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How U.S. Change its China Policy During the Ukraine War

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Abstract: The past decade has seen China-U.S. tensions ratchet up. Since Russian forces began their full-scale attack on Ukraine on February 24th, 2022, the U.S. intended to Russianize China's image, constantly tying China to Russia via unverifiable intelligence. From "China- Russia no-limits friendship" to "Ukraine today, Taiwan tomorrow", to "Chinese spy balloon", the war of words between the two nations has reached newer levels. Meanwhile, China has been subjected to mounting U.S. technology sanctions. These sanctions, bordering on hostility, between the two superpowers caused their economies to decouple. The U.S. is developing a systematic, hard-line strategy on China. How to manage these challenges should be a top foreign policy priority for the Chinese government.

Keywords: China-U.S. Relations; Ukraine War; China Policy; War of Words; Blame Game; Spy Balloon; Trade War; Sanctions; Decoupling; De-risking; Taiwan.

1. Introduction:

The Ukraine War was a significant geopolitical event that not only affected the dynamics in Eastern Europe but also had far-reaching implications for America's China policies. As the war unfolded month by month, Russia is increasingly locked into a position of hostility with the west. China, due to its "no-limits partnership" with Russia, was portrayed by western world as "a silent accomplice to Russia's war on Ukraine". Combined by the fact that China's growing power has long condensed by the U.S. into an image of a global bully, U.S. government began to embark on a more assertive approach to contain China, raising fresh concerns over a worsening of China—U.S. relations.

This paper identified three domains in which the U.S. reevaluated and recalibrated its China policy. These shifts involved a multifaceted strategy that encompassed new rounds of war of words, intensifying tech war and a transition from "decoupling" to "de-risking". With distrust at an all-time high, the danger of a catastrophic collapse in bilateral relations has increased.

2. New Rounds of War of Words

The U.S. and China initiated a new round of war of words over the Ukraine War, faulting each other for their troubles. On the one hand, Biden administration struck a more critical tone over China's handling of the Ukraine war. Shortly before the Russo-Ukrainian War, China's president Xi Jinping and Russian President Vladimir Putin signed a joint statement proclaiming "friendship between the two States has no limits, there are no 'forbidden' areas of cooperation". [1] The "no limits" formulation, falsely accused by U.S. government as "grand coalition" or "axis of ill will", that "united not by ideology but by complementary grievances".[2] Beijing resisted Washington's rhetoric and declined to accept parts of a G20 statement that deplored Russia's military operation in the strongest terms, viewed by Washington as pro-Russian.

Meanwhile, U.S. officials have constantly suspected that China may have been informed before the Ukraine war and could provide Russia with military assistance after the war broke out. In his nearly two-hour virtual meeting with Xi Jinping on March 18th, 2022, Biden advised Xi of the "implications and consequences" for Chinese "material support" of Russia in its bloody but faltering effort in Ukraine. [3] Although there were no indications that China was contemplating supplying Russia with weapons, U.S. officials urged China not to ship arms to Russia and warned that they would "continue to closely monitor". [4]

On the other hand, Chinese leaders blamed that the U.S. has betrayed its own promises and kept pushing for the eastward expansion of NATO, creating the Ukraine crisis. [5] China has always believed that if Joe Biden simply promised not to include Ukraine into NATO, the war would have been prevented. From China's side, the U.S. has been fanning the flames over the Ukraine issue. Rather than encouraging peace talks, Washington continued to provide weapons to Ukraine, prolonging and complicating the war.

As a matter of fact, from the very beginning of the war, China urged Russia and Ukraine to resume direct dialogue, so as to gradually deescalate the situation and ultimately reach a comprehensive ceasefire. On the one-year anniversary of the Ukraine war, Chinese Foreign Ministry issued "China's Position on the Political Settlement of the Ukraine Crisis", calling for a resumption of peace talks, an end to unilateral sanctions, and stressed its stance to keep nuclear power plants safe. [6] However, the 12-point document was widely dismissed by the U.S. as a rehash of previous positions with little fresh information or ambition to pressure Russia to withdraw its forces or reach a negotiated settlement.

The war of words between China and the U.S. over Taiwan has reached a high level. As the West spends billions to support Ukraine's offensive against Russia, concerns are mounting over the looming possibility that China will use force to take back Taiwan imminently. U.S. mainstream media have been touting "Ukraine Today, Taiwan Tomorrow"— Taiwan could be the next location of a similar attack by China. Although Chinese officials stepped up their efforts to draw a distinction between Ukraine and Taiwan, U.S. Central Intelligence Agency (CIA) Director William J. Burns stated in February 2023, "Chinese government has instructed that China to be ready to conduct a successful invasion" of

Taiwan by 2027. [7] Obviously, the U.S. was fueling fire and shifting blame on China, creating much of a ripple for cross-strait tensions.

At least on four occasions, Biden has made public comments suggesting that U.S. forces would defend Taiwan if China stages an unprecedented attack on the island. These remarks sent wrong signals to the separatist forces of Taiwan independence, posing a serious threat to China's sovereignty and security. In response to Biden's statements, Chinese leader Xi Jinping warned Biden, "those who play with fire eventually get burned". [8]

China-U.S. war of words escalates after the Biden Administration shot down a what Washington concluded was a Chinese "spy balloon" off the Carolina coast. It sparked outrage of Capitol Hill and led to the cancellation of Secretary of State Antony Blinken's trip to China amid already fraught relations between the two nations. Despite China has maintained it was a weather balloon that veered off course, senior U.S. officials said it was a high-altitude surveillance balloon, gathering intelligence from sensitive U.S. military sites. [9] Many U.S. commentators even asserted that Chinese "spy balloon" signaled the start of a new information cold war.

3. Intensifying Tech War

Most of the U.S. technology sanctions against China began in 2018, when Trump administration banned U.S. government from using any systems, equipment and services from Huawei, the world's telecommunications giant. Following Russia's attack on Ukraine in 2022, mounting sanctions against Chinese high-tech businesses have been imposed, including against Sinno Electronics in Shenzhen, for supplying Russian Military networks, and against Spacety China for providing satellite imagery to the Wagner Group mercenaries. [10] On the one-year anniversary of the Ukraine war, the United States announced a series of additional actions to continue providing Ukraine with the support and take export control actions on nearly 90 Russian and third country companies, including in China among other countries. [11] On March 9th, 2023, the U.S. Department of the Treasury designated a China-based network of five companies and one individual for supporting Iran's unmanned aerial vehicle (UAV) procurement efforts. [12] It was natural that the Chinese government saw these sanctions as an effort to contain and suppress China. China protested and called them illegal moves that endangers global supply chains.

The U.S. Entity List has been around since the late 90s and contains a list of companies that the United States believes poses a national threat. It is published by U.S. Commerce Department, which has already added hundreds of China-based parties to the list. On February 10th, 2023, U.S. Department of Defence added 6 entities to the Entity List for supporting the China's military modernization, intelligence, and reconnaissance activities. Within a month, U.S. government added another 37 Chinese firms, including units of Chinese genomics giant BGI, to its blacklist. [13] The Entity List, allegedly aiming at "protecting U.S. national security and sovereignty", is essentially a typical practice of unilateral sanctions and long-arm jurisdiction.

In the tech war between America and China, the former has been more aggressive of late. Massive bills to bolster U.S. innovation yet curb Chinese access to high-end technology took a big step toward becoming law since the outbreak of the Ukraine war. On March 28th, 2022, U.S. Senate overwhelmingly passed "United States Innovation and Competition Act of 2021 (USICA)" to boost U.S. competitiveness with China. [14] On August 9th, 2022, Biden signed into law the bipartisan CHIPS and Science Act of 2022, to "to lower costs, create jobs, strengthen supply chains, and counter China". [15] A few days later, Biden signed the Inflation Reduction Act (IRA) into law, aiming squarely at enhancing competition with China.

America has also been coaxing allies to follow its lead. Biden administration has been targeting China's chip sector and pushing allies to follow suit. The U.S. government has set off talks of U.S. cooperating with like-minded allies to build a robust semiconductor supply chain. Such technology alliance was speculated to be the Chip 4 Alliance, which would comprise the U.S., Taiwan, South Korea, and Japan while keeping China's fledgling semiconductor industry at bay. [16] Moreover, on June 28th, 2022, Biden met with G7 leaders to strengthen cooperation with G7 on 21st century challenges, committing to a unified approach to confront China's "unfair economic practices". [17] These moves will further erode China-U.S. science and technology cooperation and damage global science and technology governance.

4. From Decoupling to De-Risking

An obvious analogy to "decoupling" is personal relationships — the opposite of pairing up. "Decoupling" entered the China-U.S. relation lexicon just a few years ago, and it represented a dramatic break from earlier assumptions.

U.S. policymakers certainly seem determined to reduce the economic interdependence on China. After the pandemic and Russia's attack on Ukraine, the U.S. has employed tactics, such as "friend-shoring", "near-shoring", to reduce dependence on China. China's central bank governor took a swipe at these efforts to trade more with allies while rely less on other countries, warning "friend-shoring" or "near-shoring" policies could prevent global supply chain tension from easing. In addition, these attempts to isolate China, are essentially restricted by the economic realities and they are unlikely to fundamentally damage China-centered production networks in a short term.

As China-U.S. tensions escalated and U.S. restrictions on China moved from trade to technology, Chinese leadership's rhetoric towards the U.S. also became hardened. Chinese Foreign Ministry spokesman Wang Wenbin publicly opposed "the US' overgeneralization of national security concepts, abuse of national power, and unjustified suppression of Chinese enterprises." [18] Meanwhile, China is taking solid steps to ramp up self-reliance in core technologies, such as 6G and optical communication, under mounting tech restrictions from Washington.

Prospect of China-U.S. decoupling is getting serious. Bloomberg has reported that, "US-China trade flows hit an all-time record of $690.6 billion in 2022, and the two nations are connected by larger trade flows than any other pair of countries without a common border".[19] U.S. Treasury Secretary Janet Yellen warned, "a full separation of our economies would be disastrous for both countries". Additionally, during the past few years, Biden officials repeatedly urged allied countries not to supply China with chips and other products it can no longer get from the United States. Although its partners agreed that China posed an economic and security threat, there was little consensus about Washington's hostile policies toward China.

During the three-day gathering of the U.S.-led Group of Seven (G7), leaders said in a joint statement, "we recognize

that economic resilience requires de-risking and diversifying". [20] In an attempt to cool tensions, Biden's White House has taken to calling its strategy "de-risking," rather than "decoupling", a distinction that hasn't eased concern in Beijing. For Chinese analysts and observers, a change in words does not imply substantial change in policy. On the surface, decoupling implies taking separation from China further than de-risking, but the two words are much the same thing in essence. Just as Japanese scholar Kazuteru Saionji said, "by dragging the G7 bloc to suppress China under the pretext of de-risking, the country is deliberately undermining free trade and the global economic division of labor system". [21]

5. Conclusion

The Russia-Ukraine war has raised many concerns, as to whether the world is heading toward a confrontation between two camps, one camp being the U.S.-led "democratic allies", while the other camp being "non-democracies", such as China, Russia and a number of other small and medium-sized nations. As the ramifications of the Ukraine War continue to reverberate, it remains crucial to attentively monitor how the evolving China—U.S. relationship determines the future trajectory of international politics.

The war risks grow as Biden administration repeatedly use Taiwan to contain China, in disregard of China's strong opposition and serious representations. However, Tsinghua foreign policy expert Yan Xuetong claimed that, "in the following decade, China-U.S. competition will Intensify, but war can be avoided". Nowadays, both sides have consistently emphasized the need to lower risk in the China—U.S. relations and compete responsibly without veering into conflict. In order to create a stable and cooperative global order, China, the United States, and other regional powers must collaborate, communicate, and seek to understand each other.

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