

# The Trump Administration's Restructuring of China-US Relations: Ambitions and Limitations

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Compared to previous US administrations, the Trump administration, with its mission to fundamentally restructure China-US relations and reset the premise, objective, framework, connotations, and means of US policy toward China, has produced the most disruptive effect on China-US relations in the post-Cold War era. Against the backdrop of China-US great-power competitive dynamics, the adjustment of US policy toward China is somewhat inevitable, but it also has distinctive features brought by President Trump and his team. In turn, Trump's restructuring of China-US relations is unavoidably subject to a range of internal and external restraints. This article examines Trump's restructuring of China-US relations and its consequences, analyzes the main factors constraining his China policy, and looks at US policy toward China in the near to medium term.

## Trump's Restructuring of China-US Relations

Trump repeatedly and publicly signaled his displeasure with US policy toward China early in his 2016 presidential campaign. Since entering the White House, Trump and his team have launched a net assessment of US policy toward China in the summer of 2017 and released the US National Security Strategy in December of the same year, refining the general outline of restructuring China-US relations. Basic ideas in the report were actively

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implemented over the following two years.

Trump started from resetting the premise and objective in reshaping China-US relations. He has introduced a series of perceptions, judgments and visions including: US policy of engagement with China has failed; China has comprehensively challenged US power, interests and influence, and become the main strategic competitor of the US; China is a “revisionist state” trying to subvert the existing international order; the future US policy toward China will be more about competition rather than about engagement; the basic policy objective is to thwart China’s rise and prevent China from overtaking and replacing the US.<sup>1</sup> This is a far cry from the “engagement and precaution” or “engagement and competition” policy pursued by successive US administrations from Clinton to Obama, which all sought to conditionally get along with a rising China.

Trump’s focus in restructuring China-US relations is to reshape the framework and connotations of the relationship, using economic and trade ties as a breakthrough while working across the board in diplomacy, security, politics and humanities. At present, the areas most affected are economic and trade relations, the Taiwan question, political relations, and people-to-people exchanges.

Reconstructing economic and trade relations involves two aspects. First, the US seeks to expand its commercial interests in China. To this end, the Trump administration has waged a “tariff war” against China, and forced China to address US concerns about trade imbalance, intellectual property protection, so-called forced technology transfer, and market access. Beginning in July 2018, China-US trade friction kept cropping up, and the range of goods covered by mutual tariffs has expanded to an unprecedented scale. Although the two sides reached the phase-one trade deal in December 2019, the US side is still reluctant to stop wielding tariffs

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1 The White House, *National Security Strategy of the United States of America*, December 2017; The White House, “Remarks by Vice President Pence on the Administration’s Policy toward China,” October 4, 2018, [www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-administrations-policy-toward-china](http://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-administrations-policy-toward-china).

as a “big stick” and maintains additional tariffs on Chinese goods worth hundreds of billions of dollars as a bargaining chip to continue extracting economic and trade benefits from China.

Second, the US seeks to limit the growth of Chinese power. Hawks within the Trump administration believe that the most important way to curb China’s rise is to disrupt its technological progress. Thus, Washington launched a “technology war” against China to further tighten American technology transfer to China, severely restrict Chinese investment in the United States, and suppress Chinese high-tech enterprises. Admittedly the Trump administration did not initiate US restrictions on technology transfer to China and Chinese investment in the US, which originated from the Cold War era and the George W. Bush era respectively, but it was the first to crack down on Chinese high-tech companies. To restrict Chinese companies’ access to sensitive American technologies, the US Department of Commerce placed more than 200 Chinese enterprises on the “entity list,” among which Huawei has suffered from the most egregious crackdown. In 2018, the US National Defense Authorization Act prohibited government agencies from purchasing products from five Chinese companies, including Huawei and ZTE. And in May and August 2019 respectively, Huawei and more than 100 of its subsidiaries were placed by the Commerce Department on the control list, which restricts US companies from exporting products to Huawei. Meanwhile, the Trump administration is actively lobbying and pressuring allies and other countries to ban Huawei from their 5G network construction. Cracking down on Huawei globally has become an important part of Trump’s diplomacy.

The Trump administration’s move to restructure China-US economic and trade relations has led to a decline in trade and investment between the two countries, a realignment of supply and industrial chains, and a significant reduction of technological cooperation. Moreover, the technological decoupling and China’s independent innovation could lead to a “technological Cold War” between the world’s two largest economies, accelerating the separation of the two sides’ technological ecosystems and

spilling over into the global supply chain of technology. Communications technologies represented by 5G will develop along different technical routes, regulations, and standards, with the United States and countries pressured to reject Chinese technology on the one hand, and China and countries adopting Chinese technology on the other. The world will be divided by this technological fault line, leaving spillover effects on investment, trade and even finance. Competition in technology thus has wide and far-reaching geo-economic and geopolitical implications.

Adjusting the framework of US policy toward Taiwan is also an important part of Trump's restructuring of China-US relations. The Taiwan question is the most central and sensitive part of China-US relations. Since the establishment of diplomatic relations, the two countries have undergone long-time gaming and formed a basic framework for handling the Taiwan question. However, the Trump administration has sought to break out of the framework and actively enhance its relations with Taiwan through legislative, military and diplomatic means. In March 2018, Trump signed the Taiwan Travel Act to encourage official exchanges between the two sides, and in August 2019, he announced the sale of 66 F-16V fighter jets to Taiwan, worth a total of \$8.8 billion, the largest deal in the history of US arms sales to Taiwan. Military contacts between the United States and Taiwan are increasingly heated and escalating. In November 2019, Heino Klinck, Deputy Assistant Secretary of Defense for East Asia, visited Taiwan, and became the highest-ranking Pentagon official to do so in more than a decade. The United States has also demonstrated its support for Taiwan in the form of warships passing through the Taiwan Strait and a naval research vessel stopping in Taiwan. Of particular note, in May 2019, with the consent of the US side, Taiwan's US-based agency, the Coordination Council for North American Affairs (CCNAA), was renamed the Taiwan Council for US Affairs (TCUSA), which juxtaposes Taiwan and the United States to highlight the former's so-called political identity. In June of the same year, the US Department of Defense released the Indo-Pacific Strategy Report, which openly referred to Taiwan as a country and

did not correct the mistake afterwards. During the leadership election in Taiwan in January 2020, the US intervened strongly in the island's affairs and supported the re-election of Tsai Ing-wen. At the international level, the Trump administration has also stepped up its support for Taiwan, doing its utmost to prevent those countries having so-called "diplomatic relations" with Taiwan from severing ties with the island. Against the backdrop of American strategic competition with China, Washington has rediscovered the strategic value of Taiwan and made every effort to play the Taiwan card against China.<sup>2</sup> The Taiwan question is becoming a new storm point in China-US relations.

Highlighting political competition with China is also a prominent feature in Trump's reshaping of China-US relations. There are long-standing differences in the political system and ideology between the two countries. After the end of the Cold War, friction and confrontation between China and the US in the political sphere intensified for a time. From the mid-1990s onwards, Washington adopted a more pragmatic approach and the political strife gradually faded. However, the Trump administration has intensified its political and ideological rivalry with China, based on frustration with domestic political changes in China and the need to mobilize US domestic political support.

Firstly, the Trump administration has attacked China's political system and domestic policies and exaggerated its "authoritarian" nature, claiming that the China-US competition is fundamentally "political contests between those who favor repressive systems and those who favor free societies."<sup>3</sup> The Trump administration has tried to draw a line between

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2 According to Robert Sutter, a US expert on China, Trump has elevated relations with Taiwan for the following reasons: the US believes that Beijing's pressure on Taiwan has changed the status quo across the Taiwan Strait, which it does not expect; China has become a strategic competitor, and Taiwan's geographic location is crucial to its Indo-Pacific strategy; Taiwan's democracy and free economy are even more important to US competition with China over values and the international order; senior US officials believe that developing US ties with Taiwan can put pressure on China. See "US Experts Talking about Taiwan Election: Driver and Brakes of US Relations with Taiwan," *China Review Press*, January 14, 2020, <http://www.crntt.cn/zpdx/78411.html>.

3 The White House, *National Security Strategy of the United States of America*, December 2017, p.25.

the Chinese people and the Chinese government and ruling party, publicly stating that it is targeting the Chinese government and the Communist Party, not the Chinese people.<sup>4</sup> Secondly, it has accused China of extending its political influence to other countries, particularly by promoting certain practices of the “authoritarian system,” such as corruption and the use of surveillance methods.<sup>5</sup> Thirdly, it has hyped the so-called “political penetration” of China into the US. In October 2018, US Vice President Mike Pence asserted in his China policy speech that “Beijing is employing a whole-of-government approach, using political, economic, and military tools, as well as propaganda, to advance its influence and benefit its interests in the United States.”<sup>6</sup> He claims that Beijing is rewarding or coercing American businesses, movie studios, universities, think tanks, scholars, journalists, and local, state and federal officials. Fourthly, the Trump administration has intervened in issues related to Hong Kong and Xinjiang with unprecedented intensity. Political forces across the partisan line in the United States have been deeply involved in Hong Kong affairs. The so-called Hong Kong Human Rights and Democracy Act, passed by the Congress and signed by Trump, creates a legal basis for continued US interference in Hong Kong affairs. The US has also been discrediting the Chinese government’s efforts to de-radicalize Xinjiang, with the Commerce Department imposing export restrictions on 28 Chinese entities over Xinjiang-related issues, the State Department announcing visa restrictions on relevant Chinese Party and government officials and their families, and the House and the Senate passing the so-called Uyghur Human Rights Policy Act to increase pressure on China.

In the area of social and cultural exchanges, the Trump administration has taken unprecedented restrictive measures. Since the establishment

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4 The Indo-Pacific Strategy Report issued by the US Department of Defense writes, “Yet while the Chinese people aspire to free markets, justice, and the rule of law, the People’s Republic of China (PRC), under the leadership of the Chinese Communist Party (CCP), undermines the international system from within by exploiting its benefits while simultaneously eroding the values and principles of the rules-based order.” See US Department of Defense, *Indo-Pacific Strategy Report*, June 1, 2019, p.7.

5 The White House, *National Security Strategy of the United States of America*, December 2017, p.25.

6 The White House, “Remarks by Vice President Pence on the Administration’s Policy toward China.”

of diplomatic ties, social and cultural exchanges between China and the United States have developed rapidly and gone through ups and downs of overall bilateral relations, becoming an important link between the two societies and an important basis for supporting relations between the two countries. However, in order to prevent China from acquiring advanced US technologies and to guard against the so-called political penetration of China into the US, the Trump administration has severely suppressed educational, scientific, technological, and cultural exchanges and cooperation between the two countries. It includes putting visa restrictions on Chinese students and scholars, warning American universities and research institutions about China's "academic espionage," denying funding from the Chinese side, halting cooperation with Chinese enterprises and research institutions, and investigating, firing and prosecuting researchers engaged in scientific cooperation and exchanges with the Chinese side, especially those of Chinese origin. Against this backdrop, cooperation between Chinese and American universities and research institutions has been severely impacted, and Chinese students and scholars have encountered more obstacles to study and participate in exchange programs in the United States. More and more Confucius Institutes in the US have been closed, and many social and cultural exchange programs have been suspended. The Trump administration's restrictive policies are having the most serious consequences in social and cultural exchanges between the two countries since the establishment of diplomatic relations, and their negative effects will be extremely far-reaching.

The Trump administration has also tried to reconstruct interactions between China and the US. It believes that the United States' long-standing policy of engagement with China has failed, which must give way to strategic competition through a whole-of-government approach. The US further believes that the most effective way to force China to make concessions is never dialogue and negotiation, but pressure and confrontation. The US should not be afraid of confrontation or even conflict against China, and should make China pay a greater price for its

“bad behavior.” The pursuit of cooperation must not be the main goal of China-US relations; instead, it needs be kept to a minimum.

Based on perceptions above, the Trump administration has changed its previous approach of “engagement and precaution” toward China. It has reduced engagement and cooperation with China while increasing confrontational and conflictual moves. The four major dialogue mechanisms between the two countries, which Chinese President Xi Jinping and US President Trump agreed to establish in April 2017, have been completely suspended. The US side has even publicly expressed its disinterest in these dialogue mechanisms. Numerous other working-level dialogues and consultation mechanisms established under the Bush and Obama administrations have largely ceased to function, and high-level and working-level contacts have been reduced to a minimum. As the function of diplomacy has declined significantly, the United States has resorted more to trade, technological, and financial conflicts and the use of sanctions, pressure and public opinion attacks against China. Senior US officials, including Vice President Pence, Secretary of State Mike Pompeo, and Director of the Office of Trade and Manufacturing Policy Peter Navarro, have gone to the alarming extent of launching a barrage of attacks, smears and invectives against China in a routine manner, which is rare in bilateral interactions since the establishment of China-US diplomatic relations. The word “cooperation” has become hardly mentioned in US official discourse on China, while “competition” is the current keyword in dealing with China-US relations. Moreover, when hawks in the Trump team talk about China-US competition, they are actually thinking of confrontation and conflict, and when they talk about the pursuit of “fair trade” with China, the real idea is to “decouple” from China.

In the name of seeking a “fair, mutually beneficial, and results-oriented” relationship between China and the United States, the Trump administration has drastically adjusted the basic premise, framework and interaction pattern of the US policy toward China. US attempts of restructuring China-US relations, which are wide-ranging, highly

disruptive, vicious and reckless, have seriously weakened the strategic mutual trust between the two countries, undermined the foundation and reversed the direction of bilateral relations, and exacerbated tensions, frictions and instability. The risk of confrontation and conflict has risen significantly.

## **Constraints of Trump's Restructuring of China-US Relations**

There is no doubt that the Trump administration is determined to restructure China-US relations with multiple approaches and greater efforts. But the question is, how far will the restructuring go?

Firstly, it depends on the price the US is willing to pay. Competition, decoupling, confrontation, and reduced demands for cooperation are all bound to come at a price. Trump's trade war has severely impacted US agriculture and manufacturing and increased consumer spending. The "technology war" puts US high-tech industries at great risk of losing the huge Chinese market and undermining US innovation. Limiting China-US people-to-people exchanges could cost US universities and research institutions dearly in terms of finance and talent. Escalating military competition with China could bring a significant increase in military spending, further exacerbating the federal debt burden. Reducing diplomatic cooperation with China means the US will get no help, or even face challenges from China in addressing many of its international concerns. These real or potential costs and risks will determine the extent and durability of domestic support for Trump's China policy.

In fact, as the negative effects of Trump's policy toward China become more obvious, so do the voices of discontent and skepticism within the United States. The US policy elites have largely reached a consensus on strengthening competition with China, but there seems to be no certainty on how much to pay for it, who should pay for it, what should be the focus, what measure should be taken, and what kind of China-US relations should be shaped. On July 3, 2019, 100 American China experts

signed an open letter to Trump and members of Congress, expressing their disapproval of viewing China as an economic enemy or a major national security threat that the US must confront in all respects. They believe that the current US strategy toward China is fundamentally counterproductive, and the deteriorating China-US relationship is not in the interest of the US or the world.<sup>7</sup> It was one of the most public and targeted attacks on Trump's China policy. As a matter of fact, the Trump administration has been criticized by knowledgeable people from different circles for exaggerating China threat and overreacting, and preferring competition and confrontation while ignoring the need for cooperation with China.<sup>8</sup> Some members of Congress have publicly criticized that the Trump administration's confrontational approach is unlikely to bring security and economic benefits to the United States, warning that it would be a huge mistake to decouple from China.<sup>9</sup> In the face of criticism from all quarters, Pence had to concede in an October 2019 speech on China policy that the Trump administration does not seek to confront, contain or decouple from China, and will not allow challenges in China-US relationship to foreclose practical cooperation with China.<sup>10</sup> While this statement is more of lip service, it reflects the pressure the Trump administration is facing from its critics.<sup>11</sup>

The American business community is particularly important in

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7 M. Taylor Fravel, J. Stapleton Roy, Michael D. Swaine, Susan A. Thornton and Ezra Vogel, "China is Not an Enemy," *The Washington Post*, July 3, 2019.

8 Orville Schell and Susan L. Shirk, "Course Correction: Toward an Effective and Sustainable China Policy," Asia Society Task Force Report, February 2019; Kurt M. Campbell and Jake Sullivan, "Competition Without Catastrophe: How America Can Both Challenge and Coexist With China," *Foreign Affairs*, September/October 2019.

9 "Larsen Calls for Changes to China Strategy," December 5, 2019, <https://larsen.house.gov/press-release/larsen-calls-changes-china-strategy>; Keynote speech delivered by Senator David Perdue at Fourth Annual China Power Conference, Center for Strategic and International Studies, Washington, DC, December 13, 2019, <https://www.csis.org/analysis/morning-keynote-fourth-annual-chinapower-conference-chinas-power-debate>.

10 The White House, "Remarks by Vice President Pence at the Frederic V. Malek Memorial Lecture," Washington, DC, October 24, 2019, <https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-frederic-v-malek-memorial-lecture>.

11 Michael D. Swaine, "A Smarter U.S. Strategy for China in Four Steps," January 8, 2020, <https://carnegieendowment.org/2020/01/08/smarter-u.s.-strategy-for-china-in-four-steps-pub-80730>.

influencing Trump's China policy. In recent years, although the US business community has complained about China's business environment and pinned its hopes on the Trump administration to force China to change course with tough measures, Trump's trade war, technology war and broader confrontation against China have had a real and potential impact on business interests. US farmers, retailers, high-tech companies, and the manufacturing industry have borne the brunt; they have not only expressed their discontent publicly, but have also lobbied and pressured the Trump administration in various ways. On the other side, China's positive initiatives to improve the business environment and open up the market have also made the US business community see more benefits, thus hoping that China-US relations will stabilize as soon as possible. It can be argued that the longer the trade war lasts, the more the technology war escalates, and the greater the confrontation with China intensifies, there will be more opposition and divergence within the US on its China policy.

Secondly, it depends on China's response. China-US relations have always been the result of cooperation, coordination, competition, or confrontation of both sides, and are never determined unilaterally by the US. The Trump administration's intention to build a China-US relationship that limits China's growth in power while maximizing US interests is bound to be met with Chinese resistance and countermeasures. In fact, China is also exploring more effective ways to respond to US competition and pressure. After the US side was bent on launching a trade war, China rose up to resist and struck a precise blow while maintaining the possibility of peace talks. After 18 months, China broke Trump's illusion of achieving a "quick win" or "easy win," forcing it to be more pragmatic and accept China's position of resolving economic and trade disputes in phases and gradually canceling the tariff increase. Faced with US attempts to decouple from China in industrial chains and the technology sector, China has given full play to its huge market potential and improved the business environment, and US enterprises are optimistic about their development in China. China has also responded positively to

US global crackdown on Huawei, making it difficult for Washington to get what it wants. On the Taiwan question, China has made active planning in diplomacy and military to enhance its ability to control the situation across the Taiwan Straits. On the South China Sea issue, under US provocation and pressure, China has been resolutely defending its sovereignty and national security interests. On the whole, with major changes in US policy toward China under Trump, China is not afraid of challenges and dares to counteract them while being able to make necessary compromises. China's capacity to shape China-US relations has increased, thus weakening the United States' ability to achieve its policy objectives.

Ultimately, it depends on the attitude of the international community, especially that of American allies. While the US still has an overall power advantage over China, it has to rely on allies to advance its long-term strategic competition against China. During the Cold War, the United States could not effectively advance its strategic objectives against the Soviet Union without the firm support of its allies. However, Trump's China policy and his broader foreign policy not only pursue the narrow interests of the United States, but also reflect a preference for protectionism and unilateralism. Such policies have disregarded the prevailing trends of globalization and global governance as well as the legitimate interests and concerns of other countries, and have few supporters in the international community. The trade war waged by the US has damaged global industrial and value chains, and hit the interests of other countries, even those of US allies. Some countries are even forced by the US to choose sides, and become caught in the crossfire.

At the Shangri-La Dialogue in May 2019, Singapore's Prime Minister Lee Hsien Loong stressed that regional cooperation initiatives in the Asia-Pacific should not "create rival blocs, deepen fault lines or force countries to take sides," and US allies and partners in the region all hope that China and the US will maintain friendly relations. In October of the same year, ten former leaders from countries including Australia, New Zealand, Sweden, France, Italy, Mexico, and South Korea co-authored an

article pointing out that the tariff war was not an effective way to resolve international trade and economic disputes. They expressed their concern about the wider strategic impact of any further decoupling of the Chinese and American economies and urged the US to withdraw the punitive tariffs imposed on China.<sup>12</sup> On the Huawei issue, despite Trump's best efforts to lobby and pressure allies, Germany and France have revealed no intention of excluding Huawei from 5G construction. Regardless of US obstruction, Italy signed a memorandum of understanding with China to jointly promote the Belt and Road Initiative, becoming the first developed Western country in the G7 to formally join the initiative. The refusal of US allies to follow America's lead carries interesting messages, and demonstrates that "international relations today are too intertwined, and Chinese power too magnetic, for them to enlist in a US-led coalition and usher in a Cold War-style bifurcated world. If the United States is intent on reconstructing that world, it will likely find itself largely isolated."<sup>13</sup> A just cause enjoys abundant support while an unjust one finds few followers. Trump's restructuring of its China policy through unilateralism and bullying is becoming more like a one-man show with no one to applaud. Lack of support from the international community, especially from US allies, will undoubtedly undermine the effectiveness of US policy toward China.

In a sense, the above-mentioned constraints are long-term and fundamental. Domestically, the United States has developed a high-level economic interdependence with China in the context of globalization. In the post-Cold War era, it has become difficult for the US to implement Cold War-style mobilization, allow national security concerns to trump the pursuit of economic interests, and make the policy preferences of hawks

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12 "Keynote Address by Prime Minister Lee Hsien Loong at the 18th IISS Shangri-la Dialogue," May 31, 2019, <https://www.iiss.org/events/shangri-la-dialogue/shangri-la-dialogue-2019>; Kevin Rudd, Helen Clark, and Carl Bildt, "The Trade War Threatens the World's Economy," *The New York Times*, October 11, 2019, <https://www.nytimes.com/2019/10/11/opinion/china-trade.html>.

13 Uri Friedman, "America Is Alone in its Cold War with China," *The Atlantic*, February 17, 2020, <https://www.theatlantic.com/politics/archive/2020/02/us-china-allies-competition/606637>.

the consensus of society as a whole. Internationally, it is also impossible to ask US allies to abandon their real and potential interests regarding China without significant security threat from the country. More importantly, China has been increasing its resources, means and skills for competing with the US, and the effectiveness of US policy toward China is increasingly dependent on China's dynamic response.

## **Future Policy Directions**

With 2020 being a US election year, the Trump administration will continue to push forward the goal of restructuring China-US relations, with more continuity than change in its China policy. Some policy trends are worth noting.

First, on the basis of the phase-one trade agreement, the two countries will launch the second phase of negotiations, in which the United States side will make demands on issues including subsidies to Chinese state-owned enterprises, digital trade, and cybersecurity, and the Chinese side should also raise concerns about increased US restrictions on Chinese investment in the US and China-US technological cooperation. The second phase of negotiations involves more structural issues and the rivalry will be rather intense. At the same time, the two sides may have disagreements and frictions over the implementation of the phase-one agreement, and the US may raise tariffs again to pressure China.

Second, the US will escalate its technological war against China and do its utmost to obstruct China's technological progress. In the 5G sector, the US might introduce new measures to suppress Huawei. According to the current export control rules of the US Department of Commerce, if a product produced outside the US contains US parts and components amounting to 25 percent of its value, the US government can prevent the country of origin from exporting the product to China, or require the manufacturer to apply for an US export license. The US Department of Commerce is considering lowering the 25 percent threshold further to

10 percent, in order to step up export controls to China. The US might also expand controls to consumer electronics that do not contain sensitive chips, and even low-tech products that are directly based on US technology or software, but are manufactured outside the US and could be sold to Huawei.<sup>14</sup> And it may increase support for 5G technological development and take shares in Nokia and Ericsson to better compete with Huawei. In addition, hawks within Trump's team are aggressively pushing for a ban on aircraft engine exports to China, thereby slowing the development of China's large commercial aircraft.

Third, the US will take more unilateral measures to strengthen and expand economic competition with China. In February 2020, the US announced the elimination of World Trade Organization (WTO) preferential treatment for 25 developing economies, including China's mainland and Hong Kong. Its trade with China will probably apply to the standards of a developed country, instead of the WTO's "special and differential treatment" as a developing economy. This means that China will face tougher conditions for trade with the US. Moreover, the US will escalate its financial war against China by imposing financial sanctions on Chinese companies under various pretexts, restricting the listing of Chinese institutions in the US, and blocking US companies from investing in China.

Fourth, the US will coordinate with its allies to build a united front against China. On January 14, 2020, the day before the signing of the phase-one China-US trade agreement, US Trade Representative Robert Lighthizer met with senior Japanese and EU officials responsible for trade affairs to discuss China's non-market-oriented trade policies and government subsidies. They agreed to jointly promote the reform of existing WTO rules. The US, Japan and the EU have repeatedly coordinated their positions and reached important consensus on WTO

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14 Alexandra Alper, Karen Freifeld and Stephen Nellis, "Trump Administration Moves toward Blocking More Sales to Huawei: Source," *Reuters*, January 15, 2020, <https://www.reuters.com/article/us-usa-huawei/trump-administration-moves-toward-blocking-more-sales-to-huawei-sources-idUSKBN1ZD2VD>.

reform. At present, the US-Japan trade agreement has entered into force. If there is a breakthrough in the US-EU trade negotiations, the tripartite coordination will be enhanced.

Fifth, the US will increase pressure on China over values and the Taiwan question. While Trump himself is not keen on highlighting values in handling China-US relations, in an election year to fend off Democratic attacks and gain support from Republican voters, the US will step up its attacks on China over issues related to Xinjiang, Hong Kong, Xizang, and religions. As Tsai Ing-wen begins her second term in Taiwan, she is likely to be more adventurous and provocative in cross-Strait relations, and the Chinese mainland is bound to step up efforts to counter “Taiwan independence” forces. The Trump administration and pro-Taiwan forces in the Congress will seize the opportunity to push for more measures to support Taiwan and further weaken the one-China policy.

In the medium term, if Trump wins the 2020 presidential election, the US policy toward China in his second term will be largely influenced by two factors. The first is the change in Trump’s ruling team. At present, Trump’s team is divided into four factions on the China issue: 1) economic nationalists, represented by Trump himself, who are mainly concerned with how to promote US economic interests, especially in solving the trade deficit with China; 2) economic realists, represented by Robert Lighthizer and Peter Navarro, whose focus is to prevent China from overtaking the US as world’s top economy, and especially to block China’s access to advanced US technology; 3) economic liberals, represented by Treasury Secretary Steven Mnuchin, mainly concerned with the opening of Chinese markets (especially financial markets); and 4) national security hawks, represented by Pence and Pompeo, who pay more attention to strategic competition with China and the containment of China.<sup>15</sup> There are both cooperation and competition among the four factions, with economic realists and national security hawks working together to implement the

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15 Wu Xinbo, “US Competitive Policy toward China and Transformation of China-US Relations,” *China International Studies*, No.3, 2019.

most restrictive and confrontational policies toward China. Although such policies are mostly put into effect, they have sometimes been constrained by Trump. For example, hawks' push for ban on aero engine exports to China for its construction of C919 aircraft has been opposed by Trump.<sup>16</sup> It will affect the specifics of US policy toward China that whether or not these hawks remain in office during Trump's second term, and the extent to which they are constrained by the range of competition that Trump has set.

The second factor is the trend of the US economy. In the event of strong economic growth in the US, Trump will be in a stronger position to challenge China. Conversely, he will have to take a more pragmatic stance if the economic performance is below expectation. As it stands, this round of US economic growth, while creating the longest cycle in history, is slowing down toward a recession, which is bound to happen during Trump's second term, and will severely limit Trump's gamesmanship in his China policy.

If the Democrats take over the White House in 2021, some adjustment in US policy toward China will inevitably take place. As for the perception about China, the Democratic policy elites generally acknowledge the need, and even the urgency of elevating competition with an increasingly powerful China, but are also aware of the need to work with China in certain areas and are not averse to engagement with China as is the Trump administration. In terms of China policy, a Democratic administration may slow China-US economic and technological competition but increase pressure on China over values and geopolitics, and at the same time seek cooperation with China on issues such as climate change. In the field of policy implementation, the United States will moderate its engagement with China, focus on coordination with allies and multilateralism, and place greater emphasis on restricting China by rules and isolating China by structuring multilateral and "mini-lateral" political

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16 Ted Mann, "Trump Supports Sales of High-Tech Products to China, in Blow to Hawks," *The Wall Street Journal*, February 18, 2020, <https://www.wsj.com/articles/trump-says-he-supports-selling-u-s-jet-engines-to-china-11582044922>.

and economic arrangements. The China-US strategic rivalry will continue, but manifest itself differently than under the Trump administration.

## Conclusion

After one year of careful planning and two years of active implementation, the Trump administration's intentions, goals, and approaches of reshaping China-US relations have been clearly presented to the world. In general, the US wants to put competition first with economic and trade issues as a breakthrough to craft a China policy that effectively limits China's growth and retards its rise while advancing US interests. The phase-one China-US trade agreement signifies a gain for the US in terms of economic and trade interests. Technological restrictions on China have brought certain difficulties to the development of Chinese enterprises, but US efforts to restructure the relationship are far less smooth than expected, and there is considerable uncertainty about the future course. The fundamental problem for the US is that its policy goals are irrational and it has inadequate resources and means to advance them.

Against the backdrop of profound changes in the world situation and China-US power configuration, strategic competition between the two countries will be on the rise in the long term and the transformation of their relations is inevitable. The Trump administration's attempts to reshape China-US relations are just the beginning of a long-term game that will see the two countries define the boundaries of competition, the distribution of interests, and the shape of their relationship through sustained and intense interactions. For China, it is the basic philosophy of its current and future policy toward the US to take a steady growth in strength as a support, a reasonable exchange of interests as a starting point, and a foreign policy appropriate to the trend of the times as a tool, and thus to commit itself to shaping a China-US relationship featuring healthy competition and mutual benefits. 🌐