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The Trump Administration and U.S.-China Diplomacy LIU Jie

(1) U.S.-China Trade War and Washington's Strategy Toward China

Since April 2025, the United States and China have been engaged in a cycle of retaliatory tariffs, with economic confrontation intensifying continuously. However, following a Joint Statement on U.S.-China Economic and Trade Meeting in Geneva and trade negotiations in London, some tariffs were lifted, showing limited signs of de-escalation. The Chinese side welcomed this development as "an important step toward resolving differences" and signaled a willingness to return to dialogue.

That said, the U.S. strategy toward China centers not only on trade disputes but also on broader concerns about China's systemic and geopolitical rise. Former Secretary of Commerce Wilbur Ross stated that "the President's strategy is to kind of isolate China," explicitly acknowledging that the policy goes beyond economic friction. Treasury Secretary Scott Bessent has consistently maintained a hardline stance toward China, and Vice President J.D. Vance has raised alarms over the outflow of technology and the hollowing out of domestic manufacturing caused by globalization. This series of actions and statements can be understood as part of the broader continuum of "China skepticism" that is shared across party lines within the United States.

(2) China's Great Power Diplomacy and Peripheral Diplomacy

From an early stage, the Xi Jinping administration began preparing the domestic political and institutional framework for a prolonged period of tension with the United States. Under a system that prioritizes national security as the central policy axis, institutional measures such as the "Made in China 2025" initiative and the enactment of the Anti-Espionage Law and National Security Law have been introduced, aiming to balance state-led economic growth with national security. Amid mounting pressure from the U.S., China shifted toward a "dual circulation strategy," which entails the simultaneous expansion of domestic demand and recalibration of external demand dependencies. This has been operationalized through strategic actions such as domestic supply chain localization, strengthened ties with Russia and Europe, and expanded presence in the Global South. China has also disseminated the narrative of "the East is rising while the West is declining" ("东升西降") both domestically and internationally, laying the ideological foundation for a diplomacy premised on a power shift between China and the U.S.

At the "Central Conference on Work Relating to Neighboring Countries" held in 2025, all members of the Politburo Standing Committee were in attendance, and the concept of a "Community of Shared Destiny with Neighboring Countries" was formally introduced. This policy reflects China's intent to deepen engagement with East Asia, Central Asia, and ASEAN nations, and serves as a hallmark of its broader strategy to mitigate the geopolitical encirclement posed by U.S.-China tensions through regional diplomacy.

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(3) China's Official Position and Perception in the U.S.-China Confrontation

The Chinese State Council's white paper, China's Position on Certain Issues Concerning China-U.S. Economic and Trade Relations, asserts that the bilateral relationship inherently brings "mutual benefit" and that China has faithfully implemented the Phase One agreement. At the same time, it criticizes the U.S. for engaging in "unilateral protectionist actions," emphasizing the need for equal and fair dialogue. Underlying these assertions is a reconfiguration of China's worldview, self-identity, and vision for global order under the Xi regime. In terms of self-perception, China combines strong confidence in its technological and financial capabilities with a historical pride as an "ancient civilization" and a "victim narrative" that reinforces its claim to international legitimacy. In terms of worldview, China envisions a new multipolar order through the Belt and Road Initiative, which seeks to provide both economic benefits and institutional alternatives to the U.S.-led liberal international order. This initiative, accompanied by the export of governance models, serves as an effort to assert the legitimacy of China's socialist market economy on a global scale.

(4) The Current State of Intellectuals in China

While public discourse by intellectuals has declined in recent years, state-affiliated research papers and newspaper editorials still provide valuable insights into intellectual thought patterns. One paper published by the Ministry of State Security, using the rise and fall of the Han Dynasty as a case study, argued that "emphasis on agriculture" and "delegation of power to the people" had historically contributed to prosperity, while "imbalances between the economy and national security" led to collapse. The paper concludes that "economic security is the foundation of national security," which could be interpreted as an implicit critique of current Chinese policy.

Thus, examining the discursive space within Chinese society beyond official Party and government positions is essential for future research on China. In particular, analyzing the ideological fragmentation among intellectuals such as the New Left, nationalists, and liberals as well as their expression strategies under censorship, offers critical perspectives for understanding China's internal transformation.

(5) Transformation of Japan-China Relations and Future Challenges

In the past, Japan-China relations were underpinned by personal networks primarily among political and business elites. However, such "network-dependent" diplomacy is now in decline. Instead, both countries are transitioning toward a realist framework of "mutually beneficial relationship based on common strategic interests". Looking ahead, the bilateral relationship will likely enter a complex phase where "competition and coexistence" intersect across multiple layers, including economic security, supply chain stability, climate change, and third-country cooperation. It is increasingly necessary to establish new diplomatic frameworks and trust-building mechanisms that do not rely on personal ties. In policy practice, rebuilding dialogue channels at the working level is an urgent priority.

(This article is an English translation of the summary of remarks delivered by Professor LIU Jie of Waseda University at the Foreign Policy Luncheon, originally published on July 28, 2025, in the e-forum "Giron-Hyakushutsu" of GFJ.)