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US-CHINA RELATIONS: A LINGERING

CRISIS

Nadège Rolland

| Source: Trump White House Archive



LOOKING AT RELATIONS BETWEEN Washington and Beijing in 2020, it would be tempting to conclude that the COVID-19 pandemic affects great powers' relationships similarly to how the disease affects individuals: those with pre-existing conditions are the most vulnerable and the least likely to survive intact. The relationship between the United States and the People's Republic of China (PRC) has long been ailing. The pandemic, rather than acting as the primary cause of the overall deterioration of the relationship, has served as an aggravating factor, dramatically accelerating the ongoing US-China rivalry.

Throughout 2020, US–China relations spiralled downward. Hopes that the ‘Phase One’ trade deal signed by US President Donald Trump and Chinese Vice Premier Liu He 刘鹤 on 15 January would help ease tensions after nearly two years of trade war soon receded under a surge of virulent rhetoric and an exchange of retaliatory measures between the two countries, triggered by the COVID-19 outbreak. The vicious verbal tit-for-tat, centred on the origins of COVID-19, lasted several months. In mid-March, as the disease started to spread in the United States, President Trump and other high-ranking US officials, including Secretary of State Mike Pompeo, started a spiteful routine of publicly calling the virus the ‘Chinese virus’, the ‘Wuhan virus’ and ‘Kung Flu’ in a thinly veiled effort to deflect responsibility for rising US infection and death numbers on to China.¹ Chinese officials countered with the public promotion of conspiracy theories. On 12 March, PRC Foreign Ministry spokesperson Zhao Lijian 赵立坚 posted on Twitter that COVID-19 might have been brought to China by US military athletes who attended the seventh Military World Games in Wuhan in October 2019.² In early May, Chinese official media outlets ramped up their verbal attacks, specifically targeting Pompeo and calling him ‘evil’, a ‘liar’, and the ‘common enemy of mankind’ after he blamed the Chinese Communist Party (CCP) in a televised interview for mishandling the outbreak.³

Meanwhile, the tit-for-tat reached media organisations. On 18 February, the Trump Administration designated five Chinese media outlets operating in the US (Xinhua, CGTN, China Radio International, the *People’s Daily* and *China Daily*) as ‘foreign missions of the PRC’, thereby considering them as extensions of the Chinese Government. The next day, Beijing revoked the press credentials of three *Wall Street Journal* reporters, ostensibly in reaction to an op-ed with the headline ‘The sick man of Asia’. On 2 March, the White House put a cap on the number of Chinese nationals allowed to work for official media outlets in the US. On 18 March, China’s Foreign Ministry ordered thirteen reporters from *The New York Times*, *The*



Zhao Lijian suggested that COVID-19 might have been brought to China by US military athletes who attended the seventh Military World Games in Wuhan in October 2019

Source: Dutch Ministry of Defense

Washington Post, and *The Wall Street Journal* to return their media passes, effectively expelling them from China.

The spat also extended to diplomatic ties. On 27 July, China's Foreign Ministry ordered the closure of the US Consulate in Chengdu in response to the US's closing of the Chinese Consulate in Houston, Texas, a week earlier, over allegations that it had become a hub for spying and intellectual property theft. From there, it was just a short step to talk of both countries drifting towards a complete breakdown of relations and a 'new Cold War'.⁴ Having apparently reached a point of no return, the bilateral relationship was widely seen as being in crisis.

Crises to Spare

Since the US and China normalised relations in 1979, the bilateral relationship has faced at least three severe crises: in 1996, 1999, and 2001. In each case, after an initial sharp deterioration and then hitting rock bottom, the relationship eventually returned to an amicable *status quo ante*.

The first event, in March 1996, is what is now called the Third Taiwan Strait Crisis.⁵ At the time, Taiwan was getting ready to hold its first democratic presidential elections. Beijing suspected Lee Teng-hui 李登輝, the candidate from the ruling Kuomintang 國民黨 (KMT, Nationalist Party), of harbouring a pro-independence agenda and wanted to send a clear signal that a formal declaration of independence would result in war.⁶ The signal came in the form of People's Liberation Army (PLA) military exercises in the Taiwan Strait, simulating an amphibious assault and the firing of M-9 ballistic missiles that landed in the shipping lanes near the southern seaport of Kaohsiung and in the vicinity of the Port of Keelung, passing almost directly over the capital, Taipei, before landing thirty kilometres off the coast. For two weeks, the level of tension between the US and China reached extraordinary levels, with undercurrents of nuclear threats: high-ranking PLA officials reportedly raised questions with their American counterparts about whether the US was willing to trade 'Los Angeles for Taipei'. The crisis was eventually defused following a show of military resolve by the United States, and several rounds of skilful diplomacy.

During a special dinner hosted at the State Department on 7 March 1996, defence secretary William J. Perry notified Beijing's vice-foreign minister Liu Huaqiu 刘华秋, who was on a visit to the Chinese Embassy in Washington, DC, that there would be 'grave consequences' should Chinese weapons strike Taiwan. In an effort to send an explicit warning against Chinese escalation, secretary of state Warren Christopher, national security adviser Anthony Lake and United Nations ambassador Madeleine Albright all repeated the same phrase on national TV news programs over the following weekend.⁷ Words were backed by the deployment of two US carrier battle groups to waters off Taiwan, led by the USS *Independence* (already on station in the East China Sea, 322 kilometres north-east of Taiwan) and the USS *Nimitz* (stationed in the Persian Gulf and ordered into the area on 9 March by then president Bill Clinton). The two battle groups

eventually converged to form the largest gathering of US naval firepower in East Asia since 1958.

On 8 March, the US National Security Advisor spent the entire day with the Chinese envoy — accompanied by National Security Council aide Robert Suettinger and State Department officials Winston Lord and Jeff Bader — in the living room of the Middleburg, Virginia, country estate of Pamela Harriman, the US ambassador to France. Next to a lit fireplace, Lake and Liu engaged in tough talk, speaking at length about their respective national interests and red lines, while attempting to find a commonly acceptable middle ground. According to David Rothkopf, deputy under-secretary of commerce at the time, the meeting led both sides to sit down and say: ‘Wait a minute. This is no way to run one of the pivotal relationships on the planet Earth.’⁸

The relationship was soon back on track. President Jiang Zemin’s 江泽民 visit to the United States the following year — the first by a Chinese head of state since that of president Li Xiannian 李先念 in 1985 — was a success. It was crowned by Jiang’s commitment to purchase fifty Boeing civilian airliners valued at 3 billion dollars, the establishment of a direct ‘hotline’ between Washington and Beijing and China’s pledge to cease its nuclear co-operation with Iran, opening the door for the signing of a US–China nuclear co-operation agreement ahead of Clinton’s visit to Beijing the following year.⁹ A formal joint statement by Jiang and Clinton released on 29 October 1997 stressed that the proper handling of the Taiwan question ‘holds the key to sound and stable growth of China–US relations’, and announced that the two sides would work towards a ‘constructive strategic partnership’.¹⁰

Tensions flared up again in 1999 when, on 7 May, US warplanes, acting in support of operations by the North Atlantic Treaty Organization (NATO) in Yugoslavia, accidentally dropped bombs on the Chinese Embassy in Belgrade. Three Chinese journalists died and twenty-seven staff members were wounded. The US Government’s official apologies and explanations, pointing to a targeting mistake based on outdated maps, were not reported

**The Chinese Embassy
in Belgrade ten years
after aerial bombing
by US military aircraft**
Source: Wikimedia



until several days later by Chinese state media, which continued to portray the bombing as a deliberate act of aggression. Jiang Zemin did not accept Clinton's attempts to discuss the incident by phone until 14 May.¹¹ In the meantime, tens of thousands of Chinese protestors demonstrated outside the US and other NATO countries' embassies in Beijing, throwing rocks, splattering paint, and inflicting other damage on buildings. The US Consul General's residence in Chengdu was set ablaze and protestors attempted to burn the US Consulate in Guangzhou. US diplomatic personnel, including the ambassador, were trapped for several days in their embassy. In the week after the bombing, the Chinese Government suspended three formal bilateral dialogues (on military relations, non-proliferation, and human rights), and demanded formal apologies, an investigation of the bombing, severe punishment for those found responsible, and compensation for the damage done to the Chinese Embassy and loss of life and injuries in Belgrade.¹²

With negotiations over China's accession to the World Trade Organization (WTO) at a critical point, however, neither side wanted to risk a major deterioration in relations. Washington urged a focus on the 'compelling mutual interests' of the two nations in advancing security and economic well-being in Asia.¹³ After several rounds of diplomatic exchanges conducted in both Washington and Beijing, the two sides finally

agreed on mutual compensation to cover the property damage both to the Belgrade embassy (US\$28 million) and to the US diplomatic buildings in China (US\$2.87 million). The US further agreed on 30 July 1999 to make an additional 'voluntary humanitarian payment' of US\$4.5 million to the families of the three Chinese killed and the twenty-seven injured. The payment was issued to the Chinese Government on 25 August 1999.¹⁴ The bilateral relationship returned to normal in just a couple of months. Although military to military contacts were frozen for a while longer, other activities carried on as usual, with the Chinese authorities making special efforts to emphasise to American businesspeople, journalists, teachers, and students that their presence in China was still welcome.¹⁵

Diplomacy prevailed again during the third crisis. On 1 April 2001, a US Navy EP-3 ARIES reconnaissance plane and a PLA Navy F-8 fighter collided over the South China Sea. The Chinese fighter crashed into the sea and its pilot was lost. The US aircraft made an emergency landing on Hainan Island, where its twenty-four crew members were detained for eleven days by the Chinese authorities. Washington and Beijing engaged in a tense round of negotiations over the release of both the crew and the plane. The Chinese Government demanded an official apology, but the White House refused, maintaining that the Chinese pilot's repeated dangerous manoeuvres in close proximity to the US Navy plane, which ended up hitting one of its propellers, had 'put at risk the lives of twenty-four Americans'.¹⁶ The solution eventually came in a series of US statements that expressed 'regret' and included the words 'very sorry', which the Chinese side translated as an apology.¹⁷ Face was saved, the US crew members were eventually released safe and sound,¹⁸ and the disassembled EP-3 plane was transported back to the US in early July,¹⁹ leaving ample time for the PLA to access the classified material that the crew had not had the chance to destroy before the Chinese side took control of the aircraft.²⁰

As with the previous two crises, it appears neither side believed it stood to gain by allowing tensions to escalate. Jiang Zemin presumably did

not want to disrupt China's impending accession to the WTO in December 2001 or Beijing's bid to host the 2008 Olympic Games, with the winner scheduled to be announced in July 2001. Jiang's uncompromising public stance during the crisis was understood by the Americans to be primarily motivated by domestic politics: he had to appear strong because he needed the support of the Chinese military to retain his position as the chairman of the Central Military Commission after the Sixteenth Party Congress in November 2002, and needed to satisfy popular nationalistic sentiment.²¹ Ultimately, in the assessment of a former national security adviser to president Clinton, the Chinese leadership was also keen on preserving good relations with the United States, which was deemed 'critical to its future development', to let the domestic nationalists and hardliners overrule the CCP's 'internationalist' group.²² For its part, despite tough campaign rhetoric labelling China a 'strategic competitor', the newly elected Bush Administration proved eager to keep relations on an even keel.

These three crises have much in common. In each case, an unexpected event created a sharp spike in tensions that suddenly brought the two countries into direct confrontation. But each time, the relationship quickly got back on track because both sides had a strong overriding interest in preserving the status quo. Successive US administrations believed that a robust engagement policy and China's integration within the international system would lead to positive changes: China would become a 'responsible stakeholder' in the existing international system, it would progressively liberalise economically and eventually undertake political reforms.²³ The CCP, on the other hand, believed that China's immediate interests were best served by preserving engagement, expanding trade and investment, and building up all the elements of the country's national power while at the same time maintaining their unchallenged domestic authority. In sum, both parties believed that time was on their side, and neither expected an imminent downturn in relations.

Along Came COVID-19

The latest crisis was sparked by an outbreak of disease that became a pandemic — a natural event that was external to the bilateral relationship rather than triggered by a direct clash between the two countries. China's initial handling of the pandemic led to increased friction, yet, in contrast to previous crises, the incentives for getting things back on track seemed to have evaporated. Instead of seeking compromise and de-escalation, both sides have played an aggressive and bitter blame game, with no end in sight. The general backdrop is also different. After a protracted deterioration in relations over the past decade, both countries are pessimistic about the overall direction of their relationship. The pandemic poured petrol on a smouldering fire, exposing the precariousness of what until recently seemed a reasonably stable equilibrium.

There are underlying forces at play. Deep-seated geopolitical dynamics drive relationships between established and rising powers. Rather predictably, like other rising powers historically, as China's material power and capabilities have grown, its leaders have started to define the nation's interests more expansively and to seek a greater degree of influence on the global stage.²⁴ Especially since the Global



US aircraft carrier
transiting the South
China Sea
Source: US Pacific Fleet

Financial Crisis, China has been displaying increased self-confidence in the resilience of its model and the upward trajectory of its wealth and power relative to that of the United States. Beijing's desire to revise the regional *status quo* started to become apparent around 2009–2010. Through the use of 'grey zone' operations below the threshold of armed conflict, Beijing sought to secure gains in the East and South China seas,²⁵ renewing claims over contested islands and territories, building and then fortifying artificial islands, presenting the so-called Nine-Dash Line as the legitimate delineation of its maritime territory (and later on rejecting the 2016 Hague tribunal ruling that challenged some of its claims). The scope of its 'core interests' — traditionally defined as national security, national sovereignty, and territorial integrity (specifically including Taiwan since the early 2000s and Tibet and Xinjiang since 2006) — broadened in 2010 as Chinese officials privately told US officials that the South China Sea was now included.²⁶

Beijing has also taken steps to ensure access to markets, natural resources, and infrastructure, including ports and telecommunication networks, beyond its immediate borders. Xi Jinping's 习近平 launch, in late 2013, of what is now called the Belt and Road Initiative (BRI), clearly set out China's aspiration for greater influence across Eurasia and beyond. Xi's 2017 affirmation that China should 'guide' the international community to 'shape a more just and reasonable new international order' reflects the Chinese leadership's desire not only to have what they consider to be their rightful say in international affairs, but also to reshape the existing order in ways that better serve China's interests and to alter the interpretation of existing norms.²⁷

As the power gap between China and the United States has narrowed, the competitive elements of the relationship have become more prominent. Economic competition and disputes over trade practices, intellectual property, state subsidies, and rules violations have marked the relationship for more than two decades. The current tensions are not simply the result of the Trump Administration's eagerness to slap tariffs on Chinese goods,



**Roundtable meeting
of leaders at a
Belt and Road
international forum**
Source: President of
Russia, Kremlin website

but also the manifestation of growing frustration in the United States and other market economies (including in the European Union and Australia) with China's state-led, market-distorting trade and industrial policies, and lack of reciprocal market access.

Sino-American military competition, which used to be largely confined to East Asia, has begun to expand to the entire Indo-Pacific theatre thanks to the establishment of a permanent PLA Navy base in Djibouti in 2017, the development of Chinese major surface platforms equipped with advanced combat management systems and extended-range surface-to-air missiles,²⁸ and a modernised stealthy subsurface fleet that can be deployed further from China's coastline for longer periods. Technological competition has accelerated, too, with China making strides in cutting-edge and emerging technologies in which it aims to be the global leader by 2035.²⁹ These include, among others, artificial intelligence, quantum computing, unmanned and fully automated systems and robotics, biotech, as well as next-generation information and telecommunication technologies.

In the competition for global influence and standing, the United States has suffered what may prove to be a temporary setback under the

Trump Administration. Meanwhile, under Xi Jinping, China's wolf warrior diplomacy and bullying behaviour have resulted in a dramatic and unprecedented decline in how it is perceived by the public of advanced economies across the world.³⁰ This is despite (or perhaps because of) China's increasingly open attempts to influence the perceptions and policies of other nations through the stepped-up use of its United Front networks and co-optation tactics in Western democracies. (For an overview of the United Front, see the *China Story Yearbook 2014: Shared Destiny*, Forum, 'The United Front in an Age of Shared Destiny', pp.128–132.) China's human rights record and the CCP's repression of dissident voices and religious and ethnic minorities have always been a cause of friction in US–China relations. But the scale, scope, and inhumane nature of the Uyghur repression, and the merciless subjugation of freedoms in Hong Kong in the name of security (see Forum, 'Hong Kong's National Security Law', pp.59–64), have sparked outrage not only in the United States, but also in other Western liberal democracies.

The US–China rivalry has always been multidimensional. What has changed most in the past several years are the expectations of the two sides. Many in the United States and elsewhere have concluded that the policy of engagement has failed. Accumulating evidence that Beijing does not intend to liberalise has crushed the hope that China will eventually support and adhere to the existing international system, its institutions and the values and norms underpinning them.

Over the course of the past four years, the Chinese leadership seems to have concluded that the American decline has accelerated, clearing the way for its own rise to predominance.³¹ Xi Jinping and other top-ranking officials evidently have these trends in mind when they refer to the 'profound changes unseen in a century' 百年未有之大变局 that are taking place.³² For its own purposes, the Chinese leadership may want to continue to point to the chaotic democratic process surrounding the US presidential elections as an illustration of the supposed failings of democracy. On the other hand, reflecting the new bipartisan consensus on the challenge

posed by China, there is every reason to expect that, even if it adopts a less combative tone than its predecessor, the Biden Administration will maintain a strong competitive stance and will attempt to work more closely with its allies to defend their shared interests and common values.

In contrast to previous crises, neither side seems to have any interest in compromise or dialling down the tensions. There is no going back to the 1990s. This does not mean, however, that either side wants to escalate the crisis further or risk an all-out conflict. What is to be expected for the foreseeable future, then, is an across-the-board intensification of geopolitical, economic, and ideological competition. Increasingly tense US–China relations are not a crisis. They are the new normal.

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