

Opinion **US-China relations**

Biden's China strategy cannot work with weapons alone

An effective policy in the Indo-Pacific would balance Beijing's influence by raising US trade and investment

EDWARD LUCE



President Joe Biden meets virtually from the Situation Room at the White House with China's Xi Jinping in March this year © The White House/AP

Edward Luce 15 HOURS AGO

Whatever Russia does in Ukraine, the China threat is still Joe Biden's priority — he has made that plain. What he is reluctant to broadcast, however, is that America is approaching the China duel with one arm tied behind its back. The US is happy to boost its military budget, send more ships to the South China Sea and launch nuclear submarine deals with Australia. Perish the thought, however, of taking serious economic initiatives with the world's most dynamic region.

The stark imbalance of Biden's China policy will come to the fore this week when he visits South Korea and Japan. It follows Biden's summit last week with Asean leaders, the south-east Asian group, where the US announced [a modest \\$150mn fund](#) for maritime security, clean energy and anti-corruption initiatives. This nugatory wishlist amounts to a few days of Chinese investment in its Belt and Road Initiative — or about two hours' worth of Pentagon spending.

The asymmetry of Biden's China policy increases the danger of what everyone fears — a conflict with China. A superpower that is happy to discuss military aid and weapons, but reluctant to talk of trade and investment, is telling both partners and foes that it speaks just one language. This makes it likelier that a focus on military alliances will drive out other kinds of diplomacy with some chance of reducing US-China tensions. The most obvious of these would be a summit between Biden and Xi Jinping, which is not on the horizon.

The war in Ukraine has sharpened the rhetorical imbalance of America's Indo-Pacific strategy. Before Vladimir Putin's invasion, Japan would still have been keen to explore some way to revive US membership of [the CPTPP](#) — the renamed Trans-Pacific Partnership, which the US left under Donald Trump. Instead, given Putin's sabre-rattling, [Japan](#) is seriously debating whether it should become a nuclear weapons power. North Korea is threatening to conduct a nuclear test while Biden is in the region, which means the same conversation is also happening in South Korea. Biden will have to reassure both allies that America's nuclear umbrella is still enough. China's wolf warrior diplomacy is making his job harder.

Biden's China containment strategy carries two risks. The first is that it is unlikely to work. In the past three months, [the US has shown](#) it can decouple a big economy — Russia's — from the global system at lightning speed. This is an awesome display of power that has caused even friends, such as India, to think about ways of insuring themselves against US extraterritorial wrath. America's willingness to use the dollar to punish wrongdoers is matched only by its shyness in giving its Asian partners what they most crave — access to the US market. Biden's recently launched [Indo-Pacific economic framework](#) is certainly better than nothing but it rules out market access. The US Treasury is now talking about “friend-shoring” — confining global supply chains to friendly networks. But it is unclear how the US defines “friends”. That is unsettling to most of America's Asian partners, few of which are democracies.

The world is also in the dark about what America means by “decoupling” from China. Decoupling has joined the Washington lexicon but the Biden administration has not come close to defining its extent. In the maximal version, it would mean splitting the global economy, which would force America's partners to choose between the US and China. Not even [Taiwan](#), whose prosperity is built on integration with China, wants to have to make that choice. An effective US Indo-Pacific strategy would let partners deal with both, but balance China by stepping up US trade and investment. The IPEF's promise of common digital standards and help on clean energy is no substitute.

The second risk is that Biden's military-dominated China strategy could become self-fulfilling. All of this is explainable in the context of US politics. America made a rash bet that [China's accession to the World Trade Organization](#) in 2001 would lead to China's compliance with global economic rules and even its eventual democratisation. The move was an act of faith rather than calculation. Biden is now riding the backlash, which says that trade with China will strengthen Xi's autocracy: the opposite of the view it replaced. Both theories are simplistic. But the latest one is

opposite of the view it replaced. Both theories are simplistic. But the latest one is geopolitically dangerous.

The world is neither a zero-sum game, as today's fashion holds, nor is it positive sum, as the Washington consensus once believed. The world is what its leading actors choose it to be by their actions. It would be odd if Biden, of all people, were to place most of America's chips on the Pentagon.

edward.luce@ft.com

[Copyright](#) The Financial Times Limited 2022. All rights reserved.
