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'CHINA DEBATES POLICY TOWARDS U.S. AS BIDEN'S ADMINISTRATION TAKES OVER'

by JAYADEVA RANADE

China's leadership echelons have been very apprehensive about anti-China actions the Trump Administration might take in its last days. Zhou Li, a former career diplomat who is presently senior researcher at the Chongyang Institute of Financial Research of Renmin University and Director of the China Russia Humanities Exchange Research Center, had in mid-2020 warned that China must prepare for the deterioration and "full escalation of the struggle" in Sino-US relations. He anticipated a string of punitive actions by the Trump Administration, adding that "decoupling" is ultimately inevitable and that the "difficulties and challenges China will face will be unprecedentedly complex and unprecedentedly severe". As expected, the outgoing Trump Administration has put in place a number of legislations and executive orders. These authorise arms sales to Taiwan, assert that the Dalai Lama has a determining role in the identification of his reincarnation, and impose sanctions on Chinese Communist Party (CCP) cadres and officials and limit the stay of CCP members in the US. All three, incidentally, cross what Beijing considers its 'red lines'!

2. Since the US-China trade war began, prominent CCP cadres, academics and strategists have blamed Xi Jinping for the deterioration in Sino-US relations. Saying that declaring China's ambitious goals at the 19th Party Congress and adopting a tough stance towards the US was a miscalculation and premature, they argue that China is nowhere near strong enough to take on the US. They have been calling for reverting to Deng Xiaoping's policy of 'hide your strength, bide your time'. As the trade war intensified and US pressure on China increased, some well-known Chinese strategists and cadres proposed areas of possible convergence in a bid to arrest the slide in bilateral relations.

3. Between April and May 2020, three Chinese think-tanks analysed different aspects of US-China relations and affirmed China's need for good ties with the US. In addition two prominent Chinese gave interviews to the Hongkong media and identified areas of compromise with the US. Qiao Liang, a retired Major General of the People's Liberation Army (PLA) and co-author of the best seller 'Unrestricted Warfare' who is a 'hawk' with a huge following inside China, suggested that reunification of Taiwan with the Mainland need not have a deadline. The second was Wu Shicun, a senior CCP cadre and President of China's state-backed National Institute for South China Sea Studies and Chairman of the board of directors of the China-Southeast Asia Research Centre on the South China Sea. He hinted that China would not precipitate matters in the South China Sea. Wu Shicun also heads the Hainan Provincial Overseas Chinese Affairs Office and the Hainan Provincial People's Association for Friendship with Foreign Countries (PAFFC).

4. After the failure of the trade talks led on the Chinese side by Vice Premier Liu He, Chinese President Xi Jinping did not offer any compromise solution. On the contrary he has been obliquely, but consistently, critical of US policies of 'protectionism' and its withdrawal from the climate change agreement. Despite domestic criticism of the deleterious effects of the down-slide in relations with the US, Xi Jinping has not wavered and persisted with his aggressive foreign policy and hard line stance with the US. He has taken steps to reinforce 'ideological education' to counter US efforts to weaken the CCP. His congratulatory message to US President-elect Biden was also delayed and issued only on

November 25. In that he hoped both sides would be able to manage and control differences, and focus on cooperation to advance relations.

5. With the new US Administration due to take office on January 20, 2021, many in China including the leadership see it as an opportunity to improve the relationship with the US. Inner-Party debate on China's policy towards the US has re-commenced. While there has been criticism since early 2018, of Chinese President Xi Jinping's assertive foreign policy and hard line response to the US trade war, this was muted in the past few months. However, comments by US President-elect Joe Biden and his nominees for the senior positions of Secretary of State and National Security Advisor, Antony Blinken and Jake Sullivan respectively, indicating that they would prefer talks to confrontation with China, have revived discussions on how Beijing should engage with the Biden Administration. Sullivan recently co-authored an article with former Assistant Secretary of State Kurt Campbell for Foreign Affairs magazine, titled "Competition without catastrophe".

6. Beijing's response has been cautious, but positive. Several Chinese officials and academics, including Mme. Fu Ying, China's former Vice Foreign Minister who is presently Vice Chairperson of the Foreign Affairs Committee of the 13th National People's Congress (NPC) and Director of the Center for International Security and Strategy and adjunct professor at Tsinghua University, called for improving ties with the US. In an Op-Ed in the New York Times (November 24) Fu Ying made a strong pitch for "cooperative competition". Careful not to fault China, she emphasised that "China does not want to replace U.S. dominance in the world. Nor does China need to worry about the United States changing China's system". She did add though that "China finds it offensive when the United States points a finger at the Chinese system or takes action against Beijing for its policies on domestic matters" and that "The United States should be respectful of China's sense of national unity and avoid challenging China on the issue of Taiwan or by meddling in the territorial disputes of the South China Sea".

7. China's Foreign Minister Wang Yi and Ambassador to the US, Cui Tiankai have similarly in recent weeks reiterated the need to repair Sino-US ties, treat each other with "respect" and together address common issues like the pandemic and climate change. They, and other Chinese interlocutors, at the same time advised the US not to interfere in China's internal affairs or slander the CCP. While calling for improving bilateral ties, they avoided any criticism of the policies followed by Chinese President Xi Jinping and held firm to Beijing's position where differences exist.

8. An editorial in China's official English-language China Daily (December 3) observed that the current Trump Administration is doing what it can to cement in place their tough China policy, which has already caused some damage that is "simply beyond repair". It warned, however, that a new US administration "in no way warrants the kind of optimism some have displayed. Not only has the US President-elect indicated he wants to rally the US against what he sees as a less than friendly China, but the recent deterioration in bilateral ties has fundamentally changed the political atmosphere for the China policies of the US. So much so that containing China has become a bipartisan consensus". A subsequent China Daily editorial (December 24) focussed on the need for repairing ties and recounted the mutual benefits of good ties. It highlighted the CCP's unique role and position in China as a ruling party, and said "The top priority for the two countries now is to sit down, have a comprehensive, candid and in-depth dialogue, clarify the strategic intentions of both sides, and rebuild mutual trust".

9. A number of prominent Chinese academics, strategists and CCP cadres have commented on the change in the US Administration. They generally perceive it as an opportunity for China to engage and see how it can reduce US pressure. The majority, though, anticipate Biden's China policy will be an "iron fist in a velvet glove". They assess too that there is consensus in the US to contain China and 'the evolution of Sino-US relations might follow a trilogy: trade war - decoupling - full-scale cold war'. One analyst warned that the US is likely to pressure its allies to undermine the RCEP. The focus of Chinese

strategists and international relations experts is to prevent America from delinking from China while China builds its strength.

10. Reputed Chinese strategist and Dean of the Institute of International Relations at Beijing's Tsinghua University, Yan Xuetong cautioned against "wishful thinking" about the incoming Biden administration. Predicting that Biden's China policy would shift from the trade war into frictions in the political realm, he forecast that Biden will "take a harder line and invest more resources in these issues, resulting in more serious conflicts". Nevertheless, Yan Xuetong said, China should reach a consensus with the US that competition was at the core of their relationship, which would give the two powers a common ground for pragmatic discussions on how to manage and prevent it from escalating into war. Zheng Yongnian, Dean of the Shenzhen-based Advanced Institute of Global and Contemporary China Studies who attended a symposium hosted by Chinese President Xi Jinping in August to advise on China's long-term strategy, asserted that China should not miss any opportunity to mend relations with the United States, but neither should it assume that relations with the US would return to how they were before Donald Trump's rise to power. In fact, he suggested that Trump could return in the next elections! Professor Zhu Feng, Dean of the School of International Relations at Nanjing University said "China's goal is very clear, what it desires now is to continually strengthen and develop its economy and technology. If it enters into a new Cold War with the US, then this will not be to its benefit." Zhao Minghao, a researcher at the Institute of International Studies of Fudan University, said "there is no reason to believe that Biden's administration will automatically improve Sino-US relations, but there is no reason to abandon the window of opportunity". Emphasising that China should not underestimate its own strength in guiding and shaping Sino-US relations, he suggested infrastructure construction, data use and protection, anti-money laundering, anti-tax evasion, and anti-terrorist financing as areas of cooperation. He recommended strengthening crisis management to avoid direct military conflicts between China and the United States in the Taiwan Strait and South China Sea.

11. Efforts are being made by both sides to defuse tensions. Hong Kong's South China Morning Post (November 13) disclosed that after the US presidential election, China and the United States restarted their stalled behind-the-scenes diplomacy. Professor Wang Xiangsui of the Beijing University of Aeronautics and Astronautics revealed that several people close to Biden had contacted China and discussed with Chinese think-tanks how to restart Sino-US relations. Wang Xiangsui said the message from the Biden camp is "positive". The message sent by Democrats visiting China is that China and the United States should avoid a Cold War or direct conflict. Both parties must learn how to manage their differences and find ways to coexist. He disclosed that a Chinese government adviser had earlier met Kurt Campbell and Jake Sullivan from the Biden camp and that in the past few years some former Democratic Party officials have visited Beijing many times.

12. Equally substantive is the Wall Street Journal (December 4) report that the US Justice Department is talking to representatives of Meng Wanzhou, Chief Financial Officer of Huawei Technologies Co. and daughter of its founder, that could see her freed to return home from Canada after her detention in December 2018, in exchange for signing a deferred prosecution agreement.

13. Amid these below-the-radar contacts, however, China's official media published two unusual and hard-hitting articles. These confirm that intense debate is underway on whether and how flexible Beijing should be while engaging with the US. While many Chinese analysts favour the opportunity to mend fences, the more hard-line will resist any yielding of ground. The high-level Beidaihe conclave in August reportedly endorsed a hard-line policy against the US. Both articles specifically addressed the domestic audience and targeted those who they said lacked adequate confidence in China and were advocates of compromise.

14. Huanqiu, the Chinese-language version of Global Times, on December 20, published an editorial captioned "Do your own thing well and not be constrained by the U.S. and the West." Assessing that

"the international environment China will face next is not optimistic", it warned that "China is facing the challenge of international anti-China forces trying to isolate, overwhelm and subvert us" and it must take preventive measures. Emphasising the need to maintain "strategic confidence", the editorial stressed that "China has accumulated strong national power after decades of development. Any attempt to crush China is wishful thinking". It asserted that China's status as a major trading nation is rock solid, and claimed that "except for the high-tech decoupling promoted by the United States, the most substantive content of Sino-Western relations has not been significantly affected". It maintained "the total volume of Sino-Western economic and trade cooperation is unlikely to shrink". Stating that "The most fierce conflict between China and the United States and China and the West occurs in the ideological field", it added "the vast majority of countries do not want to oppose China" as they consider protecting actual economic interests more important. The editorial advised that China "must adhere to our own political, economic and social agenda, free from external attitudes, and resolutely" oppose the United States, but while supporting what is beneficial to China.

15. China's authoritative Xinhua news agency published an 826-character sharply-worded commentary by "Xin Zhiping" -- a pseudonym for a Xinhua media platform dedicated to promoting Xi Jinping thought -- on December 16. It was aimed at Chinese citizens critical of China's assertive stance towards America. Titled: "The 'Worshipping America' and 'Kneeling to America' soft-bone disease must be cured!", the commentary backed Xi Jinping's tough foreign policy. It bluntly criticised those advocating a compromise with the US and castigated those "spreading all sorts of arguments about 'worshipping America' and 'kneeling to America', envy American 'democracy' and 'freedom', or tout the current situation of human rights in the United States". It accused some as going so far as to praise the "anti-epidemic ability" of the United States". The Xinhua commentary charged: "The people who 'worship America' and 'kneel to America' are often the ones who will praise the United States and disparage China" and said they do their utmost to denigrate and slander their own country and believe "the moon in a foreign country is rounder than that in China". The commentary said such people naively believe that compromise to seek self-preservation and China not hitting back "can be exchanged for peace and quiet". It declared "we must resolutely struggle against them, pierce their painted skin, eliminate their influence, and not let wrong values confuse people". In conclusion it asserted: "The Chinese people are not afraid of trouble, in front of any difficulties and risks, our legs will not shake, our waist will not bend. In the face of big winds and big waves, as long as we have confidence and determination, and steadfastly do our own thing, there is no hurdle that cannot be overcome. A self-reliant, civilized and progressive China is the best cure for 'soft-bone disease'."

16. There is apparent consensus in China that while the US will persist in trying to prevent China's rise and weaken the CCP, nevertheless China has an opportunity to reduce US pressure. The surge in anti-China sentiment globally will make it difficult for China, but many Chinese experts hold the thinly-concealed view that Beijing's considerable influence among the US power elite will be revived. There is confidence that big American companies like McDonalds, Gap, Hilfiger, Adidas, Nike, Coca-Cola etc., who during the previous Administration had little influence, will now be able to influence the Biden Administration's China policy.

17. Renmin University's International Relations Professor Di Dongsheng spoke candidly of China's influence at an event in Shanghai on November 28. He said "It's because we have people at the top. At the top of America's core inner circle of power and influence, we have our old friends." Di Dongsheng clarified that these friends are mostly investors in Wall Street, who have "had a very profound influence over America's domestic and foreign affairs since the 1970s". "We used to heavily rely on them, but the problem is that after 2008, the status of Wall Street has declined and more importantly, after 2016, Wall Street couldn't fix Trump". He also touched on the president-elect's son Hunter's ties to Beijing: "Trump has been saying that Biden's son has some sort of global foundation. Have you noticed that? Who helped [Hunter] build the foundations? Got it? There are a lot of deals inside all this." The book 'Year of the Rat' published by Bill Triplett III in 1998 details the extent of China's financial ties to Democrats.

18. Recent US media reports mention that China is establishing contacts with persons close to the Biden camp. Chinese Ambassador Cui Tiankai has generally been active in Washington. China also has longstanding financial links to the Democrats, including with Joe Biden's son who was recently served a summons by a Delaware court. Chinese President Xi Jinping and Joe Biden have a personal connection too. Xi Jinping will try and engage with the new Biden Administration, but will not compromise on issues of national interest. He has already initiated steps to guard against US efforts to stall China's rise and weaken the CCP.

19. Zhou Li, former Vice Minister of the CCP CC International Liaison Department and current member of the CPPCC, on June 22, anticipated six probable scenarios and China has already begun preparations in some cases. These are: i) The deterioration of Sino-US relations and the full escalation of conflict; ii) A decrease in external demand and the disruption of industrial supply chains; iii) Adjusting to the new norms under COVID 19 and the long-term coexistence of viruses and humans; iv) Detaching from the dominance of the dollar and disconnecting the Chinese Yuan from the dollar; v) The outbreak of the global food crisis, and vi) China facing unprecedented challenges, and reference to Xi Jinping's speech stating that the CCP must "adhere to bottom-line thinking and be mentally and physically prepared to deal with changes in the external environment."

(The author is former Additional Secretary, Cabinet Secretariat, Government of India and is presently President of the Centre for China Analysis and Strategy.)

