



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG POLICY BRIEF

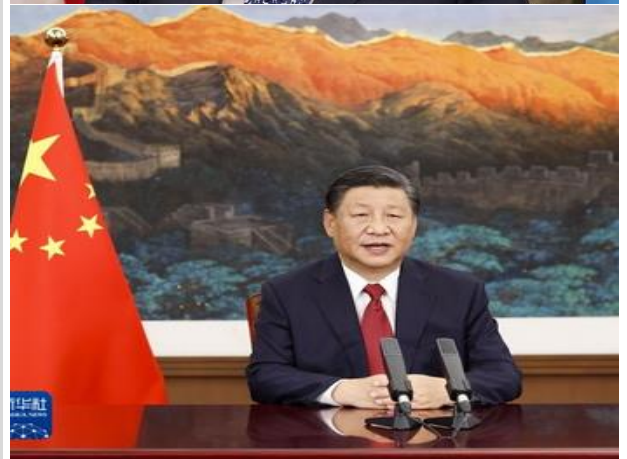
US-China Relations Head into Uncharted Waters

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Volume VI, Issue 35

October 2, 2021



Delhi Policy Group

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www.delhipolicygroup.org



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Cover Photographs:

US President Joe Biden addressing the UN General Assembly on September 21, 2021. Image Source: Reuters

Chinese President Xi Jinping addressing the UN General Assembly on September 22, 2021. Image Source: Ministry of Foreign Affairs of the People's Republic of China

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by
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Contents

Introduction	1
China postures to address differences	3
US postures to compete vigorously	4
Conclusion	4

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Introduction

The US-China relations are perhaps the most consequential bilateral relationship for the international system. Although both sides have maintained high-level engagement, recent developments suggest that the two nations are heading towards more intense rivalry. The most recent bilateral contacts have included talks between Chinese Foreign Minister Wang Yi and US Deputy Secretary of State Wendy Sherman (visit, [July 26](#)) and US Secretary of State Antony Blinken (telephonic conversation, [August 29](#)); US Special Presidential Envoy for Climate John Kerry (virtual summit, [September 1](#)); and the Biden-Xi telephonic conversation ([September 9](#)).

In the Biden Administration's scheme of things, the United States sees China as the only challenger with the power to contest its global leadership. Secretary Blinken, [upon taking office](#), summed up the relationship with China as "competitive when it should be, collaborative when it can be, and adversarial when it must be". This theme was echoed in President Joe Biden's remarks before the 76th Session of the UN General Assembly ([September 21](#)), to the effect that major powers should not let their relationships tip "from responsible competition to conflict", while affirming that "the United States will compete, and will compete vigorously". This was also in line with the narrative of "responsibly managing the competition" in Biden's [earlier conversation](#) with President Xi Jinping.

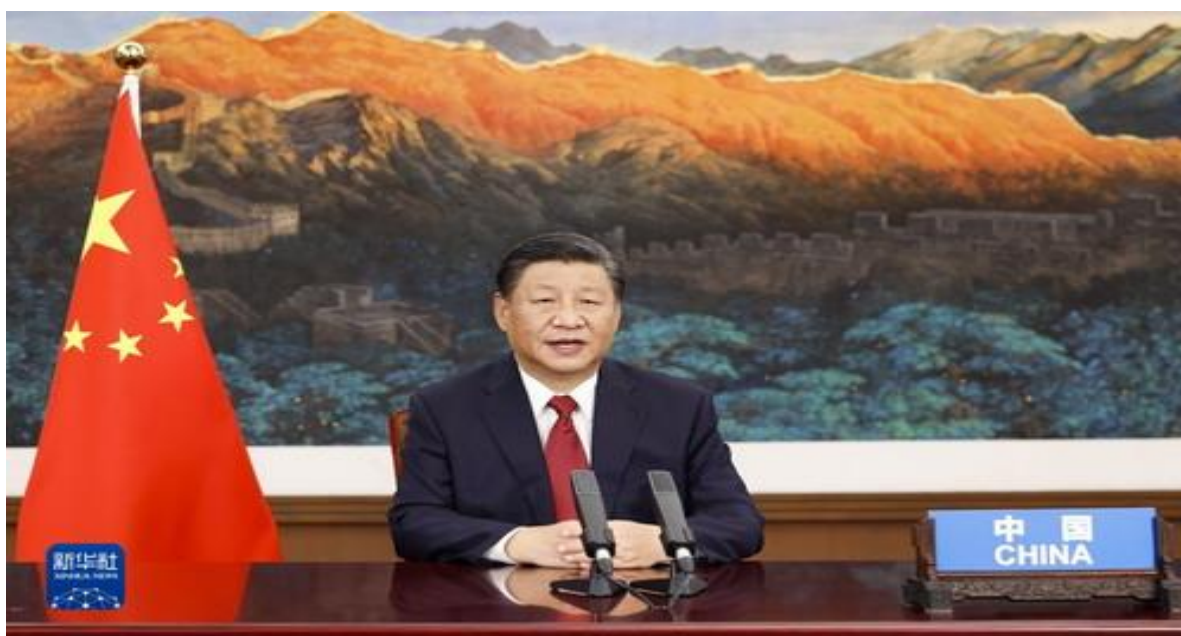


US President Joe Biden addressing the UN General Assembly on September 21, 2021.

Image Source: Reuters

While the US has competed with China over trade, technology and Indo-Pacific security, Afghanistan and climate change have emerged as two [major issues](#) on which the US has sought cooperation. China, on the other hand, has maintained in all recent high-level engagements that issue-specific cooperation with the United States is not in its interests unless all aspects of their relationship are comprehensively addressed. President Xi, in his statement at the UNGA ([September 22](#)), dismissed any “clash of civilisations” and asked major countries to avoid unhealthy competition.

Speaking on US-China bilateral relations, Qin Gang, China’s newly appointed Ambassador to the US, has [said](#) that “the two sides should be clear about each other’s bottom lines” by showing mutual respect, maintaining dialogue and managing their differences. Yang Jiechi, state councillor and CCP Politburo member, has [called](#) upon US political parties to develop bipartisan support for restoring bilateral relations. Such an effort would involve addressing differences over major contentious issues.



Chinese President Xi Jinping addressing the UN General Assembly on September 22, 2021. Image Source: Ministry of Foreign Affairs of the People’s Republic of China

For the restoration of ties, Beijing issued [two lists and three demands](#) during the Sherman visit to China. In these lists, China has sought revocation of sanctions against its citizens (including CCP officials), curbs on growing anti-China sentiment in the United States, and redressal of key individual cases of alleged harassment (including Huawei’s CFO Meng Wanzhou). China’s demands require the US to firstly not subvert the Chinese socialist system; secondly, remove tariff and technology restrictions hindering China’s

modernisation; and thirdly, not infringe upon China's sovereignty in the name of human rights.

These demands have been reiterated at multiple forums, including Minister Wang Yi's most recent telephonic conversation with Secretary Blinken. Wang Yi [noted](#) nonetheless that "dialogue is better than confrontation, and cooperation is better than conflict". Ambassador Qin, in an address to the National Committee on US-China Relations, has [remarked](#) that "the [two] lists are symptoms, and the [three] bottom lines point to the root causes" of Chinese concerns.

Furthermore, developments in Afghanistan have played a catalytic role in determining the intensity of US-China rivalry. As Washington seeks to "manage the competition" while Beijing argues for "restoration of ties" through adequate concessions, it is clear that both sides assess the prevailing international balance of power differently.

China postures to address differences

China perceives that the United States' global influence has waned further after the fall of Kabul. Since August 15, the [international narrative](#) is seen by Beijing to be flooded with obituaries of the "superpower" US. The Chinese state media has been a [frontrunner](#) in highlighting American "humiliation" and "impotency" in Afghanistan. China aims to ride on the undeniable damage to US credibility and leverage this backlash to set the terms of engagement. For instance, the two lists and three demands were made amidst the Taliban offensive, and then re-emphasised in diplomatic engagements after August 15.

China is capitalising on the US setback in Afghanistan to negotiate on its own terms. The US seeks cooperation from China for evacuating US and Afghan nationals safely and pressuring the Taliban to form an inclusive government. But in response to calls on China to play a constructive role, Beijing has asserted that this will only free up American resources to be deployed in Asia. Similarly, during the virtual climate summit with Kerry, Wang Yi [conveyed](#) that climate cooperation cannot be the "oasis" of US-China relations while tensions remain elsewhere. Thus, any cooperation with the US will remain [subject to the overall frame](#) of bilateral relations.

An entirely different factor is the emerging challenge to western China posed by the US withdrawal. China was a free-rider on US-backed strategic stability in Afghanistan for over two decades. With Taliban-ruled Afghanistan expected to become a fertile ground for terrorism, China is vulnerable to separatist threats in the Muslim-dominated province of Xinjiang. With the creation of the

Australia-UK-US (AUKUS) security partnership and the likelihood of US military resources being diverted to the Indo-Pacific, China now has an incentive to defuse tensions with the US on as many issues as possible.

How these two contrary trends play out in terms of Chinese posturing remains to be seen.

US postures to compete vigorously

For the United States, pulling out troops from Afghanistan appears to be part of a long-term trend to pull back from West Asia and concentrate on the major challenge posed by China, elements of which have been visible since the Obama presidency. Seen from this light, the US withdrawal, despite its manifest tactical failure, has begun to serve a primary strategic purpose. The two-decade-long commitment to the "War on Terror" had constrained US military resources and limited their footprint in the Indo-Pacific. Thus far, US-China competition was focused on trade wars and technology sanctions, with limited standoffs in the South China Sea. Freed from costly and eventually unproductive engagements in Afghanistan and West Asia, the US can be expected to increase its military presence in the Indo-Pacific.

Both the announcement of [AUKUS](#) and the [Quad Leaders' Summit](#) indicate that US is taking the "credibility" issue seriously. President Biden has [described](#) the Anglo-sphere AUKUS alliance as its "greatest source of strength" and played down any divide between Pacific and Atlantic partners. Proactive engagement with allies and partners is intended to demonstrate serious US intent to focus on the China challenge in the Indo-Pacific.

That said, the question of US credibility will not fade away, not least because of the inward redirection of American power and the disarray in US domestic politics and policy making. The actual rollout of the much-awaited Biden Indo-Pacific strategy and its implementation will be watched by countries in Asia and across the world before any conclusions can be drawn.

Conclusion

As events are unfolding, the Chinese narrative of demanding restoration of normal bilateral ties with the US and great power cooperation is not finding much traction.

First, both sides are approaching their bilateral tensions from different perspectives. China seeks concessions on contentious issues and comprehensive engagement with the US, as has been the case for the past five

decades. On its part, barring Afghanistan and climate change, the US remains focused on competition on most aspects of the relationship.

Secondly, Chinese leverage over the US is not as strong as American leverage over China. China may be in a position to exercise diplomatic influence on the Taliban and is certainly a crucial stakeholder in climate cooperation. However, these issues are secondary to Washington when compared to concerns over China's trade and economic practices, the need to maintain US technological leadership, and US concerns about China's revisionist challenge to security and stability in the Indo-Pacific. Moreover, the US still remains the world's most consequential military, economic and technological power.

Thirdly, the presence of US allies in maritime Asia is a huge differentiator between the US and China. A recent [commentary](#) argued that China is a "lonely superpower" that is managing its interests by adroit balancing through regional players like Iran, Pakistan, and Russia. However, this loose coalition is unlikely to influence the Indo-Pacific because of inherent geographical limitations and lack of strategic convergence.

Fourthly, withdrawal from Afghanistan will enable the US to realign its military posture towards the Indo-Pacific. Meanwhile, China's diplomatic inroads with the Taliban do not guarantee security from potential separatist threats in Xinjiang. The US will now be able to shape the regional balance of power in the Indo-Pacific more actively, whereas China now potentially faces a sub-conventional challenge to its west.

US-China rivalry is here to stay and could intensify further with a bolstered American security presence in the Indo-Pacific region.



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