US-China Strategic Competition in Each Domestic Context
Great-power competition between the United States and China has intensified in recent years, a trend that accelerated following the outbreak of the coronavirus pandemic in early 2020. The contours of a potential superpower rivalry are taking shape, leading some analysts to predict a new cold war, albeit one that differs in important respects from the U.S.-Soviet confrontation. Toward the end of its first year in office, former U.S. President Donald J. Trump’s administration published national security and defense strategies that called attention to the challenge facing the United States from long-term strategic competition with China. Two years later, the pandemic deepened mistrust between the two countries and caused a sharp deterioration in bilateral relations. After taking office in 2021, U.S. President Joe Biden said that he expected “extreme competition” with China. Under these circumstances, tension between the United States and China has grown on a wide range of issues, including trade, technology, human rights, regional conflicts, and international order.
This chapter attempts to analyze the role of domestic politics in both countries in this emerging strategic competition. The first section discusses theoretical approaches for assessing the relative weight of international systemic factors and domestic politics in international relations. The second section analyzes the role of domestic politics in U.S. policy toward China, focusing on the policy views of the two candidates in the 2020 U.S. presidential election, Trump and Biden. The third section examines Chinese President Xi Jinping’s foreign policy in the context of China’s domestic politics.

**INTERNATIONAL SYSTEM AND DOMESTIC POLITICS IN THE U.S.-CHINA STRATEGIC COMPETITION**

The role of domestic politics in the making of foreign policy is the subject of competing interpretations in international relations theory. Some liberal theories, known as *Innenpolitik* theories, argue that domestic factors are the crucial independent variables that determine foreign policy outcomes (Rose 1998: 148). In this view, state preferences are shaped through a domestic process featuring bargaining among the state and societal actors. If the preferences of a group of states form in such a way that the member states have no cause for conflict among themselves, then they should be able to maintain peaceful relations regardless of the structure of the international system (Moravcsik 1997: 541–544). Democratic peace theory is one example of this approach. If the assumptions of such liberal theories are correct, then U.S.-China relations would be likely to remain peaceful if China were to become a democracy, clearly an unlikely prospect anytime in the foreseeable future (Mandelbaum 2019).

Realist theories offer contrasting accounts. One school of thought, known as offensive realism, views the structure of the international system as the crucial independent variable and domestic factors as relatively unimportant (Rose 1998: 154). John Mearsheimer, a prominent offensive realist, argues that states seek security by attempting to maximize their power. Because global hegemony is an unattainable goal, states aim to achieve regional hegemony (Mearsheimer 2001). If China maintains high-speed economic growth, then it will seek to achieve hegemony in

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Asia, just as the United States has achieved hegemony in the Western Hemisphere. The United States, however, is likely to pursue its traditional goal of preventing another great power from gaining hegemony in either Europe or Asia. These trends, he argues, will inevitably produce a clash between the United States and China (Mearsheimer 2014, 2021).

Defensive realists, by contrast, assert that either systemic incentives or domestic factors can be the independent variable driving foreign policy decisions, depending on the situation (Rose 1998: 154). In this view, the structure of the international system usually provides clear incentives for states to pursue restrained foreign policies and to refrain from aggression or overexpansion. If a state seeks to maximize power, then it is likely to provoke reactions by other states, including arms buildups and the formation of alliances, that could make this state less secure than if it had adopted a more restrained approach. When states fail to heed these incentives, domestic factors are often to blame (Snyder 1991: 6 and passim). The main concern of defensive realists is the outbreak of avoidable international conflict through the operation of the security dilemma, the spiral model of conflict, or other crisis dynamics that occur in the absence of a real incompatibility of interests (Jervis 1976: 53–113; 1999: 42–63). In this view, armed conflict between the United States and China may not be inevitable, but maintaining peaceful relations will require careful attention both to international systemic factors and to domestic politics in each country.

This chapter views both the structure of the international system and domestic politics in each country as crucial elements in the emerging U.S.-China strategic competition. This approach is consistent with that of neoclassical realism, which views the structure of the international system as the independent variable, domestic factors as intervening variables, and foreign policy decisions as the dependent variable (Rose 1998). This chapter interprets the changing structure of the international system as the main driving force in U.S.-China strategic competition, with domestic politics serving as an intervening variable. In both countries, domestic political factors mostly reinforce the pressures for intensified strategic competition that international structural factors exert. Indeed, international structural factors are a major cause of shifts in the domestic politics of U.S.-China relations in both countries. Causation could potentially run in both directions, however, creating space for domestic political factors to
influence the course of strategic competition. This intertwining of international and domestic factors helps to explain the difficulties that could lie ahead in the U.S.-China relationship (Graph 3.1).

A significant part of the explanation for the recent tension in U.S.-China relations clearly lies in the changing structure of the international system. The United States has been the world’s sole superpower since the end of the Cold War, but China’s growing power poses a challenge to the U.S. position. Like most rising powers throughout history, China pursues its interests and seeks to shape the international environment in ways that are conducive to the fulfillment of its aims. China’s rise challenges the U.S. position in the Asia–Pacific region and its leadership of the international system. The potential for a clash between a dominant power and a rising challenger has been the subject of extensive study in international relations.2 According to an alternative interpretation, however, the slowdown of China’s rise could also trigger international conflict. In this view, China’s leaders are likely to experience rising anxiety as a result of declining GDP growth rates and efforts by other states to balance China’s growing power and ambitions. This could lead them to take short-term risks in pursuit of their aims (Doran 2012: 73–87; Beckley and Brands 2021; Brands and Beckley 2021).

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The changing structure of the international system creates the conditions for U.S.-China rivalry, but domestic political factors in both countries also affect the emerging strategic competition. In a broad sense, the contrasting nature of the two countries’ governments intensifies the rivalry. For the United States, the rise of China is especially worrying because of the Chinese Communist Party’s authoritarianism and hostility to liberal democratic values (Friedberg 2011). For their part, the rulers of China’s party-state have long resented U.S. criticism of their domestic governance, fearing that the long-term U.S. goal was to encourage the end of the party’s monopoly on power through “peaceful evolution” toward Western-style democracy (Pillsbury 2000). These domestic differences also shape the two countries’ respective views of international order, another point of contention in the rivalry. The United States, along with its Western allies, has been largely supportive of the concept of a liberal international order. As discussed below, Trump criticized many aspects of the liberal international order, whereas Biden called for upholding it. China supports Westphalian aspects of the international order, including national sovereignty and non-interference in other states’ domestic politics, but its support for liberal aspects of the international order has been mixed, generally featuring support for an open international economy combined with opposition to liberal political principles (Wu 2020: 107–108).

Domestic politics plays an important role in a more immediate sense. In both countries, recent domestic political developments have influenced the course of U.S.-China relations, with most of the arrows pointing in the direction of intensified strategic competition. The role of these domestic political factors in the making of foreign policy is easier to analyze in the U.S. context than on the Chinese side. In the United States, open political debate allows candidates to air their differences, clarifying points of disagreement and exposing the strengths and weaknesses of competing viewpoints. The opacity of China’s political system, by contrast, conceals possible disagreements among the elite and increases the difficulty that outsiders face in assessing the role of domestic politics in the making of China’s foreign policy. Some general assessments, necessarily somewhat speculative, are nevertheless possible.

In the United States, both elite opinion and public opinion have shifted toward the view that a more confrontational approach toward China than the engagement strategy of the past few decades is now necessary. In both the Republican and Democratic parties, leading politicians
and foreign policy advisers have concluded that engagement failed to produce the desired changes in China’s behavior and that the United States must adopt tougher policies to counter its emerging rival. Trump contributed to this shift in U.S. strategic thinking, campaigning against recent U.S. policy toward China during his 2016 presidential campaign and confronting China on a wide range of issues throughout his presidency. As he mounted his 2020 presidential campaign, Biden took an increasingly critical stance toward China as well, perhaps partly in an effort to blunt Trump’s accusation that he was soft on China. The shift toward a more confrontational approach toward China that occurred under Trump largely continued during the first year of Biden’s presidency, albeit with changes in tactics and points of emphasis.

In China, Xi Jinping’s tenure has been characterized by increasingly authoritarian rule at home and increasingly assertive behavior abroad. Domestically, Xi has forsaken Deng Xiaoping’s principles of collective leadership, concentrating power in his own hands and eliminating presidential term limits, which potentially extends his rule indefinitely. The Chinese government’s initial mishandling of the coronavirus outbreak in late 2019 and early 2020 sparked public anger, and the arrests of prominent dissidents were likely indicators of continued public discontent. China’s domestic problems could create pressure for Xi to appeal to nationalism in order to strengthen his domestic legitimacy, a maneuver that could increase international tensions on a range of issues. Xi could then use heightened international tensions as an argument for the necessity of retaining an experienced hand such as himself in the position of supreme leader. With collective decision-making cast aside in favor of largely centralized, one-man rule, Xi could have difficulty reversing risky foreign policy decisions, even after their costs become clear, because doing so would be tantamount to accepting personal blame. These factors could add to the pressure for intensified strategic competition with the United States.

**U.S. Strategic Competition with China: Foreign Policy and Domestic Politics**

The concept of strategic competition came to prominence in U.S. foreign policy at the end of Trump’s first year in office, when his administration released new national security and defense strategies. The *National Security Strategy of the United States*, issued in December 2017, named China,
along with Russia, as “revisionist powers” that “challenge American power, influence, and interests, attempting to erode American security and prosperity” (The White House 2017: 2, 25). The summary of the 2018 National Defense Strategy, unveiled in January 2018, identified the “central challenge to U.S. prosperity and security as the reemergence of long-term, strategic competition” by these revisionist powers (US Department of Defense 2018). These documents formally signaled U.S. recognition of China as a strategic competitor, a break with decades of U.S. policy (Tellis 2019: 3, 39). In prompting this major policy change, Trump may have served, in the words of Henry Kissinger, as “one of those figures in history who appears from time to time to mark the end of an era and to force it to give up its old pretenses” (as quoted in Luce 2018).

**Donald Trump and China**

Trump’s criticism of recent U.S. foreign policy toward China was a major focus of his successful campaign for the presidency in 2016. He placed special emphasis on economic issues, insisting that “we can’t continue to allow China to rape our country” in trade (Gass 2016). In his speech to the Republican National Convention, Trump criticized his Democratic opponent, Hillary Clinton, for supporting China’s entry into the World Trade Organization. He called for rewriting trade agreements with China and other countries and for putting an end to China’s theft of intellectual property, illegal product dumping, and currency manipulation (Politico 2016a, b). During the first presidential debate that fall, he accused China of “using our country as a piggy bank to rebuild China.” Trump gave credit to China for being “the best, the best ever at it” and made clear that his criticism was directed at past U.S. presidents from both parties who allowed this to happen (Politico, 2016b). Trump’s criticism of the existing U.S. economic relationship with China resonated in regions where manufacturing industries had declined, including swing states in the Upper Midwest that proved crucial to his victory.

Following Trump’s surprise victory and inauguration as president, his foreign policy reflected his deep skepticism about the U.S. role in upholding the international order, as well as his disdain for what he considered to be the negative effects of globalization and the disproportionate benefits that China received from existing international arrangements. Following China’s accession to the WTO in 2001, the bilateral
U.S. trade deficit with China grew steadily larger, while the outsourcing of manufacturing to China eroded the U.S. manufacturing base. China became the world’s second-largest economy and largest exporter, but the WTO continued to classify it as a developing country, allowing China to delay the opening of its domestic market. China provided heavy state subsidies to domestic industries in a bid to gain dominance in the leading economic sectors of the future, particularly in the high-technology sphere. Meanwhile, China used its growing wealth to modernize its military and challenge U.S. military primacy. China was not the only target of Trump’s wrath, as he accused many other countries, including U.S. allies, of similarly taking advantage of the United States in international trade. However, China served as the starkest example of a country that benefited from globalization and the existing international order, to the detriment of the United States, even as the United States underwrote the costs of upholding the system (Tellis 2019: 22–26).

The Trump administration’s toughened approach to China took shape gradually. In March 2017, Trump hosted Xi for a cordial summit at the Mar-a-Lago resort in Florida. During Trump’s first year in office, his policy toward China focused on securing Chinese agreement to apply pressure on North Korea to denuclearize. As U.S.-North Korea tensions rose that year, featuring North Korean nuclear and missile tests and escalating rhetoric from both sides, the United States succeeded in gaining China’s support in the UN Security Council for tightened sanctions on the regime in Pyongyang, though the administration later accused China of helping North Korea to evade some provisions of the sanctions. Throughout 2017 and during the first few months of 2018, the United States and China failed to resolve their differences on trade through negotiations (Sutter 2018). Meanwhile, Trump’s withdrawal of the United States from the Trans-Pacific Partnership (TPP), a regional free trade agreement excluding China that was negotiated under the Obama administration, represented a withdrawal of U.S. economic leadership from the Asia–Pacific region (Carlson 2017).

Trump’s approach toward China hardened considerably in 2018. The release of the administration’s new national security and defense strategies signaled the new approach. In 2018, Trump began imposing tariffs on Chinese goods, prompting Chinese retaliation, further U.S. tariffs, and a spiral leading to a full-blown trade war. The focus soon grew to encompass issues beyond trade, as the United States by late summer
2018 adopted a “whole of government” strategy to respond to challenges from China, especially Chinese espionage and influence operations in the United States and efforts by China to gain dominance in high-technology industries crucial to U.S. economic leadership and national security (Sutter 2018). In October, Vice President Mike Pence delivered a speech laying out the administration’s complaints against China and describing its policy response (The White House 2018). The U.S.-China rivalry intensified throughout 2019, especially after Xi’s last-minute demand for changes scuttled a bilateral deal to resolve the trade dispute, which had appeared imminent in May of that year. In a sign that firm policies toward China were a rare point of bipartisan agreement at a time of rising polarization in U.S. domestic politics, Senate Major Leader Chuck Schumer, a Democrat from New York, urged Trump to “hang tough on China” (McGregor 2019). The United States also imposed restrictions designed to stifle Huawei, the Chinese telecommunications giant, by cutting off its ability to acquire components using U.S.-designed manufacturing technology and software.

By the beginning of 2020, the Trump administration’s firm approach to China was well established, featuring resistance in several areas. The administration embraced the concept of a “free and open Indo-Pacific,” first proposed by Shinzo Abe, who was then prime minister of Japan, in an effort to resist China’s bid to establish itself at the head of a regional hierarchy. Toward this end, the United States criticized China’s authoritarian domestic policies, employed freedom of navigation operations to resist excessive Chinese claims to control over the South China Sea, and strengthened coordination with regional allies and partners, including within the framework of the Quadrilateral Strategic Dialogue, or the Quad, which consisted of the United States, Japan, India, and Australia. The administration resisted China’s economic behavior, not only through the trade war, but also through its opposition to China’s Belt and Road Initiative (BRI), warning participating countries of the danger that China would use “debt-trap diplomacy” to gain control of logistics networks throughout the world for eventual military use. The administration also opposed China’s efforts to establish new technical standards in 5G and other crucial high-tech sectors and to gain dominance in these sectors. Finally, U.S. defense planning sought to neutralize China’s recent advances in military capabilities (Tellis 2019: 26–31).

In early 2020, the United States and China reached a temporary truce in the trade war by signing a Phase 1 trade agreement. However, the
outbreak of the pandemic in early 2020, caused by a novel coronavirus that emerged in Wuhan, China, in late 2019, led to the further deterioration of U.S.-China relations. In late January, Trump banned most travel from China to the United States. Trump initially praised China’s handling of the outbreak, but as infection and death tolls mounted in the United States, he increasingly blamed China for its failure to contain the virus. He withdrew the United States from the World Health Organization, which he accused of covering up China’s mishandling of the outbreak. The effects of the pandemic, including both the death toll and the economic damage caused by lockdowns, loomed as a threat to Trump’s re-election prospects, further enraging the president.

Throughout 2020, the Trump administration took an extraordinary series of actions against China, mostly involving issues not directly related to the pandemic. U.S. officials criticized China’s imposition of a new national security law on Hong Kong, arguing that the measure effectively ended the city’s semiautonomous status and the “one country, two systems” arrangement. The United States imposed sanctions on officials who implemented the new law, as well as on officials involved in the detention of 1 million or more Uyghurs and other ethnic Muslims in Xinjiang. The administration gradually tightened restrictions on Huawei, pressured allies to exclude Huawei from their 5G networks, and threatened to ban the Chinese smartphone applications TikTok and WeChat. The United States closed the Chinese consulate in Houston, accusing consular officials and employees of espionage, and arrested several other Chinese citizens on espionage charges, including some who were alleged to have ties to the People’s Liberation Army (PLA). The administration expelled dozens of Chinese journalists. It also explored options for decoupling the U.S. and Chinese economies, especially in sectors such as pharmaceuticals, medical supplies, and the military supply chain. During the summer of 2020, four Trump administration officials delivered a series of speeches criticizing Chinese policies. National Security Adviser Robert O’Brien criticized Chinese Communist Party ideology, FBI Director Christopher Wray warned about Chinese espionage, Attorney General William Barr assailed China’s predatory economic behavior, and Secretary of State Mike Pompeo declared the previous decades of engagement with China to be a failure and insisted that U.S. policy must induce China to change.

As the 2020 U.S. presidential election approached, Trump consistently trailed Biden in the polls. Trump was particularly vulnerable to charges
that he mishandled his response to the pandemic, especially as the death toll mounted. The president sought to blunt this attack by claiming that his decision to ban travel from China had slowed the spread of the virus and saved lives. Trump also mounted a broader attack on Biden’s record on China, accusing him of joining a misguided consensus in favor of engagement with China during his long career in the Senate and as vice president. During the fall campaign, Trump repeatedly said that if Biden were to win, then “China would own our country.” For his part, Biden adopted an increasingly tough posture toward China as the campaign proceeded.

**Joe Biden and China**

For much of his career in the Senate, and later as vice president, Biden embodied the bipartisan consensus in favor of engagement with China. This remained true despite his frequent criticism of China’s human rights record, especially in the wake of the 1989 Tiananmen Square massacre. As a senator from Delaware, he argued in favor of integrating China into the global economy, believing that this would encourage economic and political reform in that country. He consistently voted for annual renewals of most-favored nation trading status, culminating in his vote for China’s permanent normal trading status in 2000. This measure, which Congress passed with overwhelming bipartisan support, enabled China’s entry into the WTO the following year.

During Barack Obama’s first term as president, U.S. foreign policy sought to offer both reassurance and resistance to China. The administration attempted to work with China on a series of issues while offering reassurance that the United States would not seek to stifle China’s development. As vice president, Biden shared this way of thinking, declaring during the visit of a Chinese delegation in 2011 that “a rising China is a positive, positive development, not only for China but for America and the world writ large.” However, the Obama administration also enacted a so-called pivot or “rebalancing” to the Asia–Pacific as a hedge against China’s rise, deploying Marines to Australia, among other steps. As the Obama era progressed, administration officials became increasingly concerned about China’s assertiveness in foreign policy, a view that Biden shared. For example, Biden supported U.S. bomber flights and the navigation of warships through the East and South China seas in support of existing rules for airspace and freedom of navigation (Wong et al. 2020).
During Obama’s second term, the U.S. Department of Defense implemented the “third offset strategy” in response to military advances by China that threatened to restrict U.S. ability to project military power in the Asia–Pacific (Tellis 2019: 18). The administration also promoted the TPP as a means of exercising economic leadership in Asia.

As discussed above, Trump’s attacks on the Obama administration’s record on China, as well as on those of its predecessors, played a prominent role in his victorious presidential campaign in 2016. Such views were not confined to Trump or the Republican Party, however. Across the political spectrum, support was growing for the view that U.S. policy in recent years had failed either to produce desired changes in China’s behavior or to mount adequate resistance to China’s growing assertiveness. In the view of many observers, the Obama administration’s pivot and third offset strategy were too little, too late. China proceeded with the militarization of artificial islands in the South China Sea after Xi promised during a Rose Garden ceremony in September 2015 to refrain from this step. In the economic sphere, critics charged that the Obama administration failed to resist China’s abuses of the WTO process or to push with sufficient vigor for increased access to the Chinese market for U.S. companies (Ward 2020). In the view of many analysts, the rebalancing strategy was an inadequate response to China’s growing power (Tellis 2019: 18).

During Biden’s campaign for the 2020 Democratic presidential nomination, some of his early statements on China appeared to reflect the earlier bipartisan consensus in favor of engagement, as well as possible complacency about China’s rise (Tellis 2019: 21 fn64). In May 2019, while campaigning in Iowa, Biden said, “China’s going to eat our lunch? Come on, man. I mean, you know, they’re not bad folks, folks. But guess what? They’re not competition for us” (The Economist 2020). These comments provided fodder for attacks by Trump, both on the stump and in video ads. Whether in response to such attacks or not, Biden’s tone on China soon toughened. In a foreign policy speech in New York in July 2019, Biden declared: “We do need to get tough with China. If China has its way, it will keep robbing the U.S. of our technology and intellectual property, or forcing American companies to give it away in order to do business in China” (Biden 2019).

Biden’s change in tone reflected a corresponding shift within the Democratic Party. In the years leading up to the 2020 election, many Democratic foreign policy strategists, including some who later advised
Biden, argued that the United States needed to adopt a toughened approach to China. One such strategist was Kurt Campbell, the architect of the rebalancing strategy under the Obama administration. In a 2018 *Foreign Affairs* article that Campbell co-authored with Ely Ratner, the authors argued that foreign policy thinkers across the political spectrum had maintained hopeful expectations about China’s future behavior even as evidence to the contrary mounted. It was now necessary to acknowledge how many of these expectations had been mistaken and to abandon “hopeful thinking,” they argued (Campbell and Ratner 2018). The following year, Campbell and Jake Sullivan, who later became national security adviser in the Biden administration, argued in *Foreign Affairs* that the United States could compete with China without falling into a dangerous rivalry that would result in catastrophe (Campbell and Sullivan, 2019; Campbell and Rapp-Hooper 2020).

Biden and his advisers argued that his plan for competing with China would be more effective than Trump’s approach, which they considered to be erratic and devoid of sound strategy. Biden’s approach, in their explanation, would rely on close cooperation with allies and the restoration of U.S. domestic strength. The most effective way to meet the China challenge, Biden wrote in *Foreign Affairs*, “is to build a united front of U.S. allies and partners to confront China’s abusive behaviors and human rights violations… On its own, the United States represents about a quarter of global GDP. When we join together with fellow democracies, our strength more than doubles. China can’t afford to ignore more than half the global economy” (Biden 2020: 71). Through the restoration of U.S. domestic strength, which would rely on investments in scientific research and emerging industries, the United States would improve its ability to compete with China. In Sullivan’s words, the United States “should put less focus on trying to slow China down and more emphasis on trying to run faster ourselves” (Wong et al. 2020).

On China’s human rights record and undemocratic practices, Biden was consistently critical. Biden sharply criticized Xi for China’s internment of Muslims in Xinjiang. “This is a guy who is a thug, who in fact has a million Uyghurs in ‘reconstruction camps,’ meaning concentration camps,” Biden said during a Democratic primary debate in February 2020 (Ward 2020). Biden criticized Trump for the president’s alleged comment to Xi, recounted in the memoirs of Trump’s former National Security Adviser John Bolton, that China should continue to build the internment
camps in Xinjiang (Wong et al. 2020). In the fall campaign’s second presidential debate, Biden once again called Xi a “thug” (Debate transcript 2020). Despite all of these criticisms, Biden also vowed to work with China on issues of common concern, including climate change, nuclear nonproliferation, and global health security (Biden 2020: 71).

Following his inauguration, Biden spoke frequently of the growing competition with China, often framing it as part of a struggle between democracies and autocracies, with China and Russia serving as the main representatives of the latter group (Brands 2021). During a speech at the State Department, Biden called China “our most serious competitor” and declared that “American leadership must meet this new moment of advancing authoritarianism, including the growing ambitions of China to rival the United States.” Biden later said that he anticipated “extreme competition” with China. The Biden administration’s Interim National Security Strategic Guidance, which was released in March, said that the United States faced “strategic challenges from an increasingly assertive China and destabilizing Russia” (Biden 2021: 14). During his trip to Europe in June, Biden made similar arguments to European allies (Erlanger and Shear 2021).

Biden’s policies reflected his arguments during the campaign about the importance of allies. The president participated in a virtual summit of Quad leaders in March 2021, hosted an in-person summit in Washington in September 2021, and attended a summit in Tokyo in May 2022, making clear his desire to continue the use of this format. During his trip to Europe in June 2021, Biden participated in G7, NATO, and U.S.-EU summits, each of which produced a joint declaration criticizing aspects of China’s behavior. The NATO communiqué was the first in the alliance’s history to mention China. The Biden administration faced a stiff challenge in building European support for its policies toward China, however, owing to diverging views on either side of the Atlantic and the strong interests that Germany and other European countries had in maintaining strong economic ties to China (Carlson 2021). In September, the United States, Britain, and Australia announced a new security agreement that would allow Australia to acquire nuclear submarines using U.S. and UK technology. This pact, known as AUKUS, was clearly intended as part of the effort to counter China’s growing military capabilities.

Tensions with China continued to mount during Biden’s first year in office. In March 2021, the U.S. and Chinese delegations engaged in a public feud during a joint press appearance following their meeting in
Alaska. Following criticism of China’s behavior by U.S. Secretary of State Antony Blinken and Sullivan, the Chinese side responded furiously, as Yang Jiechi, the country’s top diplomat, said that the United States had no right to lecture China. In October, as China sent an unprecedented number of warplanes into Taiwan’s air defense identification zone (ADIZ) over the course of several consecutive days, Sullivan and Yang met in Zurich in an attempt to contain the growing tensions. In November, Biden and Xi held a virtual summit, which the Biden administration also viewed as an attempt to place guardrails around the relationship. In March 2022, Biden and Xi held another virtual summit, during which Biden warned Xi against supporting Russia’s war in Ukraine, which had begun the previous month.

In some ways, the Biden administration’s policies toward China represented continuity with its predecessor’s. Biden’s statements about competition with China were broadly consistent with the Trump administration’s hardening of U.S. policy toward China. During its first several months in office, the Biden administration retained the tariffs that the Trump administration imposed on China and refrained from rejoining the TPP. The administration also blacklisted dozens of Chinese companies for their alleged involvement in human rights abuses. However, Biden drew criticism from Republicans who accused him of being soft on China. They charged him with failing to press China on the origins of the coronavirus, as evidence emerged that it may have originated in a lab at the Wuhan Institute of Virology. Republicans also criticized the decision by U.S. prosecutors to allow Huawei Chief Financial Officer Meng Wanzhou to return to China after spending more than two years under house arrest in Vancouver while facing U.S. charges of violating sanctions against Iran. At the time of writing, the administration was still preparing its national security and defense strategies.

U.S. Domestic Politics and Strategic Competition with China

On the issue of U.S. policy toward China, the center of gravity in American politics has clearly shifted in favor of intensified strategic competition. Trump’s campaign and presidency played an important role in this shift by placing advocates of the more accommodating approach taken by previous administrations on the defensive. The shift in elite opinion, however, began before Trump’s entry into the 2016 presidential race and was apparent among thinkers across the political spectrum. Michael
Pillsbury, who later served as an adviser to Trump, published a book the year before Trump’s election arguing that China was on a mission to overtake the United States as the world’s leading power by 2049, the centenary of the CCP’s victory in the Chinese civil war (Pillsbury 2015). Aaron Friedberg, who served as an adviser to Vice President Dick Cheney but endorsed Biden in 2020, has argued for years that the United States must adopt tougher policies toward China (Friedberg 2011, 2018, 2020). As discussed in the previous section, leading Democratic foreign policy advisers have made similar arguments in recent years. Rush Doshi, the Biden administration’s director for China on the National Security Council, published a book in 2021 arguing that Xi’s foreign policy assertiveness was merely the continuation of a longstanding Chinese strategy to overturn the international order that the United States built (Doshi 2021). Other leading foreign policy thinkers argued against a full-scale confrontation with China, but they found themselves increasingly marginalized (Fravel et al. 2019; Zakaria 2019; Swaine et al. 2020).

The prior bipartisan consensus in favor of engagement was based on the hope that this policy would not only stimulate political and economic reform in China, but also encourage China to renounce any revisionist aims and become, in Robert Zoellick’s phrase, a “responsible stakeholder” (Zoellick 2005). Several factors help to explain the delay in movement away from this policy, even as evidence mounted that it was failing to induce the desired behavior by China. U.S. policymakers may have misperceived China’s potential power and ambitions, partly because China initially lagged so far behind the United States in economic and military power at the end of the Cold War, and partly because Deng Xiaoping’s advice that China practice restraint in foreign policy seemed reassuring. The Bush and Obama administrations were distracted by the global war on terrorism and the global financial crisis.

Two other factors, both directly related to the high level of U.S.-China economic interdependence, also played crucial roles. One was the painful tradeoff between absolute and relative economic gains. The U.S.-China economic relationship yielded huge absolute gains for both sides, but relative gains favored China, which enjoyed rapid rates of economic growth and an increased capacity to fund military modernization. Full-scale decoupling of the two economies would have forced the United States to sacrifice large absolute gains, which would have constrained the growth of its absolute power as well. The U.S. business community, which
enjoyed highly profitable opportunities in China’s large and growing market, was also a strong advocate of continued U.S. engagement with China (Tellis 2019: 11–22).

As the Trump presidency and the 2020 election made clear, elite views have shifted. Changes are also visible in the business community. U.S. businesses continue to covet the Chinese market, but frustrations have accumulated on issues such as intellectual property theft, forced technology transfer, limits on market access, and requirements to form joint ventures with Chinese partners. These frustrations have caused the U.S. business community to strengthen its calls for structural reform in the Chinese economy (Martina 2019). At the same time, many in the business community also welcomed the shift from Trump’s economic brinkmanship toward a more measured approach (Swanson 2020). U.S. public opinion has also turned against China. A Pew Research Center survey taken in 2020 found that 73 percent of Americans held an unfavorable view of China, the highest level in at least 15 years (Silver et al. 2020; Wong et al. 2020). All of these domestic political factors applied pressure on the Biden administration for intensified strategic competition with China.

The use of the term “strategic competition” to describe the emerging U.S.-China rivalry emerged from U.S. policy documents, as described above, but this concept has much in common with longstanding patterns of Chinese strategic thought (Pillsbury 2000). A Chinese defense white paper published in 2015, prior to the most recent U.S. national security and defense strategies, declared: “International competition for the redistribution of power, rights, and interests is tending to intensify” (Section I: National Security Situation 2015). A more recent defense white paper, published in 2019, responded directly to the U.S. policy documents, asserting that “international strategic competition is on the rise.” Moreover, this document stated: “The US has adjusted its national security and defense strategies and adopted unilateral policies. It has provoked and intensified competition among major countries....” (Section I: International Security Situation 2019). Xi has pursued an assertive foreign policy throughout his tenure, bringing China into increasingly direct strategic
competition with the United States. At the same time, he has strengthened his authoritarian rule domestically, potentially in ways that could further intensify this strategic competition.

**Xi Jinping’s Leadership Before the Coronavirus Outbreak**

Xi Jinping became General Secretary of the Chinese Communist Party in November 2012 and President of the People’s Republic of China in March 2013. A period of increased assertiveness in China’s foreign policy preceded his tenure, particularly in the wake of the global financial crisis that began in 2008. China appeared to retreat from this approach at least temporarily in late 2010, when Dai Bingguo, who was at that time China’s most influential foreign policy official, published an article reasserting China’s commitment to its foreign policy of peace and development (Dai 2010). China’s assertiveness soon returned, however, especially following Xi’s accession to power.

Xi made several moves in an effort to lay the groundwork for China to play an increasingly prominent role in the world. Under Xi’s leadership, China continued its recent pattern of foreign policy assertiveness in maritime disputes, most notably by claiming an air defense identification zone in the East China Sea, towing an oil rig into disputed waters off the coast of Vietnam, and constructing artificial islands in the South China Sea, in some cases installing military infrastructure and equipment on them. As mentioned previously, the latter step broke a promise that Xi made to Obama (Panda 2016). Under Xi’s leadership, China also began to develop initiatives and to create institutions that could underpin China’s claim to world leadership in the future. These included the BRI plan to build infrastructure across the Eurasian continent and in maritime domains, the Silk Road Fund to finance many of these projects, the creation of the Asian Infrastructure Investment Bank (AIIB), and participation in the BRICS Development Bank. China also placed heavy economic pressure on South Korea following the latter’s decision in 2016 to host the U.S. Terminal High Altitude Area Defense (THAAD) system.

Xi also spent the first several years of his tenure consolidating power domestically. He pursued a wide-ranging anti-corruption campaign that ensnared many of his political rivals (McGregor 2019: 24). Xi’s efforts came into sharp focus at the 19th Party Congress in October 2017 (Carlson 2017). During this congress, the party approved a new Central
Committee, Politburo, and Standing Committee of the Politburo, with
the latter body stacked heavily in favor of Xi’s allies (Pei 2017). The
committee also inserted Xi Jinping Thought into the party constitution,
thereby enshrining Xi’s political philosophy as CCP doctrine. The failure
to anoint an obvious successor during this meeting suggested Xi’s inten-
tion to remain the country’s paramount leader beyond 2023, when recent
custom would suggest that he step aside after 10 years in power. This
suspicion was confirmed in early 2018, when Xi secured the removal of
presidential term limits, potentially allowing him to serve as president
for life. These changes suggested Xi’s abandonment of Deng Xiaoping’s
principle of collective leadership. Deng believed that excessive concen-
tration of power in one man, as had occurred during the Mao era, was
dangerous. The expansive foreign policy vision that Xi articulated during
this meeting, which was consistent with his commitment to the “Chinese
dream” of “national rejuvenation,” suggested that he was also casting
aside Deng’s famous advice that China maintain restraint in foreign policy,
expressed in the maxim often translated as “bide your time and hide your
capabilities” (Cheng 2017).

**Xi Jinping’s Leadership Since the Coronavirus Outbreak**

The outbreak of the novel coronavirus in late 2019 posed a challenge
to Xi’s leadership. The publicly available evidence suggests that Chinese
officials at both the local and national levels made crucial mistakes in
their response to the viral outbreak, due in no small measure to the
lack of transparency in China’s political system. This led to considerable
public dissatisfaction, much of which surfaced on the Chinese Internet
before authorities shut it down, as well as public criticism by high-profile
dissidents, who were subsequently arrested. However, China’s apparent
success in containing the outbreak domestically contrasted with the situ-
uation in many other countries around the world that struggled with
high case numbers and death tolls. After a collapse in economic output
during the first quarter of 2020, the Chinese economy mounted a strong

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3 This section draws upon Brian G. Carlson, “Coronavirus: A Double-edged Sword
for China,” *CSS Analyses No. 267*, Zurich: Center for Security Studies, ETH Zürich,
Russia,” in *Sicherheitspolitische Trends 2021 – 2029: Die Post- COVID-19 Welt* (Zurich:
recovery. That year, when advanced economies around the world suffered contractions, China achieved GDP growth of 2.3 percent. These factors helped to curb public dissatisfaction and allowed China’s leaders to claim the superiority of their authoritarian political system over those of Western democracies.

In the international arena, Chinese leaders saw opportunities as well as daunting challenges resulting from the pandemic. The most pressing challenge was to respond to international criticism of China’s handling of the outbreak. China’s “wolf warrior” diplomacy, which featured combative defenses of China’s response and attempts to shift blame, generated considerable backlash around the world. China also acted with increasing assertiveness along its periphery. China increased patrols in the East China Sea to assert its claim to islands controlled by Japan, dispatched air and naval forces close to Taiwan’s shores with increased regularity, backed its claims to dominance over the South China Sea with growing confidence, imposed a national security law in Hong Kong in order to weaken that city’s democratic forces, and engaged in skirmishes with Indian forces along the two countries’ Himalayan frontier that turned deadly in June 2020. In July 2021, during a speech marking the CCP’s 100th anniversary, Xi declared that the country’s leadership would never tolerate any effort to “bully, oppress, or subjugate China,” adding that any outside powers attempting to do so “will have their heads bashed bloody” (BBC News 2021). China increased pressure on Taiwan in 2021, sending a record number of flights through Taiwan’s air defense identification zone in October.

In 2020 and 2021, a series of events roiled Chinese domestic politics. A common theme in several cases was the priority that Xi places on strengthening his own domestic authority and solidifying the CCP’s hold on power, even when the pursuit of these priorities potentially comes at the expense of economic growth (Rudd 2022: 85–94). In many cases, these events reflected the contradiction between the party’s desire to assert firm control over the economy and its reliance on private companies to fuel economic growth. The Chinese government launched a crackdown on tech companies, scuttling a planned initial public offering for billionaire and Alibaba founder Jack Ma’s Ant Group and removing the ride-sharing giant Didi’s apps from app stores just days after its own IPO. These efforts appeared to reflect Xi’s desire to prevent private entrepreneurs from gaining what he considered to be excessive power.
Xi also sought to reform the “three huge mountains” of housing, education, and health care in order to restrain the costs that urban residents pay for these services and thereby strengthen his popular support (Galbraith 2021). The debt crisis at Evergrande, a real estate company, reinforced longstanding concerns about a housing bubble and the potential fragility of the Chinese economy (Schuman 2021). Xi’s approach to these and other domestic problems apparently reflected not only his determination to maintain his own personal domestic authority, as well as the party’s, but also ideological considerations. Reportedly, Xi aims to return China to Mao Zedong’s socialist vision by greatly enhancing state control over the economy (Wei 2021). Xi’s policies had the potential to slow China’s rate of economic growth, thereby restricting the expansion of China’s national power and harming its ability to carry out strategic competition with the United States. The contradictions inherent in Xi’s policies created complications for his leadership in the period leading up to the 20th Party Congress, scheduled for fall 2022, at which Xi hoped to secure the party’s support for his third term as general secretary.

**China’s Domestic Politics and Strategic Competition with the United States**

As Avery Goldstein argues, China’s grand strategy under Xi’s leadership aims to achieve national rejuvenation. During the post-Cold War era, the progression toward the current strategy occurred in phases. From 1992 to 1996, China followed Deng’s axiom of “bide your time and hide your capabilities.” From 1996 to 2008, China pursued a path of “peaceful rise” or “peaceful development,” an approach that it partially abandoned between 2008 and 2012. Xi has pursued national rejuvenation consistently since his accession to power starting in late 2012. Xi’s strategy, in turn, has consisted of reassurance, reform, and resistance, with resistance as the most visible component (Goldstein 2020). Throughout the CCP’s entire existence, two main domestic factors have influenced China’s foreign policy, namely the goal of rebuilding a powerful and prosperous China and the imperative of preserving the CCP’s leading role. As Goldstein argues, these domestic factors have usually reinforced the predominant international influences on China’s foreign policy, such as changes in China’s relative power and other states’ reactions to China (Goldstein 2020).
This relationship between domestic politics and foreign policy in China potentially creates a vicious circle that could exacerbate problems in U.S.-China relations. A simple model illustrates this situation. China faces a multitude of domestic problems, including corruption, environmental damage, and the imperative to maintain economic growth as a necessary means of ensuring social stability. The CCP’s legitimacy is based on two pillars, namely sustained economic growth and nationalism. At a time of economic slowdown and rising domestic dissent, Xi could be tempted to appeal to Chinese nationalism in a bid to bolster his domestic rule. This could lead to heightened tensions with the United States and its allies and partners. Heightened international tensions, in turn, could become an argument for Xi, as the country’s experienced “helmsman,” to remain in power indefinitely. This could create the imperative for further domestic repression in order to neutralize Xi’s domestic political rivals and stifle domestic dissent. Such measures could add to domestic discontent, which would bubble beneath the surface and threaten to boil over at any time. Rising dissent would add to the domestic problems that the party faces, starting the circle anew (Graph 3.2).

Some signs of this pattern are already apparent. The domestic problems discussed in this chapter suggest the possible fragility of China’s political

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**Graph 3.2** Chinese domestic politics and foreign policy: A vicious circle?
system (Pei 2020). In the face of these domestic problems, the imperative to appear strong on the international stage in order to satisfy Chinese nationalism will be as compelling as ever, possibly pushing China’s foreign policy in ever more assertive directions. China’s “wolf warrior” diplomacy is a likely example of this phenomenon (Bishop 2020).

In recent speeches, Xi has issued repeated warnings about risks to China’s rise, rhetoric that may be designed at least partly to consolidate elite support for Xi’s continued rule. Chinese leaders are aware of growing international anxiety about China, especially since the beginning of the pandemic. In April 2020, a think tank close to China’s Ministry of State Security presented Chinese leaders with a report arguing that the level of international hostility toward China had reached a level unseen since the Tiananmen Square massacre in 1989 (Reuters 2020). Along with slowing growth rates, rising international opposition to China could also slow China’s rise. This could cause Chinese leaders to fear that they have only a limited window of opportunity to achieve their ambitions, possibly leading them to act rashly in the short term. In this connection, Xi’s move from collective leadership to one-man rule carries many risks. One danger is that if Xi embarks upon an overly assertive path in foreign policy, he could have difficulty reversing course because he, rather than a group of decision-makers, would be accepting personal blame (Pei 2020: 84). This could raise the risk of escalation in a potential crisis with the United States.

Such dynamics may already be apparent in China’s response to Russia’s invasion of Ukraine in 2022. During Russian President Vladimir Putin’s visit to Beijing in early February 2022, less than three weeks before the invasion, Xi and Putin issued a joint declaration asserting that the friendship between the two countries had “no limits.” Xi may not have been aware of the full extent of Russia’s plans for a large-scale invasion, however (Yun 2022). After the war began, China sought to maintain a balanced approach, neither endorsing nor condemning the Russian invasion. When the UN Security Council and General Assembly held votes to condemn the Russian invasion, China abstained. China refrained from providing Russia with weapons or helping it to evade sanctions, which could have

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4 As Joseph Fewsmith, professor at Boston University who studies Chinese politics, told the New York Times: “The case for remaining on can be built around a sense of impending crisis when the experienced hand has to stay” as quoted in Buckley and Lee Myers (2020).
subjected Chinese companies to secondary sanctions. However, China offered rhetorical support, endorsing Russia’s argument that the West provoked the crisis by failing to respect Russia’s “legitimate security concerns,” particularly by expanding NATO.

The Russian invasion placed China in a difficult position, potentially subjecting China to reputational damage, heightened international opposition, and economic costs. As the U.S.-China strategic competition became increasingly intense, Xi and other Chinese leaders perceived little interest in helping their chief rival, the United States, rein in their close partner, Russia. In addition to these foreign policy considerations, however, Xi also had domestic political reasons to maintain China’s partnership with Russia. If Xi were to reverse course in policy toward Russia, then he would effectively be admitting a mistake. This would be a risky step in Chinese domestic politics, especially during the run-up to the 20th Party Congress. In a potential future crisis between the United States and China, such difficulties in reversing course under a system of one-man rule in China could lead to a heightened risk of escalation.

Conclusion

The U.S.-China strategic competition could last for decades, creating the potential for recurrent crises and even major war. Systemic factors at the international level are major driving factors behind the rivalry, but this chapter has argued that domestic political factors in both countries also play important roles. In both the United States and China, recent political developments have created pressure for increasingly confrontational policies. The shift in U.S. policy toward a more competitive posture was an overdue response to China’s growing power and ambitions. The coming period could be turbulent, however. In a crisis, misperception by leaders on either or both sides, including misperception of the domestic political constraints faced by the other side’s leadership, could cause the situation to spiral out of control. The management of U.S.-China strategic competition will require policymakers to make careful assessments of both its international and domestic dimensions.
Bibliography


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