of the aisle to re-evaluate and expand the United States’ relationship with Taiwan. For instance, in 2020, the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) act was passed unanimously in the House and Senate. It required the State Department to annually report to Congress on steps to strengthen Taiwan’s diplomatic relations and partnerships.

The Biden administration has also reaffirmed it would “leave open the option to defend Taiwan,” and the State Department responded to a recent violation of the Taiwanese air defense identification zone by stating that “our commitment to Taiwan is rock-solid” and that “we will continue to assist Taiwan in maintaining a sufficient self-defense capability.” Beijing responded to those statements on January 28 by reaffirming its redlines on Taiwan, saying that “those who play with fire will burn themselves, and Taiwan independence means war.”

**Safeguarding interests in the East China Sea (ECS) and SCS**

The Biden administration has stressed the importance of freedom of the seas in the SCS and pushed back against Chinese territorial claims and island-building, with Secretary Blinken reaffirming commitments to allies such as the Philippines and Thailand.

The United States continues to conduct naval exercises and so-called Freedom of Navigation operations in the SCS, with the most recent one receiving a strong condemnation from the Chinese government. The United States will likely seek to pursue its interests in the SCS is by working with the Association of Southeast Asian Nations (ASEAN) and attempt to shape the long-awaited Code of Conduct for the SCS.

ASEAN was not treated seriously by the Trump administration, and without U.S. engagement, the member states are unlikely to be able to resist Chinese influence. In the ECS, the Biden administration has reaffirmed its support for Japan and the fact that the U.S.-Japan mutual defense treaty includes a series of uninhabited islands claimed by both Japan and China.
Outlook

As previously noted, competing demands for the Biden White House’s attention will likely mean that any significant China policy will be deferred until the late spring or early summer.

Nevertheless, President Biden is widely seen as only intending to serve a single term, and this shortened time horizon will likely lead the administration to seek solid, long-lasting accomplishments in the Asia-Pacific region over the next four years. Over the coming months, national security and diplomatic officials will conduct outreach to key allies in the Indo-Pacific and seek to convene meetings of like-minded democratic allies in the region to discuss coordinated efforts to counterbalance China.

One forum for such coordination will likely be the G7 summit in the United Kingdom in June, which will be the first opportunity for President Biden to meet with the United States’ principal allies collectively (including India, Australia, and South Korea, which have also been invited). Any major departures in policy will come in the context of these consultations, and they will not come quickly.

While this initial delay and uncertainty may come as a source of frustration to Beijing, the Chinese leadership has been planning for the fact that while U.S. tactics may change, the direction set by the Trump administration will be likely to continue. For example, the release of China’s 14th Five-Year Plan (2021–2025) in March is expected to accelerate an emphasis on self-reliance and address the risks presented over the past few years to China’s technology supply chain.

The tools at China’s disposal have also grown in recent years. It has promulgated policy tools that it has yet to use, such as the Unreliable Entity List. Other new measures include the Export Control Law, new national security review rules, and new statutes for blocking deals. These and other measures could be used to sanction or challenge U.S. and other foreign businesses operating in China.

Few of these policy tools have yet been utilized, in part because Beijing has waited to see whether the Biden administration would change course on its China policy.

Should Beijing conclude that no such change in course will be forthcoming (and it likely is not), it may begin to implement some of these measures against U.S. businesses or trading partners. Execution of these measures would most likely be in reaction to further measures imposed on China, which would set off another round of tit-for-tat trade escalations.

Overall, U.S.-China policy is in a precarious position, one which could easily tip over into crisis or even conflict given an external shock. The ultimate goal of the Biden administration’s policy of multilateral coordination and regional balancing will be to restore some stability to the international security situation in the region. This worldview was succinctly explained by Kurt Campbell and Rush Doshi as seeking to restore “balance and legitimacy” to the system that has allowed for a prosperous and peaceful Indo-Pacific. However, those are long-term objectives and, in the meantime, misunderstanding between Chinese and U.S. forces in the SCS (such as a repeat of the 2001 Hainan Island incident in which a U.S. surveillance aircraft collided with the Chinese fighter shadowing it) or a situation in which Taiwan takes action to defend itself from perceived aggression could tip the region into a crisis.

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