

House Foreign Affairs Committee
Subcommittee on East Asia and Pacific

Missed Milestones

Evaluating The Last Four Years in the EAP Region and Unseized Opportunities Under President Trump

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Introduction

During its four years in office, the Biden administration sought to stabilize relations with Beijing through sustained diplomatic dialogue and restrained responses to myriad Chinese provocations. On paper, this strategy aimed to avoid breakdowns in the bilateral relationship. In practice, the Biden administration's policy of diplomacy without deterrence emboldened Chinese leader Xi Jinping, leading China to test America's resolve at every turn. Indeed, rather than reducing tensions, Biden's overtures fueled Xi's worst impulses — enabling Beijing to expand its surveillance activities at home and abroad, ramp up maritime assertiveness, and deepen its ties to other authoritarian regimes, with next-to-no cost imposition.¹

Specific incidents underscore this dangerous trend. Chinese spy balloons entered U.S. airspace with little consequence, while large-scale hacking campaigns — such as Salt, Volt and Flax Typhoon — targeted senior American officials and sensitive U.S. networks with barely a public rebuke.² Even as Beijing dramatically intensified its incursions around Taiwan and in the South China Sea, Washington's diplomatic posture remained focused on rapid de-escalation and, in some cases, retreat. Although the intent behind some of these decisions was to sidestep open conflict with China, such minimal pushback signaled to Chinese leaders that hostile actions carried limited risk. If left unchecked, this troubling trend could very well encourage Chinese overreach, raising the specter of miscalculation or, worse, war.

Today's great-power predicament evokes lessons from the late stages of the Cold War, when Washington's misguided embrace of “peaceful coexistence” (or *détente*) counter-intuitively extended the Soviet system's survival, in effect treating the Soviet Union as an immutable juggernaut rather than one highly vulnerable to sustained external and internal pressures.³ By minimizing accountability for espionage, coercion, and outright violations of international norms, Washington risks reinforcing Beijing's conviction that its revanchist ambitions need not be curbed. Today's permissive environment also overlooks China's decisive support for Russia's war effort in Ukraine, a conflict that has drained U.S. resources, divided the U.S. public, and distracted policymakers from more forcefully confronting Chinese revisionism in the Indo-Pacific.⁴

A new Trump administration and the 119th Congress have the opportunity to move beyond mere coexistence with China and dispel the notion that authoritarian expansion is inevitable. The goal need not be regime change, but rather to alter Beijing's strategic calculus through credible deterrence, targeted economic pressure, and principled diplomacy rooted in reciprocity. History has shown that consistently and forcefully pushing back against hostile acts — be they cyberattacks, territorial infringements, or unjustified arms build-ups — can, in fact, prompt

¹ U.S. House of Representatives, Committee on Homeland Security, “Threat Snapshot: CCP Espionage, Repression on US Soil is Growing,” February 2025. (<https://homeland.house.gov/2025/02/12/threat-snapshot-ccp-espionage-repression-on-us-soil-is-growing>); “Territorial Disputes in the South China Sea,” *Center on Foreign Relations*, September 17, 2024. (<https://www.cfr.org/global-conflict-tracker/conflict/territorial-disputes-south-china-sea>); U.S.-China Economic and Security Review Commission, “An Axis of Autocracy? China's Relations with Russia, Iran, and North Korea,” February 20, 2025. (<https://www.uscc.gov/hearings/axis-autocracy-chinas-relations-russia-iran-and-north-korea>)

² Isaac Chotiner, “What's Behind the Chinese Spy Balloon,” *The New Yorker*, February 18, 2023. (<https://www.newyorker.com/news/q-and-a/whats-behind-the-chinese-spy-balloon>); Mike Wendling, “What to Know About String of US Hacks Blamed on China,” *BBC* (UK), December 31, 2024. (<https://www.bbc.com/news/articles/c86w2evj05do>)

³ Kevin Ruane, *Churchill and the Soviet Union, 1945-55* (Finest Hour 201, First Quarter 2023), page 28.

⁴ U.S.-China Economic and Security Review Commission, “China's Position on Russia's Invasion of Ukraine,” December 31, 2024. (<https://www.uscc.gov/research/chinas-position-russias-invasion-ukraine>)

meaningful changes in a Marxist-Leninist regime's behavior.⁵ A recalibrated approach, featuring strategic vigilance and flexible alliance structures, would also deny Beijing the easy gains it enjoyed under more accommodating Biden-era policies.

Congress, particularly through the House Foreign Affairs Committee (HFAC), stands at the forefront of this recalibration. Measures including robust export controls, tighter sanctions regimes, stronger outbound investment screening, realigned foreign assistance, and enhanced security cooperation — paired with fair burden-sharing among allies — can profoundly complicate Xi's strategic calculus. Rather than striving for a fragile equilibrium, Washington must create an overwhelming deterrent that renders any attempt at forcible "reunification" with Taiwan or broader regional domination prohibitively costly. No such deterrent exists today.

By shifting the focus from passive coexistence to purposeful competition on America's terms, policymakers stand to challenge the illusion of stability that has emboldened Beijing. This decisive posture, rooted in assertive reprisal rather than reflexive de-escalation, could pave the way for a new era of enduring American leadership in the Indo-Pacific and elsewhere.

I. Evaluating the Biden Administration's Record

President Biden entered office pledging to restore predictability to U.S.-China relations, framing his approach as a clear departure from the previous administration's more confrontational, transactional style. Within weeks, he signaled a willingness to collaborate with Beijing on climate change, global health, and other purported "mutual interests."⁶ Yet throughout his four years in office, Biden never delivered a major, stand-alone speech outlining his overarching vision for the U.S.-China relationship, leaving allies and adversaries alike uncertain about his ultimate objectives.

This ambiguity hindered Congress and the executive branch from mounting a unified response to Beijing's multi-pronged challenge. All too often, the administration itself addressed China on a piecemeal basis — reacting to provocations rather than pursuing a coherent, proactive strategy with defined end-states.

Generally speaking, alliance-building emerged as one of the few bright spots during Biden's tenure, as demonstrated by high-level multilateral initiatives and renewed diplomatic energy in the Indo-Pacific.⁷ His administration bolstered the "Quad" framework with Japan, India, and Australia, convening multiple leader-level summits and expanding practical cooperation in areas such as maritime security and vaccine distribution. It concluded the AUKUS agreement, enabling Australia to procure nuclear-powered submarines in partnership with the United States and the United Kingdom — an unprecedented defense collaboration in the region. Biden also shepherded a historic trilateral summit at Camp David with Japan and South Korea, establishing real-time data-sharing on missile threats and deepening security coordination.

⁵ Francis P. Sempa, "Ronald Reagan and the Collapse of the Soviet Empire," *American Diplomacy*, 2004. (https://ciaotest.cc.columbia.edu/olj/ad/ad_v9_3/sef01.html)

⁶ Lara Jakes and Steven Lee Myers, "Tense Talks With China Left U.S. 'Cleareyed' About Beijing's Intentions, Officials Say," *The New York Times*, March 19, 2021. (<https://www.nytimes.com/2021/03/19/world/asia/china-us-alaska.html>).

⁷ U.S. Department of State, U.S. Mission to ASEAN, "The United States' Enduring Commitment to the Indo-Pacific Region." (<https://asean.usmission.gov/the-united-states-enduring-commitment-to-the-indo-pacific-region>)

Taken together, these moves reassured allied governments that the United States remained invested in regional stability, even if questions persisted about whether such diplomatic momentum could fully deter Beijing's regional assertiveness.

While Biden's alliance-building efforts were necessary, they nevertheless proved insufficient to alter Beijing's behavior where it mattered most. Nowhere was the gap between alliance rhetoric and tangible deterrence more evident than in the South China Sea. Chinese vessels increased ramming incidents near Philippine waters by nearly 30 percent from 2021 to 2022, while Beijing's maritime presence at the disputed Scarborough and Second Thomas Shoals persisted for 313 and 263 days, respectively, in 2024.⁸ By maintaining near-constant occupation of these disputed sites, China effectively normalized its illegal territorial claims, recalling the passive stance of the Obama era that enabled far-reaching militarization of artificial features.

<i>Days of Maritime Presence (by year)</i>	2022	2023	2024
Scarborough Shoal	344	311	313
Thitu Island	208	206	241
Second Thomas Shoal	279	302	263
Vanguard Bank	310	221	354
Luconia Shoals	316	338	259

(Sources: Asia Maritime Transparency Initiative reports from 2022-2024)

Despite proclaiming an “ironclad” alliance with the Philippines, the Biden administration offered little beyond rhetorical support for Manila to counter these territorial incursions, raising doubts about whether the United States would truly honor its mutual defense commitments should Beijing further escalate regional provocations.⁹ With tensions on a knife's edge, any armed clash between Philippine and Chinese forces could rapidly draw the United States into a direct conflict on Beijing's terms rather than Washington's.¹⁰

Under Biden's watch, Beijing's pressure campaign against Taiwan also reached perilous new levels. In 2024 alone, China's People's Liberation Army (PLA) conducted over 3,075 incursions into Taiwan's air defense identification zone (ADIZ) — a record figure and nearly double 2023 levels.¹¹ Since 2019, the total number of PLA flights entering the ADIZ has soared by more than

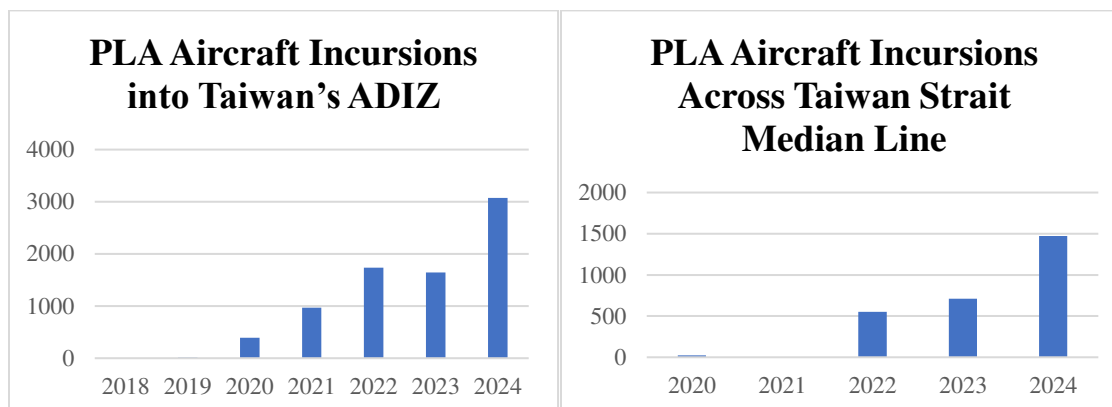
⁸ “China Coast Guard Patrols in 2024: An Exercise In Futility?” *Asia Maritime Transparency Initiative, Center for Strategic and International Studies*, February 6, 2025. (<https://amti.csis.org/china-coast-guard-patrols-in-2024-an-exercise-in-futility>)

⁹ Helen Davidson, “Biden Pledges to Defend Philippines From Any Attack in South China Sea,” *The Guardian* (UK), April 11, 2024. (<https://www.theguardian.com/world/2024/apr/12/joe-biden-philippines-attack-defence-meeting-japan-south-china-sea>)

¹⁰ Craig Singleton, “China and the U.S. Are Careening Toward a South China Sea Crisis,” *Foreign Policy*, July 23, 2024. (<https://foreignpolicy.com/2024/07/23/us-south-china-sea-philippines-crisis-military-alliance-deterrence>)

¹¹ U.S. Department of Defense, “Military and Security Developments Involving the People's Republic of China 2024,” December 18, 2024. (<https://media.defense.gov/2024/Dec/18/2003615520/-1/-1/0/MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA-2024.PDF>); U.S. Department of Defense, “Military and Security Developments Involving the People's Republic of China 2023,” October 19, 2023. (<https://media.defense.gov/2023/Oct/19/2003323409/-1/-1/1/2023-MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA.PDF>); U.S. Department of Defense, “Military and Security Developments Involving the People's Republic of China 2022,” November 29, 2022. (<https://media.defense.gov/2022/Nov/29/2003122279/-1/-1/1/2022-MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA.PDF>); Ministry of National Defense, R.O.C., “Real-Time Military Dynamics,” February 2020. (<https://www.mnd.gov.tw/PublishTable.aspx?Types=%E5%8D%B3%E6%99%82%E8%BB%8D%E4%BA%8B%E5%8B%95%E6%85%8B&title=%E5%9C%8B%E9%98%B2%E6%B6%88%E6%81%AF>); “Trackers,” *PLATracker*, accessed February 19, 2025. (<https://www.platracker.com/trackers>)

200 times. Meanwhile, PLA crossings of the Taiwan Strait median line — traditionally viewed as the de facto buffer between the two sides — rose by roughly 65 times over five years.



(Sources: DoD Annual Report on Chinese Military Developments from 2022 to 2024, PLATracker)

Nor were China's coercive tactics limited to military maneuvers. Chinese cyberattacks on Taiwan's government doubled in 2024 to more than a million attempts per day, with key sectors like transportation, defense, and telecommunications suffering a six-fold surge in network intrusions.¹² Despite these escalating provocations, the Biden administration offered only muted responses, while longstanding delays to arms delivery persisted, signaling to Beijing that boundary testing would be met with caution rather than consequence.

Against the backdrop of an uneven security record, the Biden administration also sought to bolster technology partnerships across the Indo-Pacific, aiming to fortify regional supply chains and limit China's access to dual-use innovations. Proposals such as the "Chip 4" initiative with Taiwan, Japan, and South Korea aimed to harmonize semiconductor production and reduce strategic vulnerabilities.¹³ Meanwhile, the Commerce Department tightened export controls in 2023 and 2024, restricting advanced semiconductors, high-performance computing components, and AI-enabling technologies from reaching PLA-linked entities.¹⁴

This "small yard, high-fence" mindset aimed to protect key U.S. and allied industries; however, the administration's reactive, overly narrow focus allowed rerouting of U.S.-origin technology through third-party hubs in Southeast Asia.¹⁵ While late-term executive actions, such as the AI Diffusion Rule, signaled greater resolve to constrain China's military-civil fusion strategy and address deeper Sino-centric supply chain risks, these measures came years too late, allowing

¹² Yimou Lee, "Chinese Cyberattacks on Taiwan Government Averaged 2.4 Mln a Day in 2024, Report Says," *Reuters*, January 6, 2025. (<https://www.reuters.com/technology/cybersecurity/chinese-cyberattacks-taiwan-government-averaged-24-mln-day-2024-report-says-2025-01-06>); Robert Lemos, "As Tensions Mount With China, Taiwan Sees Surge in Cyberattacks," *DARKREADING*, January 14, 2025. (<https://www.darkreading.com/cyber-risk/as-tensions-with-china-mount-taiwan-sees-surge-in-cyberattacks>)

¹³ Eric Jung, "The 'Chip 4 Alliance' and Taiwan-South Korea Relations," *Global Taiwan Institute*, September 20, 2023. (<https://globaltaiwan.org/2023/09/the-chip-4-alliance-and-taiwansouth-korea-relations>)

¹⁴ U.S. Department of Commerce, Bureau of Industry and Security, "Commerce Strengthens Restrictions on Advanced Computing Semiconductors to Enhance Foundry Due Diligence and Prevent Diversion to PRC," January 15, 2025. (<https://www.bis.gov/press-release/commerce-strengthens-restrictions-advanced-computing-semiconductors-enhance-foundry#:~:text=Today's%20rules%20reinforce%20and%20build.chips%20critical%20for%20military%20advantage>)

¹⁵ Biden White House, "Remarks by National Security Advisor Jake Sullivan on Renewing American Economic Leadership at the Brookings Institution," April 27, 2023. (<https://bidenwhitehouse.archives.gov/briefing-room/speeches-remarks/2023/04/27/remarks-by-national-security-advisor-jake-sullivan-on-renewing-american-economic-leadership-at-the-brookings-institution>)

China to continue its technological advancement and defense integration with minimal disruption.¹⁶

Although regional partners welcomed a shift back to more traditional economic statecraft under Biden, they remained wary of the administration's lack of a robust trade agenda — including its stated refusal to negotiate new agreements. The much-publicized Indo-Pacific Economic Framework (IPEF) offered no meaningful market access and ultimately yielded few deliverables.¹⁷ In rejecting new trade deals, the Biden administration inadvertently allowed Beijing to deepen its economic ties with Southeast Asian nations, thereby expanding its regional influence at America's expense. Even close U.S. partners like Singapore and Vietnam continued hedging by broadening trade relations with China, further eroding Washington's economic leadership in the Indo-Pacific.

Despite a handful of late stage attempts to ratchet up economic pressure on Beijing, the Biden administration's response often felt improvised rather than systematic. In mid-2023, the president finally floated the idea of outbound investment screening for critical sectors such as AI and quantum computing, yet ensuing executive orders proved narrow and slowly implemented.¹⁸ Congressional reports also found that American capital still flows into Chinese biotech and AI startups — industries tightly linked to the PLA.¹⁹

Meanwhile, proposed outbound screening legislation, like the COINS Act, stalled, leaving key investment loopholes unaddressed. Compounding matters, Washington imposed very few meaningful penalties on Chinese entities aiding Russia's war effort — despite multiple warnings and credible evidence that Beijing had crossed existing sanctions redlines — underscoring a broader unwillingness to enforce hard limits on Chinese economic misconduct.

The incursion of a Chinese surveillance balloon into U.S. airspace in early 2023, followed by revelations of the Salt, Volt, and Flax Typhoon cyber campaigns, seemed to offer pivotal opportunities to reset Washington's passive stance. Yet the balloon only became public knowledge after local media reports. Intelligence about the cyber breaches remained under wraps for months, with few details ultimately disclosed. In each case, the Biden administration imposed minimal punitive measures, ostensibly to preserve diplomatic channels.

By prioritizing dialogue over decisive action, Washington missed chances to recalibrate Beijing's risk calculations and counter its deep infiltration of U.S. networks — access that persists to this day and is designed to compromise U.S. critical infrastructure in the lead-up to a future conflict. Regrettably, these and other episodes reinforced regional perceptions that

¹⁶ Framework for Artificial Intelligence Diffusion, U.S. Department of Commerce, Bureau of Industry and Security, *Federal Register*, Volume 90, Page 4544, January 15, 2025. (<https://www.govinfo.gov/content/pkg/FR-2025-01-15/pdf/2025-00636.pdf>)

¹⁷ EAF Editorial Board, "East Asia Can't Rely on the Indo-Pacific Economic Framework," *The East Asia Forum*, March 25, 2024. (<https://eastasiaforum.org/2024/03/25/east-asia-cant-rely-on-the-indo-pacific-economic-framework>)

¹⁸ Antonia I. Tzinova, Andrew K. McAllister, Robert A. Friedman, Jacob Marco, Marina Veljanovska O'Brien, Sophie Jin, Ronnie Rosen Zvi, and Jingwen Xing, "Outbound Investment Screening Rule Goes into Effect," *Holland & Knight*, January 10, 2025. (<https://www.hklaw.com/en/insights/publications/2025/01/outbound-investment-screening-rule-goes-into-effect>)

¹⁹ U.S. House of Representatives, The Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, "The CCP's Investors: How American Venture Capital Fuels the PRC Military and Human Rights Abuses" February 8, 2024. (<https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/2024-02-08%20-%20VC%20Report%20-%20FINAL.pdf>); Craig Singleton, "Biotech Battlefield," *Foundation for Defense of Democracies*, January 15, 2025. (<https://www.fdd.org/analysis/2025/01/15/biotech-battlefield>)

Chinese aggression might be met with rhetoric from Washington rather than meaningful consequences.

In sum, while the Biden administration took noteworthy steps to rebuild alliances and impose targeted export controls, it never defined end-states beyond “competing to coexist” with China — focusing more on process than outcomes. Cautious public rhetoric, incomplete economic measures, and minimal punitive responses to blatant provocations allowed Beijing to deepen its influence and accelerate its technological gains. For many Indo-Pacific nations, the Biden record signaled genuine U.S. commitment but also highlighted narrow priorities and delayed responses. Looking ahead, Washington can either persist with incremental half-measures or adopt a more muscular, comprehensive framework that demands accountability, enforces reciprocity, and exacts real costs for Chinese overreach.

II. China’s Strategic Posture: Ambitions, Constraints, and Pressing Challenges

Xi’s Vision for Chinese-Style Modernization

According to a recently declassified speech delivered behind closed doors in early 2023, Xi declared the imperative of “comprehensively promoting the construction of a strong country and the great cause of national rejuvenation with Chinese-style modernization.”²⁰ For Xi, this vision is not merely aspirational — it is the historical mandate of the Chinese nation. He presents China as a civilization with a 5,000-year history that must overcome past humiliations and chart its own path through a unique model of socialist modernization. Xi’s words emphasize self-reliance, technological self-sufficiency, and the central role of the Communist Party in steering this transformation.

By framing modernization as both an economic imperative and an ideological journey, Xi seeks to project China as a global leader whose model stands as a powerful alternative to Western liberal democracy. Nowhere is this ambition more evident than in the Indo-Pacific, where Beijing’s quest for regional hegemony serves as the staging ground for its broader global aspirations.

Mounting Domestic Constraints: Purges, Economic Slowdowns, and Fragility

Despite Xi’s sweeping rhetoric about “national rejuvenation,” his regime has faced staggering setbacks that expose China’s vulnerability rather than its presumed invincibility.²¹ Military purges — ostensibly to root out corruption — have revealed systemic turmoil in the PLA, undermining readiness. Economic growth has cratered, with unemployment rising and capital outflows intensifying, fueling doubts about Xi’s stewardship. Meanwhile, key partners like Russia and Syria have stumbled, complicating Beijing’s broader geopolitical ambitions.

²⁰ Jinping Xi, “以中国式现代化全面推进强国建设、民族复兴伟业 (Comprehensively Promote the Construction of a Strong Country and the Great Cause of National Rejuvenation with Chinese Style Modernization),” *Qiushi* (China), December 31, 2024. (<http://www.qstheory.cn/20241231/d21bd57c012d4d29824219effd18ca35/c.html>)

²¹ Jinping Xi, “Achieving Rejuvenation Is the Dream of the Chinese People,” *National Ethnic Affairs Commission of China* (China), November 29, 2012. (<https://www.neac.gov.cn/seac/c103372/202201/1156514.shtml>)

China's Declining Domestic Economy

Year	Claimed GDP Growth (Annual growth rate)	Urban Youth Unemployment (Ages 15-24)	Average Annual Capital Flow (USD, Hundreds of Millions)
2019	6%	10.7%	\$66.8
2020	2.2%	12.7%	-\$225.2
2021	8.4%	12.4%	-\$546
2022	3%	14.9%	-\$885.7
2023	5.2%	15.7%*	-\$537.6
2024	~	~	-\$869.3**

(Source: OECD; Statista; Chinese State Administration of Foreign Exchange)

* National Bureau of Statistics changed its methodology for calculating youth unemployment in August 2023 in ways that likely undercount the actual unemployment rate.

** This does not include fourth quarter statistics.

Prominent Recent Targets of Recent PLA Military Purges (2023-24)

Name	Title
Miao Hua	Director, Central Military Commission (CMC) Political Work Department
Li Shangfu	Former Defense Minister
Wei Fenghe	Former Defense Minister
You Haitao	Former Deputy Commander of the Army
Li Pengcheng	Former Commander of the Southern Theater Command Navy
Li Yuchao	Commander of the Rocket Force
Zhou Yaning	Former Commander of the Rocket Force
Xu Zhongbo	Political Commissar of the Rocket Force
Liu Guangbin	Deputy Commander, Rocket Force
Wu Guohua	Deputy Commander, Rocket Force
Ju Gansheng	General, Rocket Force
Shang Hong	General, Rocket Force
Zhang Fusheng	General, Rocket Force
Zhang Zhengzhong	Deputy Chief, Joint Staff Department of the CMC
Ding Laihang	Commander of the People's Liberation Army Air Force
Ju Xinchun	Commander, South China Fleet
Cheng Dongfang	President, People's Liberation Army Military Court
Rao Wenmin	General, Equipment Development Department
Xia Qingyue	General, Equipment Development Department
Wang Dazhong	Admiral, Equipment Development Department

(Sources: Xinhua; National People's Congress; East Asia Forum; Australian Institute of International Affairs; Observer Research Foundation)

These overlapping crises leave China looking increasingly fragile, not formidable. Rather than enacting bold reforms, Xi has chosen a strategy of perseverance: muddling through economic stagnation, doubling down on ideological discipline, and stoking chaos abroad to distract adversaries and buy time.²² In doing so, he hopes to stabilize his precarious position without risking the upheaval that a genuine overhaul might bring.

Chaos Diplomacy and Internal Repression

Xi's reliance on disruption — tacitly supporting Russia's war in Ukraine and emboldening Middle Eastern disruptors, like Iran — creates its own dangers for the regime. This "chaos diplomacy" can backfire if or when these crises stabilize, allowing the West to refocus on Beijing, or — if China's proxies stumble — forcing Xi to sink resources into failing ventures. By sowing global discord, Xi also risks inadvertently uniting potential adversaries around a shared threat, ultimately undermining Beijing's broader ambitions.

Moreover, in blaming China's current woes on "Western encirclement and suppression," Xi creates the need for further repression at home and intensified efforts to enforce loyalty within the Party, the PLA, and the private sector.²³ His purges of senior officials and detention of business executives may consolidate authority, but they also erode confidence, stifle innovation, and deepen distrust of the state. This dynamic is self-reinforcing: Each clampdown sparks new grievances, compelling Xi to respond with ever-tighter controls and thereby undercutting the very stability he seeks to preserve.

As he braces for higher U.S. tariffs, outbound investment screenings, and a more confrontational posture under Trump 2.0, Xi faces a stark choice: hunker down as part of a survival strategy that redefines success around political stability, or risk overreach that could exacerbate domestic discontent and provoke a global backlash. Either path underscores the core dilemma of Xi's rule: a leader obsessed with progress, yet increasingly constrained by the need to preserve power at all costs.

The Sino-Russian Axis: A Strategic Lever

Of course, central to Xi's vision is a deepening partnership with Russia, which he views as both a strategic hedge against U.S. power and a means of reshaping the global order. While questions remain about whether China has provided overt military support to Moscow's faltering campaign in Ukraine, Xi wholeheartedly endorses Russia's narrative of resisting Western hegemony.

Bilateral trade reached record levels in energy, agriculture, and technology, underscoring how each side fills critical gaps for the other — Moscow needs markets and diplomatic cover, while Beijing seeks reliable raw materials and a partner to divide Western attention.²⁴ At the same time, Moscow and Beijing have deepened defense ties, greatly expanding arms transfers,

²² Craig Singleton, "Xi Jinping's Terrible, Horrible, No Good Year," *Foreign Policy*, January 2, 2025. (<https://foreignpolicy.com/2025/01/02/xi-jinping-china-trump-tariffs-economic-crisis>)

²³ James T. Aredy, Chun Han Wong, and Keith Zhai, "China's Xi Jinping Takes Rare Direct Aim at U.S. in Speech," *The Wall Street Journal*, March 6, 2023. (<https://www.wsj.com/articles/chinas-xi-jinping-takes-rare-direct-aim-at-u-s-in-speech-5d8fde1a>)

²⁴ "China-Russia 2024 Trade Value Hits Record High - Chinese Customs," *Reuters*, January 13, 2025. (<https://www.reuters.com/markets/china-russia-2024-trade-value-hits-record-high-chinese-customs-2025-01-13>)

weapons development initiatives, military exercises, intelligence sharing, and military exchanges.

Sino-Russian Trade Figures

Year	Chinese Exports to Russia (Billions, USD)	Russian Exports to China (Billions, USD)
2019	\$49.7	\$57.3
2020	\$50.5	\$49.1
2021	\$67.2	\$68.7
2022	\$76.1	~
2023	\$110.9	~
Total Growth	123.1%	19.9%

(Source: U.N. Comtrade Database)

This emerging axis of authoritarianism, however, is not without friction. Russia’s military struggles and economic fragility undermine Xi’s broader ambitions, even as they create opportunities for Beijing to extract concessions from a weakened Kremlin. For Xi, the Sino-Russian bond remains an instrumental tool: a lever to challenge U.S. primacy without risking direct confrontation — at least for now.

Ideological Ambitions and Global Outreach

Xi’s pursuit of Chinese-style modernization is as much an ideological project as an economic or military one. Citing the Soviet collapse as a cautionary tale, he insists that China’s future hinges on unwavering faith in the Communist Party and the supremacy of Marxist-Leninist principles adapted to Chinese conditions.²⁵ This ideological campaign extends far beyond China’s borders. Through state-run media, Confucius Institutes, and state-controlled “discourse power” platforms, Beijing works to disseminate a narrative that portrays its governance model as a viable alternative to Western liberal democracy — especially for developing nations throughout the Indo-Pacific.²⁶

Xi’s rhetoric of peaceful coexistence (or *détente*) is thus intertwined with a concerted effort to shape global norms, from internet governance to trade rules. This drive to champion China’s system abroad comes at a moment when Xi’s domestic critics accuse him of tightening political controls and quashing entrepreneurial dynamism at home, raising questions about how sustainable or appealing this model can remain if China’s economic performance continues to falter.

²⁵ Xi Jinping, “Transcript: President Xi Jinping’s Report to China’s 2022 Party Congress,” *Nikkei Asia* (Japan), October 18, 2022. (<https://asia.nikkei.com/Politics/China-s-party-congress/Transcript-President-Xi-Jinping-s-report-to-China-s-2022-party-congress>)

²⁶ Matt Pottinger, “The Chinese Communist Party’s Threat to America,” *Foundation for Defense of Democracies*, February 28, 2023. (<https://www.fdd.org/analysis/2023/02/28/the-chinese-communist-partys-threat-to-america>); Bradley Bowman and Craig Singleton, “Cognitive Combat,” *Foundation for Defense of Democracies*, June 28, 2024. (<https://www.fdd.org/analysis/monographs/2024/06/28/cognitive-combat>)

The Technological Race with the United States

China's technological race with the United States underscores Xi's determination to achieve self-reliance in critical industries like semiconductors, AI, and quantum computing. Even as economic headwinds slow domestic investment, Beijing's Five-Year Plans and programs such as "Made in China 2025" continue funneling vast resources into R&D. In the Indo-Pacific, Chinese firms increasingly open satellite offices in regional tech hubs — often using third countries like Singapore as transit points for acquiring cutting-edge components and skirting existing export controls.

Yet Xi's own clampdowns — ranging from corporate purges to tightened data regulations — have undermined private-sector innovation and rattled foreign investors. With U.S. restrictions poised to tighten under Trump 2.0, the question is whether Xi's push for technological sovereignty can keep pace with Beijing's grand ambitions, or whether China's mounting domestic constraints will expose fatal chokepoints in its quest for advanced industrial supremacy.

Taiwan: The Linchpin of National Rejuvenation

No doubt, Taiwan stands as the linchpin of Xi Jinping's vision for national rejuvenation — a goal he portrays as the culmination of China's historical destiny. U.S. commanders have characterized the PLA's increasingly sophisticated drills around Taiwan as "rehearsals" for forcible reunification, with a clear aim of achieving credible invasion capabilities by 2027.²⁷ In pursuit of this objective, Beijing has reoriented its military strategy to prioritize rapid modernization and operational readiness. The PLA has ramped up amphibious assault exercises and is aggressively stockpiling raw materials and advanced weapon systems, even as persistent challenges — such as procurement corruption — undermine operational efficiency.

Nevertheless, Xi's rhetoric over Taiwan leaves no room for ambiguity: He has vowed that "no one can stop the historical trend of national reunification," signaling his willingness to escalate to full-scale conflict, if necessary.²⁸ This determined military buildup serves not only as a strategic deterrent but also as a psychological tool to pressure Taiwan and test the limits of U.S. resolve in the region.

²⁷ John Grady, "China Drills Near Taiwan Are Rehearsals for 'Forced Reunification,' Paparo Says," *USNI News*, 17 Feb. 2025. (<https://news.usni.org/2025/02/17/china-drills-near-taiwan-are-rehearsals-for-forced-reunification-paparo-says>)

²⁸ Ben Blanchard, "Xi Says No One Can Stop China's Reunification with Taiwan," *Reuters*, December 31, 2024. (<https://www.reuters.com/world/china/xi-says-no-one-can-stop-chinas-reunification-with-taiwan-2024-12-31>)

	<i>China Military Strength Around Taiwan PLA's Eastern and Southern Theater Commands</i>		
	2020	2024	Percent Change
<i>Total Ground Personnel</i>	412000	427000	3.6%
<i>Total Ships (Non-Coastal)</i>	179	204	14.0%
Aircraft Carriers	1	1	0.0%
Cruisers	0	4	N/A
Destroyers/Frigates/Corvettes	89	106	19.1%
Amphibious Assault Ships	0	3	N/A
Amphibious Landing Ships	51	51	0.0%
<i>Total Submarines</i>	38	39	2.6%
Nuclear Attack Submarines	2	2	0.0%
Nuclear Ballistic Missile Submarines	4	6	50.0%
<i>Total Aircraft</i>	970	1290	33.0%
Fighters	600	800	33.3%
Bombers/Attack	250	300	20.0%
Transport/Special Mission	120	190	58.3%
<i>Total Missiles</i>	1350	3500	159.3%
ICBM	100	400	300.0%
IRBM/MRBM	350	1800	414.3%
SRBM/GLCM	900	1300	44.4%

But Beijing's strategy extends well beyond conventional military preparations; it encompasses a multifaceted hybrid campaign designed to undermine Taiwan's resilience from within. State-sponsored disinformation operations, relentless cyberattacks, and covert influence campaigns are systematically deployed to sow discord in Taiwan's democratic institutions and erode public confidence.²⁹ These hybrid tactics are aimed at destabilizing Taiwan's political cohesion, creating internal divisions that could make a military intervention less costly.

Despite clear warnings and repeated provocations, U.S. deterrence measures have remained tepid, raising critical concerns about whether current policies can effectively counter Beijing's comprehensive strategy. As Xi's regime continues to blend coercive military maneuvers with aggressive hybrid warfare, the risk of miscalculation escalates — forcing Washington and its allies to reassess the adequacy of their response and the true cost of inaction. Unfortunately, because Washington hesitated in the gray zone for years, we now face a situation that demands a far more forceful and high-stakes response — an outcome that might have been avoided with earlier, more decisive action.

Global Ambitions and Influence in International Institutions

Beyond the Indo-Pacific, Xi has accelerated efforts to reshape global governance institutions and norms in ways that favor Beijing's authoritarian model. By placing Chinese nationals in

²⁹ Craig Singleton and Mark Montgomery, "Targeting Taiwan," *Foundation for Defense of Democracies*, October 4, 2024. (<https://www.fdd.org/analysis/2024/10/04/targeting-taiwan>)

leadership positions at organizations like the International Telecommunication Union (ITU), Beijing can influence rulemaking on issues ranging from 5G standards to next generation technologies. Simultaneously, the Belt and Road Initiative (BRI) forges economic dependencies across Africa, Latin America, and parts of Europe, enabling Xi to rally diplomatic support — or silence criticism — on sensitive matters like Taiwan and human rights.

At the United Nations, China has increasingly pushed to redefine universal values under the banner of “win-win cooperation,” downplaying individual freedoms in favor of state-led development. Taken together, these maneuvers reflect a broader strategy: consolidate China’s leadership in global institutions, diminish Western influence, and validate an alternative governance model that conflates national sovereignty with unchallenged Party control.

In sum, Xi’s China projects confidence on the world stage while grappling with profound vulnerabilities at home. From the Sino-Russian axis to ambitious ideological outreach and technological decoupling, Beijing is advancing a revisionist agenda that challenges U.S. interests. Yet internal fragilities — from economic stagnation to growing distrust in Xi’s centralized rule — cast doubt on how far and how fast China can truly rise. As the United States and its allies brace for a more confrontational era under Trump 2.0, the scope for miscalculation remains high.

III. Moving Beyond Mere ‘Coexistence’ — A Bold Yet Realistic Aim

Amid today’s backdrop, sustaining the Biden administration’s détente strategy — one that prioritizes diplomatic pageantry over tangible shifts in Chinese conduct — demands a serious reassessment. In its place, Washington should embrace a dual approach that combines external resistance to Beijing’s illiberalism with intensified pressure on its domestic sources of strength, setting the stage for negotiations anchored in reciprocity and mutual interest. It’s not “peaceful coexistence” on any terms, nor a purely militarized standoff; rather, it’s about protecting and advancing U.S. national interests by forcing changes in China’s conduct.

Because the United States and China embody fundamentally incompatible systems and ideologies, today’s contest cannot end in stalemate — the United States must ensure its model prevails. Yet this does not necessitate an explicit campaign for regime change. Rather, Washington should push Beijing onto an unsustainable path, where persistent scrutiny, sanctions, and technology controls expose the structural flaws of Xi’s Marxist-Leninist framework. By holding out the prospect of genuine concessions on issues like trade or diplomatic recognition, Washington can force Beijing to confront the spiraling costs of continued hostility — potentially accelerating the CCP’s own unraveling if it persists on its present course.

Importantly, a stronger posture does not imply reckless confrontation. Much like President Reagan’s approach to the late-stage Soviet Union, a new administration can impose external pressures that heighten Beijing’s internal resource dilemmas — forcing the CCP to make difficult trade-offs between domestic priorities, global ambitions, and social welfare, ultimately undermining its ability to sustain both authoritarian control and economic vitality. This external resistance must be paired with intensified efforts to exploit China’s internal vulnerabilities — ranging from ballooning local debt to dependence on U.S. capital and foreign technology.

The point must be to demonstrate that Xi's maximalist ambitions clash with the realities of stable growth and global norms, including through the aggressive use of tariffs and tariff threats targeting the lifeblood of China's faltering economy: exports and overcapacity.

Meanwhile, Washington can focus on the economic battleground, targeting those sectors — semiconductors, advanced manufacturing, and AI — where Beijing's dependence on Western intellectual property and capital is most acute. Restricting China's access to these strategic assets undercuts Xi's broader modernization drive, from building a world-class military to dominating the drivers of the next industrial revolution. Over time, such technological chokepoints complicate Beijing's path to deploying advanced weapons and force projection, making Xi weigh the cost of aggression. In effect, if Xi lacks the critical enablers for a successful invasion or other high-risk gambits, he is more likely to conclude, "Not today."

Ultimately, time is on our side — if we choose to make it so. Policymakers, including HFAC members and Congress as a whole, can shift our strategy from merely maintaining the status quo to proactively securing victory in this contest. By deploying diplomatic, economic, and legislative tools, Congress can impede Beijing's access to U.S. capital markets, constrain its military-civil fusion apparatus, and safeguard America's critical industries. Chief among these measures should be robust outbound investment screening and targeted export controls, which together can throw sand in the gears of Beijing's next-generation weapons programs. By doing so, we buy critical time for U.S. and allied industries to innovate, adapt, and ensure the United States remains one step ahead of China.

Credible threats of punitive action — should China cross red lines in the South China Sea or over Taiwan — also reinforce the message that rhetorical brinksmanship must be backed by consistent enforcement and pre-emptive sanctions threats. Such deterrence through uncertainty forces Xi to weigh whether each new provocation is worth the escalated cost, potentially delaying his timeline for more aggressive moves.

Beyond a reactive posture of simply denouncing provocations, the United States and its allies should undertake demonstrations of persistent rollback — ranging from shining a spotlight on cyber intrusions and IP theft to imposing real consequences for maritime aggression. At the same time, Washington must support beleaguered democracies on the front lines of Chinese coercion. HFAC can champion streamlined foreign military sales and advocate for leveraging presidential drawdown authorities for partners like Taiwan, ensuring swift delivery of defensive systems and asymmetric capabilities without bureaucratic delay.

By also insisting that allies, including Taiwan, invest more in their own security, the United States can spread the financial load while preserving its leadership role. This flexible, transactional approach aligns with a Trump 2.0 ethos: It rewards partners who step up, while denying Beijing easy wins in critical arenas such as technology and maritime security.

While a Trump 2.0 strategy is likely to emphasize hard-nosed deal-making, moral clarity still matters. Reagan's moral confidence helped unify allies against Soviet overreach, and a similar stance today can galvanize support for confronting China's human rights abuses in Xinjiang,

Hong Kong, and elsewhere. HFAC can hold targeted hearings, bolster public diplomacy, expand Magnitsky-style sanctions, and re-introduce well-intentioned human rights-focused bills from the 118th Congress aimed at holding China's leaders to account and underscoring the stark divide between authoritarian oppression and democratic freedom. Emphasizing these values challenges Beijing's propaganda narrative and ensures the United States stands for more than transactional advantage.

Finally, reimagining foreign assistance under HFAC's oversight — through a leaner, more agile State Department-directed foreign assistance function laser-focused on strategic infrastructure, digital governance, and anti-corruption initiatives — could deny China influence in critical ports, curb the spread of risky 5G networks, and strengthen partners' resilience to economic coercion. By demonstrating that America remains both a principled leader and a reliable partner in the Indo-Pacific, Washington fills aid gaps that Beijing could otherwise exploit — preventing a vacuum in which China cements its regional dominance.

Ultimately, shifting from a defensive coexistence framework to proactive competition forces Beijing to grapple with the rising costs of revisionism. By deploying the legislative and oversight powers of Congress — especially HFAC's authority over diplomacy, sanctions, and foreign assistance — the United States can constrain China's ambitions, bolster its allies, and restore credible deterrence in the Indo-Pacific.

This policy is neither isolationist nor dangerously escalatory; it is resource-conscious, morally grounded, and precisely tailored to safeguard U.S. interests in a time of heightened rivalry. Channeling Reagan, bilateral negotiations with Beijing should hinge on fairness and transparency, not empty pageantry. In doing so, Washington can reclaim the strategic initiative, reminding Xi every day that hostility toward the United States and its partners will be met with ever-escalating consequences — until he or those around him finally decide that aggression simply costs too much or risks accelerating the Chinese Communist Party's demise.

IV. Additional Recommendations for Congress

A recalibrated China strategy must harness congressional powers — particularly those of HFAC — to impose tangible costs on Beijing's revisionism, deepen U.S. alliances, and foster flexible alignment structures capable of collectively countering Chinese coercion. While the executive branch conducts day-to-day diplomacy and defense, Congress can shape the broader policy environment through legislative initiatives, oversight hearings, and funding decisions.

Below are additional measures Congress should consider to ensure America's posture in the Indo-Pacific evolves beyond mere "coexistence" toward a more robust, reciprocal, and results-driven engagement with China:

Sectoral Export Controls and Outbound Investment Screening

- **Legislate Comprehensive Outbound Investment Screening:** Enact laws that rigorously scrutinize U.S. capital flows into Chinese firms involved in "national security technologies," while also leveraging a company-specific approach to impose sanctions on

those directly tied to military modernization or state surveillance. Such a measure, modeled on the principles underpinning the COINS Act, would ensure that American investments do not bolster Beijing's coercive capabilities while protecting vital U.S. interests.

- **Close Export and Transshipment Loopholes:** Mandate interagency coordination (Commerce, State, Treasury, Defense) to track and penalize rerouting through third countries, with regular HFAC updates on enforcement.
- **Expand Enforcement Resources:** Significantly increase funding for enforcement agencies — such as the Commerce Department's Bureau of Industry and Security (BIS) — to boost monitoring, investigation, and compliance capacities. This ensures that expanded export controls and outbound investment restrictions have real teeth, rather than becoming paper directives easily circumvented by well-resourced Chinese entities.
- **Leverage Allies and Partners:** Incentivize allies and partners to adopt U.S. export controls and regulations protecting emerging technologies by offering to expand technology sharing agreements.

Enhanced Support for Taiwan

- **Strengthen Cyber & Defensive Capabilities:** Fund capacity-building programs (e.g., informed by FDD's *Targeting Taiwan* memo) to bolster Taiwan's infrastructure, threat intelligence, and cyber readiness.
- **Put Taiwan First on the Production Line:** Instruct the Department of Defense to compel defense contractors to fulfill Taiwan's orders ahead of other foreign customers, regardless of contract order date. Require HFAC to receive quarterly updates on backlog reductions.
- **Consider Targeted Presidential Drawdowns:** Authorize drawdowns for critical "porcupine strategy" assets — e.g., sea mines, Navy Marine Expeditionary Ship Interdiction Systems, and small drones (RQ-7, RQ-20, Switchblade) — to bolster Taiwan's deterrent posture.
- **Expand Political & Economic Ties:** Encourage reciprocal visits by mid-level officials, deepen semiconductor supply-chain cooperation, and create a U.S.-Taiwan "Technology Exchange Council" under HFAC oversight.
- **Promote International Participation:** Advocate for Taiwan's meaningful role in global organizations and explore legislative avenues for a bilateral trade framework, reinforcing Taiwan's global standing.

Preemptive Sanctions and Deterrent Measures

- **Designate Trigger Points:** Pass legislation outlining automatic sanctions on major Chinese banks, state-owned enterprises, or financial institutions if Beijing blockades or invades Taiwan, or escalates maritime aggression in the South China Sea.
- **Publicly Detail Consequences:** Demonstrate deterrence by specifying assets that would be frozen and potential export/import bans — signaling that aggression will be met with steep costs.
- **Multilateral Coordination:** Use HFAC hearings to secure allied commitments for coordinated sanctions, ensuring Beijing faces a unified front.

Realign Foreign Assistance to Counter Beijing's Influence

- **Refocus State Department-Directed Counter-China Foreign Assistance:** Prioritize strategic infrastructure, digital governance, and anti-corruption initiatives that deny China a foothold in critical ports and 5G and data networks, and that reduce vulnerabilities to bribery or manipulation in major infrastructure deals. This approach bolsters local governance capacity while curbing Beijing's ability to exploit weak institutional safeguards.
- **Leverage DFC & MCC:** Direct the U.S. International Development Finance Corporation (DFC) and Millennium Challenge Corporation (MCC) to offer financing alternatives to Belt and Road Initiative (BRI) loans — contingent on transparency and rule-of-law reforms.
- **Strengthen Partner Resilience:** Support local civil society organizations, investigative journalism, and anti-disinformation efforts in frontline states, tying assistance to measurable progress on good governance.

Enhance Security Cooperation and Burden-Sharing

- **Foster Flexible Alignments:** Encourage minilateral groupings (e.g., the Quad, trilateral exercises with Japan and the Philippines), maritime security, intelligence sharing, technology standards, public health, and climate resilience.
- **Tie Support to Defense Spending:** Condition certain types of security cooperation on partners' willingness to boost their own defense budgets — adopting a “fair burden-sharing” principle that frees U.S. resources for strategic use elsewhere.
- **Fast-Track Critical Sales:** Mandate expedited foreign military sales for democracies at immediate risk of Chinese coercion (e.g., Taiwan), while coordinating with the House Armed Services Committee on broader defense posture.

Counter Maritime Coercion in the South China Sea

- **Target Chinese Coast Guard:** Authorize specific sanctions against the Chinese Coast Guard and affiliated maritime militia entities for ramming incidents, blockades, or other hostile actions against U.S. allies — sending a clear signal that maritime coercion will incur real costs.
- **Hold Oversight Hearings:** Convene HFAC-led briefings to explore diplomatic and economic responses, including potential sanctions or international arbitration support for allies like the Philippines.
- **Evaluate 'Accompaniment Missions':** Direct the administration to assess opportunities for U.S. or allied personnel to accompany resupply vessels, ensuring a visible deterrent presence that reduces the risk of Chinese ramming or blockades. This would bolster the safety of critical logistics operations in disputed waters and reinforce Washington's commitment to defending treaty allies' sovereign rights.
- **Establish Clear Red Lines:** Require the executive branch to define and publicly communicate the economic, diplomatic, or military consequences of further Chinese provocations against U.S. treaty allies.

Diplomatic & Public Diplomacy Tools

- **Reciprocity in Diplomatic Access:** Impose parallel restrictions on Chinese state media or diplomats if Beijing continues limiting U.S. journalists and NGOs.
- **Expose Disinformation:** Fund independent monitors to track and publicize CCP influence operations — both domestically and in allied nations — using HFAC oversight to ensure accountability.
- **Reinvigorate Broadcasting:** Expand U.S.-backed broadcasting into China and Chinese diaspora communities, promoting uncensored news, diverse viewpoints, and the merits of democratic governance.
- **Strengthen Human Rights Oversight:** Enact legislation requiring the secretary of state to designate a United States special coordinator for Uyghur issues, ensuring that systemic abuses are addressed at the highest diplomatic levels. Additionally, allocate dedicated funding to support human rights advocates and public diplomacy initiatives in the Islamic world, aimed at exposing CCP repression of Uyghurs and countering state-sponsored disinformation.
- **Scrutinize ‘Hostage Diplomacy’ and Travel Advisories:** Convene targeted HFAC hearings to examine how the State Department responds to China’s practice of detaining or restricting the movement of U.S. citizens as leverage. This includes assessing current travel advisories, legal assistance, and accountability measures, ensuring that Americans trapped in China are protected and that Beijing’s coercive tactics are publicly exposed.

Conclusion

By combining robust export controls, outbound investment bans, preemptive sanctions legislation, enhanced foreign assistance, and expanded security cooperation, Congress can impose tangible costs on Beijing’s coercive behavior and reinforce allied defense. Each of these measures is well within HFAC’s jurisdiction or influence. Through these legislative and oversight tools, the United States can shift from reactive “coexistence” to proactive deterrence, ultimately compelling China to reassess its aggressive posture or face the cumulative costs of continued revisionism.