



Biden will look to reset US-China relations, but he won't back off or revert to the pre-Trump status quo

Sean Randolph – November 12, 2020

Joe Biden's election as president of the United States portends major changes in American foreign policy. Some directions are already clear.

You will not hear the term "America first" again. Of course, every nation attends to its own interests first, but under US President Donald Trump that meant going it alone. Working with partners was not a priority, and relationships were transactional.

Multilateral agreements and organisations were seen as having little value, as the United States pulled out of the Trans-Pacific Partnership, withdrew from the Paris climate accord and the World Health Organization, exited the nuclear agreement with Iran, undercut the World Trade Organization, and cooled to Nato.

Look for that to change. A Biden administration will be less unilateral, more collaborative, and will invest more in global relationships. Look for the US to rejoin the Paris Agreement and the WHO, and to remove the Trump administration's block on appellate appointments at the WTO.

While pursuing reforms at international organisations where needed, a Biden administration will emphasise engagement and reform over abandonment. Support for US manufacturing will remain a priority, including "buy America" policies to encourage the purchase of US-made products.

But, as an alternative to raising trade barriers, more will be invested in science as a key to competitiveness. Restrictions on skilled immigration will be loosened. Human rights, rarely spoken of in the last four years, will return to the agenda and shared democratic values will grow in importance as key global relationships are strengthened.

US policy towards China is also set to change. With China's economy, markets and technological capacity growing, and with an assertive political agenda in Beijing,

the management of bilateral issues will be central for policymakers. Several things are already clear.

First, Biden's policies will be less confrontational. Expect the heated rhetoric of the Trump era to subside and talk about decoupling to fade. The trade war, currently on pause, may also be dialled back as a Biden team reconsiders the tariff-based strategy of the last four years.

While this is good, it would be a mistake to believe that, in a Biden presidency, US-China relations will revert to the status quo ante. Under president Barack Obama, the US was already losing patience with trade and investment restrictions in China. Trump took that to a new level with the trade war, restrictions on Chinese inbound investment, and scrutiny of Chinese activity on US campuses.

In doing that, the scope of conflict was extended beyond conventional trade and investment, with a growing focus on national security and geopolitical confrontation. Huawei Technologies, secure supply chains and systemic decoupling were added to the table.

Even if political relations improve, these issues aren't going away. While partisan conflict is the norm in Washington, there is a remarkable degree of agreement among both parties that a harder line with China on trade and market access was overdue.

And while many have debated the wisdom and effectiveness of the Trump administration's tariff-based strategies, there is broad support for their direction. The legislation passed in 2018 that increased the authority of the Committee on Foreign Investment in the US to review inbound investment for national security purposes – spurred on by concern over China's access to sensitive technology – had bipartisan support.

Other issues such as China's resistance to the international investigation of the origins of the coronavirus, its policies regarding Uygurs, its activity in the South China Sea, and moves to limit free expression in Hong Kong have done little to reassure leaders of both parties that the two systems are aligning or that cooperation is productive.

The upshot is that a Biden administration can't look soft on China and won't walk away from the table that Trump has set. Concern about the national security implications of Chinese investment in US technology firms will continue, as will scrutiny of Chinese activity on US campuses.

Market access will remain on the table, as will the distorting effects of China's state subsidies and their compatibility with WTO commitments. Hong Kong will be a thorn in the relationship. As president, Biden will continue to push these issues, but with less rhetorical overlay.

His approach will be less unilateral and more multilateral – using international institutions more than Trump and building agreement with like-minded partners on joint strategies to address shared issues with China. But he will not back off. As Biden takes office, the US and China have a window of opportunity to reset relations. A Biden administration will be pragmatic and can be expected to look for areas where both countries can cooperate, such as global health and climate change.

However, China should not expect US-China relations to revert to their status before Trump took office. It should also avoid challenging the new administration's resolve on points of friction, or mistake what has been a divisive election process for weakness or lack of will.

The change of administrations offers the opportunity for a reset that can put the US-China relationship on a new footing. That would help both economies and reassure global partners damaged by the trade war. An early outreach by China's leaders to the Biden administration, opening the door to a new dialogue, would be an important step towards a more stable and productive relationship.

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