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The US TikTok “Ban”: Larger Yards and Higher Fences?

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SYNOPSIS

The US House bill forcing Bytedance’s divestiture of the US assets of TikTok on national security grounds is the latest front in the ongoing and expanding technology competition between Washington and Beijing. This technology competition holds both promise and peril for countries in the region.

COMMENTARY

On 13 March, the US House of Representatives [voted 352 to 65](#) to pass a bill that gives TikTok’s Beijing-based owner, Bytedance, about six months (165 days) to [divest the US assets](#) of its popular short-video app or be banned from app stores and web hosting services. The divestiture bill faces [scepticism](#) in the Senate, but President Joe Biden says that [he will sign it](#) if it passes.

The House bill is the latest attempt to “ban” TikTok in the United States, dating back to the Trump administration’s [attempts to force a sale of the app](#) in 2020. President Donald Trump’s first executive order was blocked by the courts on First Amendment grounds, while the second was [rescinded](#) by the Biden administration, citing a need for greater scrutiny of the issue. The Biden administration, however, did [ban the app](#) from being used on government devices, but the state of Montana’s novel attempt at an outright ban was [blocked by the courts](#). In March 2023, the Committee on Foreign Investment in the United States (CFIUS) [told Bytedance to divest its stake, failing which](#) TikTok could face a ban.

US National Security Concerns over TikTok

TikTok's immense popularity – it is used by over 170 million Americans – is a source of national security concern for US officials. The perceived threat is threefold: ByteDance's ownership of TikTok, data privacy concerns, and the app's potential for spreading disinformation.



TikTok is perceived as a threat by US officials due to worries about the app's ownership by Beijing-based company, ByteDance, data privacy issues, and the app's potential to spread disinformation.

Image from Unsplash.

US officials are concerned about China's regulatory and legal framework pertaining to technology and national security. They consider the vague wordings of China's [2021 Data Security Law](#), the [2017 National Security Law](#), and the [2015 National Intelligence Law](#) as sufficient proof of the Chinese party-state's nefarious intentions, even though they have provided little public evidence that Beijing has misused those laws.

US officials also argue that, by law, Chinese technology companies – like all companies in China – have embedded Chinese Communist Party (CCP) cells. Jack Ma, the co-founder of Alibaba, was [revealed to be a party member](#), as was [Huawei's founder, Ren Zhengfei](#). However, Zhang Yiming, the founder of ByteDance, has said that [he is not a member of the CCP](#). In an environment of intense geopolitical competition between Washington and Beijing, the vagueness of China's national security laws and the apparent cosy relationship between Chinese technology companies and the CCP have been sufficient grounds for US officials to deem them national security threats.

US officials are also concerned that TikTok's collection of data on US users could be harvested by Beijing for intelligence or other purposes. However, a 2020 [report](#) by *The Washington Post* indicated that TikTok did not appear to collect any more data than its non-Chinese social media peers. The app's use of keylogging and tracking of users around the internet even when they are not using the app are [also not unique](#) – they are used even more extensively by Facebook and Google.

TikTok CEO Shou Zi Chew's [attempt to assuage congressional critics](#) that the company had spent more than two years on "[Project Texas](#)" to seal off protected US user data from unauthorised foreign access, and that "American data is stored on American soil, by an American company, overseen by American personnel" left lawmakers [unconvinced](#).

In February, President Biden [issued an executive order](#) cracking down on the transfer of "sensitive" data of Americans to "countries of concern" such as China. The issue of Americans' data privacy, however, is not unique to TikTok or even China. The United States – unlike the European Union with its [General Data Protection Regulation](#) (GDPR) – lacks any [comprehensive data privacy legislation](#) that applies to all companies and all types of data; instead, it makes do with a patchwork of uneven state-level laws and sector-specific federal laws.

US officials also have concerns that TikTok's recommendation algorithms are ripe for malign influence campaigns by Beijing, with younger Americans being especially vulnerable, given their heavy reliance on social media for news. As with concerns over data privacy, however, the issue of social media algorithm manipulation is not unique to TikTok; it is only one part of the modern social media landscape that has shown itself ripe for propaganda and dis/misinformation campaigns of all stripes. Also, while US officials profess concern over TikTok's potential for disinformation, Congress is [moving to defund](#) the government agency tasked with countering foreign disinformation campaigns.

TikTok's algorithms could yet prove to be the ultimate stumbling block to any divestiture deal. They are the intellectual property of Bytedance, and Beijing is likely to invoke its own export control rules to [veto any deal](#) that would transfer such a prized asset to any potential American buyer. Buying TikTok sans its algorithms would be akin to purchasing KFC without also acquiring Colonel Sanders' secret fried chicken recipe – pointless.

Larger Yard and Higher Fences

The attempt to force Bytedance to divest its US TikTok assets is merely one front of the ongoing and expanding technology competition that is at the core of the geopolitical struggle between the United States and China. Both countries have identified mastering the foundational technologies of the so-called Fourth Industrial Revolution – from AI to advanced semiconductors and microelectronics to clean energy technologies and quantum computing – as essential to their respective industrial strategies.

The Biden administration has portrayed its technology restrictions against China as a "[small yard and high fence](#)" approach to avoid broader economic decoupling between the two countries. However, the logic of the restrictions, especially the [abandonment of the old "sliding scale" policy](#) of staying a couple of generations ahead of China in favour of maintaining an absolute advantage, means that the yard will inevitably get larger to encompass ever more technologies and the fence will be raised higher in response to China's attempts to circumvent the restrictions and pursue its own technology ambitions.

We now see the United States pushing its allies to [further tighten restrictions](#) on China's semiconductor industry and shifting its attention towards [China's dominance in "legacy" chips](#) (28 nanometres or larger). In addition, the Biden administration has [announced](#) "unprecedented actions" to ensure that "connected vehicles" (CVs) from China do not threaten national security and also to ensure that "American automakers and auto workers are the best in the world". Indeed, in the heat of an election year, US politicians are trying to [outbid one another](#) on who can be toughest on Chinese electric vehicle (EV) imports. Lawmakers are also attempting to [bar Chinese biotechnology companies](#) from the US market to protect against security and economic risks.

Conclusion

For countries in Southeast Asia, there is both profit and peril in navigating the complexities of the United States and China's techno-nationalist competition to seize the commanding heights of the 21st century economy. The competition holds out promises of [funding](#) for expanding chip production in the region and of developing [localised production of EVs and their batteries](#). However, with US-China technology competition unlikely to abate anytime soon, cautionary tales also abound – from [pressure](#) to drop Huawei's 5G technology to [tariffs](#) levied in the United States on Chinese solar panels manufactured in the region.

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