

As Relations Worsen with Washington and Its Allies, Beijing Should Reconsider Counterproductive Policies

Doug Bandow

August 7, 2023

The Biden administration has recently attempted to repair its relationship with Beijing, but with only moderate success. As the 2024 U.S. presidential campaign approaches, Chinese officials should seek to calm ties involving the U.S. and other Western states.

The Trump administration turned sharply hostile toward the People's Republic China on both economic and security issues. President Joe Biden originally doubled down on this approach, but recently pulled back from the brink. Unfortunately, he hasn't had the best of luck or timing.

For instance, Secretary of State Antony Blinken cancelled a planned trip to the PRC following the balloon incident earlier this year. A day after Blinken finally met with President Xi Jinping, Biden called the latter a "dictator," triggering an angry Chinese response. In July, Treasury Secretary Janet Yellen visited Beijing and sought to walk back talk of "decoupling." However, she offered no alternatives even as the administration continued its campaign to make the PRC into a second class technological power. Defense Secretary Lloyd Austin has been essentially begging Chinese Defense Minister Li Shangfu for a meeting, which he's refused since the Trump administration sanctioned him over Beijing's purchase of Russian military equipment.

In turn, China engaged some old friends to help improve bilateral ties. For instance, centenarian Henry Kissinger recently visited the PRC for talks. So did business moguls Elon Musk and Bill Gates. However, their influence has waned in today's hostile political environment and it's possible their role could even backfire.

Observed Bloomberg columnist Minxin Pei wrote, "Congressional leaders seem all-too-eager to seek out and expose any potential Chinese influence operations in the U.S., especially in the heat of an election year."

Unfortunately, relations are likely to get worse before they get better. Republican politicians recently attacked the administration for talking with Xi, serving as yet another indication that Biden can expect a divisive presidential campaign ahead and will have little

choice but to respond in kind. Beijing will likely be denounced as America's enemy number one, ahead of Russia, and the PRC's relations with Europe and even major Asian states have been trending backward as well.

With the international environment turning increasingly negative for China—slowing economic growth, expanding technology restrictions, rising geopolitical headwinds—the Xi government should take a serious look at its own policies. PRC officials might bridle at such a notion. After all, they view themselves as the injured party. And their complaints are not without some justification. Blame is shared.

Nevertheless, it is not just American politicians who have turned on Beijing. Foreign investment in China dropped during the first half of the year, a small but ominous sign of diminishing business confidence in the Chinese market. Moreover, even long-time PRC friends have said that in recent years Beijing has made the job of its critics easier than in the past. At times Washington has engaged in similar behavior. However, long the dominant nation in its own region and more recently the world's premier economic and military power, the U.S. remains in a better position to weather blowback to its blunders. Despite its impressive recent growth, China is far more vulnerable.

To start, the PRC's aggressive foreign policy instills fear in its neighbors. More than a decade ago Foreign Minister Yang Jiechi announced to the ASEAN Regional Forum that “China is a big country and you are small countries, and that is a fact.” This harsh if honest political attitude made Beijing's neighbors suspicious, encouraging them to hike their military outlays and organize against the PRC. Washington's increased military activities would be impossible without allied support.

Indeed, China's increasingly aggressive military stance in East Asian waters has strengthened America's existing alliances with Australia, Japan, South Korea, and the Philippines, as well as less formal security relationships, such as with India. With globe-spanning economic interests, the PRC's decision to increase its armed forces comes as no surprise. However, the Xi government's more threatening posture has unsettled its neighbors and given credence to Washington's warnings.

China's use of economic coercion has weakened its international influence. With its dominant economic and financial position, the U.S. theoretically has even greater ability to force other nations to comply with its dictates, but in practice such efforts have usually ended up as dismal failures. Such has been the case with Washington's sanctions on Chinese officials.

Unsurprisingly, Beijing's efforts have been no more successful. And they have created enormous ill will toward the PRC. For instance, Australia was never going to yield to a 14-point diktat, while Beijing's 2017 campaign against the Republic of Korea turned public opinion sharply against China.

Retaliation for perceived foreign slights has proved to be a losing game for the PRC. Beijing damaged its reputation in Europe with its sanctions on Lithuania over the name of Taiwan's mission and members of the European Parliament over the European Union's Uyghur-related penalties. As a result, the EP refused to ratify an investment treaty with China, while support

increased across the continent for revamping its relationship with the PRC. In recent months, many European nations, though still wary of the Biden administration's anti-Beijing policy, have gravitated toward the U.S. position.

Additionally, the crackdown on religion put China at odds with human rights activists and governments the world over. The issue strengthens the international drive to confront the PRC, and so has Beijing's campaign to imprison its critics. For instance, after Hong Kong's government used the "national security law" to eradicate political opposition, the authorities continue to target activists, even those living abroad, and their families. With its local representative comparing overseas Hong Kongers to rats, the Chinese government looks fearful as well as harsh.

Obviously, Beijing defends these policies, as well as other controversial measures. However, China's actions are driving a wedge between it and other governments. The economic costs are high; the security consequences could be even worse.

Relations between the PRC and the West will continue their slide unless both sides address each other's concerns. Beijing's recent Foreign Ministry swap offers an opportunity for China to refashion counterproductive policies. Better to act now than suffer what looks to be an inevitable crisis.

Douglas Bandow is an American political writer working as a Senior Fellow at the Cato Institute.