



**TEXAS
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POLICY ROUNDTABLE:

Are the United States and China in a New Cold War?

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1. Introduction: Are the United States and China in a New Cold War?

By Iskander Rehman

For over two decades, Western academics and policymakers have struggled to define the nature and scope of the challenge posed by China's rise.¹ In the early 1990s, the U.S. spearheaded a series of efforts to better enmesh Beijing in the liberal international order, primarily by facilitating the communist behemoth's access to foreign technology and markets. This policy was framed both as a net benefit for the global economy and trading system, and as a form of strategic down payment for the future. It was assumed that a wealthier, better-integrated, and more powerful China would slowly shed its insecurities and morph into a "responsible stakeholder." Granted, democracy might not blossom overnight, but Chinese illiberalism would be tempered by pragmatic economic imperatives, diluted by the proliferation of digital communication technologies, and eroded by routinized interactions with Western-style democracies. In the meantime, modern Chinese authoritarianism — with its emphasis on collective leadership and technocratic efficiency — appeared to have provided a long-suffering people with a welcome degree of socio-economic stability after decades of bloody upheaval. Enthralled by the nation's gleaming skyscrapers, continent-straddling highways, and meteoric rates of economic growth, some foreign observers even ventured that the People's Republic of China (PRC), which appeared to have more successfully weathered the 2008 financial crisis than most, presented an alternative, and perhaps more viable, development model — the so-called "Beijing Consensus."²

Over the past few years, however, the mood within the Western commentariat has turned. Hopes that the PRC might somehow morph into a super-sized Singapore have largely

¹ See, for example, David Shambaugh, "Containment or Engagement of China? Calculating Beijing's Responses," *International Security* 21, no.2 (1992): 180-209.

² For a good summary of the debate surrounding the so-called "Beijing consensus," see Katrin Bennhold, "What is the Beijing Consensus?" *New York Times*, Jan. 28, 2011, <https://dealbook.nytimes.com/2011/01/28/what-is-the-beijing-consensus/>.

dissipated. From its militarization of disputed islets in the South China Sea to its unabashed use of economic coercion against countries ranging from South Korea to Mongolia, China has become more, not less, assertive in its near-abroad.³ Meanwhile, Beijing's longstanding model of authoritarian governance — centered on collective decision-making and an orderly succession process — has precipitously crumbled. President Xi Jinping's shift toward a strongman style of rule has been accompanied by an evolution, in parallel, of Chinese discourse and internal politics, which point to a more combative, jingoistic, and embattled regime. As many contemporary sinologists have noted, nationalism has progressively replaced Marxist revolutionary thought as the ideological cement of the PRC, though evidence of the latter persists in synergy with the former.⁴ To cite just one example of this nationalist-Marxist complement, China's unabashedly cynical attitude toward the law of the sea reflects a longstanding revolutionary conviction that international law is little more than the "agreed will of a number of states," and a tool for ideological warfare.⁵

This political evolution has resulted in nationalist revisionism — and more specifically the politics of anti-western *ressentiment* — becoming the ideological pillar of Xi Jinping's China. Under his presidency, patriotic education campaigns have been revived, and the tone of public commentary has become more strident and critical of the United States, and of democracy's perceived shortcomings.⁶ China's expenditure on internal security has outpaced its defense spending, and draconian new cyber and counter-terrorism laws have

³ For a good overview of China's growing tendency to resort to economic coercion, see Evan Feigenbaum, "Is Coercion the New Normal in Chinese Economic Statecraft?" *Macro Polo*, Jul. 25, 2017, <https://macropolo.org/coercion-new-normal-chinas-economic-statecraft/>.

⁴ Jessica Chen Weiss, *Powerful Patriots: Nationalist Protest in China's Foreign Relations* (New York: Oxford University Press, 2014).

⁵ On early communist China's attitude toward international law, see Hungdah Chiu, "Communist China's Attitude Toward International Law," *American Journal of International Law* 60, no.2 (1966): 245-267. On how this continues to partially condition China's attitude toward the law of the sea, see Iskander Rehman, *India, China, and Differing Conceptions of the Maritime Order* (Washington, DC: Brookings Institution, June 2017), <https://www.brookings.edu/research/india-china-and-differing-conceptions-of-the-maritime-order/>.

⁶ Simon Denyer, "China's President Takes Campaign for Ideological Purity Into Universities, Schools," *Washington Post*, Dec. 12, 2016, https://www.washingtonpost.com/world/chinas-president-takes-campaign-for-ideological-purity-into-universities-schools/2016/12/12/2395ec42-c047-11e6-b20d-3075b273feeb_story.html?utm_term=.bdc83c7c42cf.

further curtailed individual freedoms.⁷ By harnessing advances in big data, artificial intelligence, and facial recognition software, the Chinese state has considerably enhanced both its digital and physical surveillance capacities. It aims to export this dystopian suite of technological capabilities to fellow autocracies around the globe.⁸ In short, the environment has become one of greater domestic repression, of fear of ideological contamination, and of more overt hostility toward the U.S.-led alliance system in Asia.⁹

How, then, has the international community of China-watchers responded to this troubling evolution — to the collapse of the so-called “convergence myth,” and to the uncomfortable, nagging sensation that the West somehow “got China wrong,” or, in the words of a recent editorial in the *Economist*, that “the West has lost its bet on China?”¹⁰

The natural impulse is to reach for historical analogies. Human beings spontaneously engage in analogical thinking when confronted with particularly thorny conceptual challenges, “seeking and comparing patterns” and inferring abstract ideas from one domain before applying them to another.¹¹ In an effort to better gauge the trajectory of the Sino-U.S. relationship, American analysts have begun doing just that. China’s proprietary attitude toward the South and East China Seas has thus been described as a new form of “Monroe

⁷ Adrian Kenz, “China’s Domestic Security Spending: An Analysis of Available Data,” *China Brief* 18, no. 4 (2018), <https://jamestown.org/program/chinas-domestic-security-spending-analysis-available-data/>.

⁸ See Josh Chin and Clement Burge, “Twelve Days in Xinjiang: How China’s Surveillance State Overwhelms Daily Life,” *Wall Street Journal*, Dec. 19, 2017, <https://www.wsj.com/articles/twelve-days-in-xinjiang-how-chinas-surveillance-state-overwhelms-daily-life-1513700355>; and Jun Mai, “Ecuador Fights Crime Using Chinese Surveillance Technology,” *South China Morning Post*, Jan. 22, 2018, <http://www.scmp.com/news/china/diplomacy-defence/article/2129912/ecuador-fighting-crime-using-chinese-surveillance>.

⁹ Adam P. Liff, “China and the U.S. Alliance System,” *China Quarterly* 233 (2018): 137-165, <https://www.cambridge.org/core/journals/china-quarterly/article/china-and-the-us-alliance-system/1FF369905B4A8110DC8693A3C8A7857B>.

¹⁰ See Kurt M. Campbell and Ely Ratner, “How Beijing Defied American Expectations,” *Foreign Affairs* 97, no. 2 (2018): 60-71, <https://www.foreignaffairs.com/articles/united-states/2018-02-13/china-reckoning>; and “How the West Got China Wrong,” *Economist*, Mar. 1, 2018, <https://www.economist.com/news/leaders/21737517-it-bet-china-would-head-towards-democracy-and-market-economy-gamble-has-failed-how>.

¹¹ Douglas Hofstadter and Emmanuel Sander, *Surfaces and Essences: Analogy as the Fuel and Fire of Thinking* (New York: Basic Books, 2013).

Doctrine,” albeit with Chinese characteristics, and the past few years have borne witness to a steady stream of commentary that anxiously queries whether 21st century northeast Asia shares parallels to early 20th century Europe.¹² And as relations between Beijing and Washington have steadily deteriorated over the past decade, commentators have begun to question whether the United States and China now find themselves embroiled in a “new Cold War.”¹³

In order to consider the appropriateness of that analogy, this roundtable has convened a stellar group of Asia-watchers and historically minded scholars. The immediate reaction of most of our contributors was to reject any such comparison as misleading or overwrought. In their joint contribution, Tiffany Ma and Brian O’ Keefe, from *The Asia Group* and the *National Bureau of Asian Research* respectively, note that “despite the alluring simplicity of likening uncertainties in the present U.S. relationship with China to the zero-sum competition of the Cold War, significant differences make the analogy a poor fit.” Similarly, Michael Auslin of the Hoover Institution at Stanford University posits that the Cold War is a “misleading comparison” for the China-U.S. rivalry, and cautions that “adopting such a mindset overstates the threat China poses, confuses assessments of the challenge, and diverts Washington from crafting an appropriate strategy.”

In making this case, several contributors note that the Sino-U.S. trade relationship — which has skyrocketed from two billion dollars in 1979 to six hundred and thirty-six billion dollars per annum in 2017 — binds both nations within a complex web of economic interdependence, the likes of which never existed between the Western and Eastern blocs during the Cold War. China and the United States are certainly competing, notes Robert Ayson of Victoria University of Wellington, but “largely within the same system,” rather than within separate, “closed-off economic universes.”

¹² See, for example, John J. Mearsheimer, “Can China Rise Peacefully?” *National Interest*, Oct. 25, 2014, <http://nationalinterest.org/commentary/can-china-rise-peacefully-10204>; Edward N. Luttwak, *The Rise of China Versus the Logic of Strategy* (Cambridge, MA: Harvard University Press, 2012); and Robert Dujarric, “China is not Imperial Germany of the Twenty-First Century,” *South China Morning Post*, Jul. 25, 2014, <http://www.scmp.com/comment/article/1559046/china-not-imperial-germany-21st-century>.

¹³ Cary Huang, “Trump Versus China: Is This the Dawn of a New Cold War?” *South China Morning Post*, Feb. 18, 2018, <http://www.scmp.com/week-asia/geopolitics/article/2133344/trump-versus-china-dawn-second-cold-war>.

More importantly, China has “a stake in the international order, and has benefited from and advanced the benefits of globalization,” argues Elsa Kania of the Center for a New American Security, before stating that, “while China has not yet liberalized, it has arguably become more of a status quo power in certain respects, undertaking constructive engagement on international issues and institutions.” One could thus point to China’s proactive role in negotiating complex multilateral arrangements, such as the Joint Comprehensive Plan of Action or the Paris Climate Accord, and to its move toward taking on a leading role in peacekeeping and anti-piracy operations.¹⁴

Finally, and perhaps most obviously, the contemporary international system is not defined by a superpower duopoly, with both powers at the heart of competing alliance structures and universalistic systems of belief. Neither country is attempting to “bleed the other out” through a series of violent proxy wars, or to trigger a system-shattering turn in global affairs via the collapse of their adversary. As eminent Cold War historian Odd Arne Westad has noted, the Cold War was a “bipolar system of total victory or total defeat, in which neither of the main protagonists could envisage a lasting compromise with the other.”¹⁵

It would seem at first glance, therefore, that there is little value to be gained from drawing such historical comparisons. Perhaps — as Auslin, Ayson, and Kania in particular suggest — it could even prove harmful, as it could forestall the collective formulation of a more coherent grand strategy toward China, one better tailored to the nature of the threat. This would comport with the wry observation made by Richard Evans, a renowned British historian, who writes that, “when people try to use history, they often do so not in order to accommodate themselves to the inevitable, but in order to avoid it.”¹⁶ Even worse, repeatedly conjuring up the Cold War analogy could lead to “a self-fulfilling prophecy,” “entrenching strategic competition,” or playing into China’s deep-seated suspicions the United States seeks to enact a policy of containment in Asia.

¹⁴ See Rosemary Foot, “Doing Some Things in the Xi Jinping Era: The United Nations as China’s Venue of Choice,” *International Affairs* 90, no. 5, (2014): 1085-1100.

¹⁵ Odd Arne Westad, “Why This is Not a New Cold War,” *Foreign Affairs Snapshot*, Mar. 27, 2018, <https://www.foreignaffairs.com/articles/china/2018-03-27/has-new-cold-war-really-begun>.

¹⁶ Richard J. Evans, *In Defense of History* (New York: W.W. Norton & Company, 1998), 50.

Not so fast, says Kori Schake of the International Institute of Strategic Studies. The Cold War analogy may not be perfect, but it is “still useful for thinking about the threats a rising China poses to the United States.” One should not be too hasty in dismissing its relevance, and in so doing run the risk of throwing the grand strategy baby out with the Cold War bath water. We already know that the strategic history of the Cold War is a lot richer, less linear, and more variegated than common wisdom would suggest.¹⁷ Furthermore, Schake argues, “the circumstances our leaders are facing today do bear some interesting resemblances to the Cold War, especially the mid-1950s.” Then, as now, the United States was traversing a crisis in strategic self-confidence, and had been plunged into domestic disarray. Then, as now, American policymakers found themselves pitted against an authoritarian power whose rise seemed almost inexorable. Moreover, claims Schake, there is a certain virtue in strategic clarity, and the Cold War comparison “helps give a sense of proportion to what America faces. Identifying China as an adversary clarifies our thinking on the matter and suggests policy courses of action commensurate to the challenge.” This is particularly important with regard to military planning. Indeed, highly diversified threat environments, with little to no ordering of potential adversaries, can complicate strategic assessments and undermine political-military coordination.¹⁸

While our contributors may disagree on the overall usefulness of the Cold War analogy, all converge on the necessity to respond more coherently and decisively to a rapidly shifting balance of power in Asia. Although there will remain strong incentives on both sides for cooperation and conflict mitigation, the Sino-U.S. relationship has curdled into something more overtly rivalrous. Sheryn Lee of Macquarie University in Australia warns “We have already entered a new phase in Sino-U.S. relations, characterized by orthogonal conflict, playing out in cyber space, through gray zone coercion, and influence operations.” As these areas of competition expand, overlap, and begin to bleed into each other, warns Kania, the

¹⁷ See Odd Arne Westad’s magisterial new history of the Cold War, which explores its varied effects and manifestations over the decades and across multiple regional subsystems. Odd Arne Westad, *The Cold War: A World History* (New York: Basic Books, 2017).

¹⁸ See, for example, Emily O. Goldman, “Thinking about Strategy Absent the Enemy,” *Security Studies* 4, no.4 (1994): 40-85.

United States must “also be wary of the risks of misperception and potential miscalculation that arise within a classic security dilemma.”

Our roundtable participants differ somewhat on their assessment of the severity of China’s military threat. Auslin claims neither the United States or China are “militarily organized to defeat the other as its primary enemy,” but subsequently concedes that Beijing’s pursuit of anti-access and area-denial capabilities (A₂/AD) is geared toward neutering U.S. freedom of action and power projection in Asia. Lee expresses a high degree of confidence in America’s Third Offset Strategy, and believes its implementation will allow the U.S. military to preserve its technological and warfighting edge. Kania, however, warns that Chinese efforts to leapfrog its way forward in certain critical sectors — such as biotechnology and artificial intelligence — could allow it to “offset America’s current military-technological advantage in the Pacific and beyond.”

Interestingly, the roundtable participants also diverge on whether China constitutes a more redoubtable geopolitical challenger than the Soviet Union. For Kania, “across all dimensions of national power, China is a far more formidable rival than the Soviet Union or modern Russia,” whereas for Schake, present-day China has “nowhere near the soft power magnetism that communism did.” Ayson, for his part, points to China’s rather dismal-looking alliance portfolio, which pales in comparison to the diplomatic and military brawn of the Eastern bloc during the Cold War.

And in varying degrees, all of our contributors express concern over the potentially debilitating effects of deepening domestic disunion in the United States, and of the long-term risks associated with an abrogation of U.S. leadership on issues such as human rights and free trade.

Three short comments before ceding the floor to our contributors.

First, observers have a tendency to underestimate the weight of China’s ideological challenge — and, perhaps more broadly, to dismiss the time old appeal of authoritarianism even within well-established democracies.¹⁹ While the transatlantic debate on influence

¹⁹ See Aaron Friedberg, *The Authoritarian Challenge: China, Russia and the Threat to the International Liberal Order* (Tokyo: Sasakawa Peace Foundation, 2017), <https://www.spf.org/jpus->

operations has largely focused on Russia, “down under” it is Beijing’s nefarious activities that have garnered the most attention.²⁰ China’s Belt and Road Initiative (BRI) undoubtedly constitutes one of the most ambitious grand strategic designs in modern history.²¹ Looking beyond the more immediate concerns tied to debt traps and economic coercion, what political philosophy will undergird this monumental undertaking? Will this vast Eurasian circulatory system beat to the rhythm of Xi Jinping’s authoritarian heart, or will it be governed by the same rules and norms that have shielded the global commons from expropriation and enclosure since the end of World War II?

Second, there is an additional hazard nested within an overly casual use of the Cold War analogy. By framing the Sino-U.S. competition as a fundamentally bipolar struggle, it lends strength to Beijing’s position that the future of Asian politics should be determined at the G2 level, by a Sino-U.S. condominium. Our contributors rightly highlight the importance of second-ranking and middle powers in the Indo-Pacific, none of whom would be comfortable with such a prospect. As Charles Edel noted in an excellent, recent essay,

The G-2 model appeals to some U.S. policymakers because it seems to hold out the promise of one-stop shopping for stability. But it is a false promise, for other major Asian states — most notably Japan, Australia, and India — would never accede to an order that placed their independence, sovereignty, and ultimately security in a subservient position, and these states would justifiably resent the United States for seeming to suggest that they should.²²

[j/img/investigation/The_Authoritarian_Challenge.pdf](#); and *Sharp Power: Rising Authoritarian Influence* (Washington, DC: National Endowment for Democracy, 2017), <https://www.ned.org/sharp-power-rising-authoritarian-influence-forum-report/>.

²⁰ Jamil Anderlini and Jamie Smyth, “The West Grows Wary of China’s Influence Game,” *Financial Times*, Dec. 19, 2017, available at <https://www.ft.com/content/d3ac306a-e188-11e7-8f9f-de1c2175f5ce>.

²¹ For a seminal discussion of the BRI, see Nadege Rolland, *China’s Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative* (Seattle, WA: National Bureau of Asian Research, 2017).

²² Charles Edel, “Limiting Chinese Aggression: A Strategy of Counter-Pressure,” *American Interest*, Feb. 9, 2018, <https://www.the-american-interest.com/2018/02/09/limiting-chinese-aggression-strategy-counter-pressure/>.

Finally, if this roundtable has proven anything, it is that contemporary foreign policy discussions need *more* rather than less animated debates over the relevancy of different historical analogies. Hal Brands and William Inboden are right when they say that the only way to avoid being misled in the process is

to know enough history to understand that all analogies are imperfect, and that using them properly requires using them with great care and discipline. It requires pitting analogies against one another in competitive fashion, in order to see which is truly the better fit and in order to free policymakers from the trap of viewing the present through the lens of only a single historical comparison.²³

Let this analogical debate, therefore, constitute but one intellectual salvo amongst many in an ongoing struggle to provide robust, interdisciplinary analyses of some of the world's most pressing security issues.

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²³ Hal Brands and William Inboden, "Wisdom Without Tears: Statecraft and the Use of History," *Journal of Strategic Studies* (2018), <https://doi.org/10.1080/01402390.2018.1428797>.

2. Beware the Cold War Trap — It's a Geopolitical Competition, Instead

By Michael Auslin

A “new Cold War” is the latest fashion for describing the current state of Sino-American relations. Whether asserting that one is already underway or warning that one is imminent,²⁴ the phrase is popular with commentators and even the Chinese government itself.²⁵

It may indeed be natural to view the growing tensions between the world's two largest powers through the familiar dyadic prism that shaped American and Russian strategic thinking after 1945. Yet the Cold War is a misleading comparison for the geopolitical competition between the United States and China. Adopting such a mindset overstates the threat China poses, confuses assessments of its true challenge to U.S. interests, and diverts Washington from crafting an appropriate strategy. At its potentially most damaging, a Cold War paradigm can become a self-fulfilling prophecy. To say that Washington and Beijing are not in a Cold War-style dynamic, however, is not to deny that they are engaged in an intensifying, multilayered geopolitical competition for influence and power.

The differences between the Cold War and contemporary Sino-U.S. relations should be obvious enough. First, the Cold War was an ideological struggle between two diametrically opposed systems, each of which sought to defeat, if not exterminate, the other. While China is officially communist, and while under current leader Xi Jinping it has increased the ideological component of its propaganda, it does not have the destruction of capitalism and the takeover of foreign governments as its primary political goal. Neither is the United

²⁴ Russell Flannery, “Is a U.S.-China Cold War in the Cards?” *Forbes*, Apr. 3, 2018, <https://www.forbes.com/sites/russellflannery/2018/04/03/is-a-u-s-china-cold-war-in-the-cards/#24aa8adf2df5>.

²⁵ “China Accuses U.S. of ‘Cold War Mentality’ with New Nuclear Policy,” *Reuters*, Feb. 4, 2018, <https://www.reuters.com/article/uk-usa-nuclear-china/china-accuses-u-s-of-cold-war-mentality-with-new-nuclear-policy-idUKKBN1FOo2O>.

States committed to bringing down the Chinese government as a step towards destroying the remnants of global communism.

Second, China and the United States do not face each other militarily over a divided continent where travel between the two sides has been barred — as was the case between the United States and the Soviet Union in Berlin. Nor does China control a bloc of allied nations ruled by communist regimes that overthrew liberal governments. While China's police state is among the most powerful in the world, it does not lead an organized bloc of allied police states. Moreover, despite Beijing's growing military power and influence, Chinese troops are not stationed in foreign countries against local will, as was the case with the Soviet Union. While the militaries of the United States and China watch each other, often warily, and while war plans on both sides undoubtedly take into account all possible contingencies, neither country is militarily organized to defeat the other as its primary enemy.

It goes without saying that the United States and the Soviet Union had nothing remotely comparable to the trade relationship between the United States and China, which reached \$635 billion in 2017 (along with a \$375 billion trade deficit in favor of China).²⁶ This includes approximately \$68 billion in Chinese investment in the United States (in 2016), and the operation of hundreds of U.S. companies in China, along with more than \$75 billion in U.S. foreign direct investment in China.²⁷ In addition, nearly 330,000 Chinese students study in the United States, according to a recent report, which dwarfs the number of Soviets who attended American colleges in the Cold War era.²⁸ Nor is the political relationship between Washington and Beijing, comprising dozens of official and unofficial meetings and summits

²⁶ U.S. Census Bureau, "Trade in Goods with China." <https://www.census.gov/foreign-trade/balance/c5700.html>.

²⁷ Neil Gough, "Chinese Firm Takes Stake in U.S. Investment Bank Cowen," *New York Times*, Mar. 29, 2017, <https://www.nytimes.com/2017/03/29/business/dealbook/china-us-investment-bank-cowen.html>; "U.S. Relations with China," Bureau of East Asian and Pacific Affairs, U.S. Department of State, Sept. 13, 2017, <https://www.state.gov/r/pa/ei/bgn/18902.htm>.

²⁸ Stephanie Saul, "On Campuses Far From China, Still Under Beijing's Watchful Eye," *New York Times*, May 4, 2017. https://www.nytimes.com/2017/05/04/us/chinese-students-western-campuses-china-influence.html?_r=0.

each year, not to mention grassroots connections, comparable to the much more limited exchanges between the United States and the Soviet Union.

Beyond the statistics, however, is the fact that for a “cold war” to exist, both sides must acknowledge it as such. That is as much a function of mindset as it is of official policy. Thus, while the two countries’ militaries are increasingly concerned with the actions of the other, and while both capitals swing between engagement and periods of frosty relations, as far as we know, neither Washington nor Beijing formally considers the other to be an (or the) “enemy.”

Regardless of whether it is fair to say that the Sino-American relationship is today the most important in the world, it is undoubtedly one of the most complicated and well-developed, and is unlike anything that existed between the United States and the Soviet Union.

And yet, there is no denying that the overall Sino-U.S. relationship has deteriorated over the past decade, and that attitudes on both sides have become increasingly critical of the other. If Washington and Beijing are not in a cold war, they are quite clearly in an increasingly competitive relationship that is global in nature. Long gone are the days of musing about a “G-2” or “strategic partnership,” and few if any in Washington expect Beijing to become a “responsible stakeholder,” as advocated over a decade ago by then-Deputy Secretary of State Robert Zoellick.²⁹ Moreover, despite multiple iterations of the annual Strategic and Economic Dialogue — the highest level recurring diplomatic engagement between the two countries — little of substance has been achieved to reduce areas of friction or to create meaningful areas of cooperation, beyond the dialogue itself.

²⁹ See, for example, Robert Zoellick and Justin Yifu Lin, “Recovery: A Job for China and the U.S.,” *Washington Post*, Mar. 6, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/03/05/AR2009030502887.html>; 1999 Chinese Embassy statement at <http://www.china-embassy.org/eng/zmgx/zysj/zrjfm/t36212.htm>; and Zoellick speech, archived at <https://2001-2009.state.gov/s/d/former/zoellick/rem/53682.htm>.

Strategic Competition as Conventional Wisdom

The Pentagon warned about “strategic competition” from China as early as the George W. Bush era.³⁰ Nevertheless, the concept only gained government-wide traction when it was enshrined in President Donald Trump’s first *National Security Strategy*, released in December 2017. That document described China as a “revisionist power” that is actively competing against the United States in order to shift the balance of power in the Indo-Pacific region and supplant U.S. influence.³¹ The new common wisdom in Washington circa 2018 is that China, under President Xi Jinping, is a strategic competitor. Like much common wisdom, this view is largely correct.

Chinese competition has multiple facets, the foremost of which is its geographic scope. Not surprisingly, it is mostly focused in Asia proper, particularly in the region’s waters, or what is referred to as the “maritime commons.” Beijing both resents and feels threatened by Washington’s network of long-standing alliances, and aims above all at carving out a sphere for freedom of action within Asia that ensures its own access to the global maritime commons and pushes back direct military threats to its homeland. But radiating out from Eastern Asia are rippling waves of interest: the Indian Ocean, Siberia, the Persian Gulf, Africa, the Arctic Ocean, and Latin America. Chinese presence, engagement, and influence varies widely in these places, but no longer is there much doubt that Beijing desires to increase its role in each of these areas, whether it be for natural resources, transit routes, markets, or political support. Indeed, China often aims at overlapping goals, for example, by using infrastructure investment or foreign aid to secure political alliances or access to ports for Chinese civilian and military vessels alike.

³⁰ See, for example, U.S. Department of Defense, *Report to Congress: The Military Power of the People’s Republic of China 2005*, <http://archive.defense.gov/news/Jul2005/d20050719china.pdf>.

³¹ The White House, *The National Security Strategy of the United States*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>. For a representative analysis, see Timothy R. Heath, “America’s New Security Strategy Reflects the Intensifying Strategic Competition with China,” RAND Corporation, Dec. 27, 2017, <https://www.rand.org/blog/2017/12/americas-new-security-strategy-reflects-the-intensifying.html>.

With these geographic concerns in mind, Beijing has set out to challenge U.S. supremacy in Asia using a diverse array of policies and tactics. The buildup of the People's Liberation Army (PLA) is known well enough to need little comment here. Notable, however, is the adoption of an anti-access/area denial strategy (A2/AD), whose goal is to eliminate U.S. freedom of action in Asian waters during a crisis.³² From a largely coastal defense force in the 1980s, the PLA Navy (PLAN) now conducts blue water operations around the globe, and in particular throughout the Indo-Pacific maritime commons. Having launched its first aircraft carrier and introduced new series of both attack and ballistic missile submarines, along with introducing supersonic anti-ship cruise missiles and the DF-21 anti-ship ballistic missile, the PLA is aiming at becoming a high-tech, modernized, networked force that can compete with the U.S. Navy not only in numbers, but also in quality.³³

Similarly, the PLA Air Force is introducing new stealth fighter variants as well as advanced drones, in order to contest the skies of East Asia. It has also begun receiving the S-400 advanced integrated air defense missile system from Russia, adding to previous systems, thus making far more difficult any U.S. air operations over Chinese airspace.³⁴ And, in a military parade held just a few months after Donald Trump took office, Beijing showed off its newest intercontinental ballistic missiles, whose ranges can cover the entire continental

³² For an institutional study on the development of the People's Liberation Army, see Roger Cliff, *China's Military Power: Assessing Current and Future Capabilities* (Cambridge: Cambridge University Press, 2015); for up to date assessments of Chinese military strength, see the Department of Defense annual reports on Chinese military power, most recently, The Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, May 15, 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF. For A2/AD, see Andrew Krepinevich, Barry Watts, and Robert Work, *Meeting the Anti-Access and Area-Denial Challenge* (Washington, D.C.: Center for Strategic and Budgetary Analysis, 2003), <https://csbaonline.org/research/publications/azad-anti-access-area-denial/publication>. On the PLAN, see Ronald O'Rourke, "China's Naval Modernization: Implications for U.S. Navy Capabilities," Congressional Research Service, Apr. 25, 2018, <https://fas.org/sgp/crs/row/RL33153.pdf>.

³³ The best overview of recent weapons development is in The Department of Defense, *Annual Report to Congress, 2017*; see also "China's Naval Modernization," <https://fas.org/sgp/crs/row/RL33153.pdf>.

³⁴ Christopher Woody, "Russia Is Reportedly Shipping Its Advanced S-400 Anti-Aircraft Missile System to China," *Business Insider*, Jan. 19, 2018, <http://www.businessinsider.com/r-russia-starts-shipping-s-400-air-defense-missile-system-to-china-tass-cites-source-2018-1>.

United States.³⁵ The full scope of China's military modernization is captured in annual reports by the Pentagon, with the 2017 edition noting the wide ranging reorganization of the military ordered by President Xi Jinping, as well as the increase in Chinese military activities throughout Asia and farther abroad.³⁶ In short, Beijing continues to develop and modernize its military into an effective tool of national power, one that appears directed, at least in part, against American strengths and ability to operate in the Asia-Pacific region.

Competing Beyond the Military Realm

Beijing's geopolitical challenge transcends the military. Under Xi Jinping, Beijing has mounted significant political and economic initiatives designed to wrest influence from Washington. Perhaps best known is the so-called Belt and Road Initiative, or One Belt-One Road (OBOR), which Xi has made the centerpiece of his global economic agenda. At its most ambitious, OBOR will pledge as much as \$1 trillion for infrastructure investment around Eurasia, creating a new network of trade routes running from east to west, as well as north to south — all designed to integrate the world's largest trading region around a Chinese axis. With the Trump administration's abandonment of the Trans-Pacific Partnership free trade agreement, China's OBOR automatically increases in legitimacy, even if doubts persist over whether it will live up to its billing.

Along with OBOR, Beijing has established the Asian Infrastructure Investment Bank to compete with the Japanese-managed Asian Development Bank and the U.S.-run World Bank, thereby offering a nascent financial architecture separate from the Western-dominated system that has shaped the global economy since 1945. When combined with Xi's 2017 claim at the World Economic Forum that China will uphold the global free trade regime, Beijing is making a bold bid to supplant U.S. global leadership on economic issues, though skepticism abounds.³⁷

³⁵ Steven Jiang, "China Shows Off Newest Weapons in Huge Military Parade," *CNN.com*, Jul. 30, 2017, <https://www.cnn.com/2017/07/30/asia/china-military-parade/index.html>.

³⁶ The Department of Defense, *Annual Report to Congress*, 2017.

³⁷ Xi's speech can be found at http://www.china.org.cn/node_7247529/content_40569136.htm.

One dimension of the current Sino-U.S. geopolitical competition that has gotten relatively less attention than others is espionage. While all nations spy on one another in some manner, the cloak-and-dagger battle between China and the United States appears to have become particularly intense. Recent news reports of Chinese spies arrested in the United States, including a suspected mole who helped China's security services dismantle America's spy network inside China, purportedly leading to several executions, point to the increasing amount of dangerous interactions.³⁸ In 2016, Chinese agents kidnapped an American State Department officer in Chengdu and held him overnight for illegal questioning without informing the U.S. Consulate.³⁹ Meanwhile, at least two other Americans were charged with spying for China in 2017, one a former CIA officer and the other a State Department employee.⁴⁰

In addition, the Director of the FBI has warned that Chinese spies are posing as exchange students to gain access to leading American universities and research institutes and pass back cutting-edge research to the mainland.⁴¹ The most consequential, pervasive, and endemic espionage activity may be that which is taking place in cyberspace. For years, PLA cyber units have been stealing corporate secrets from hundreds of companies, leading experts to assess that Chinese cyber espionage costs the U.S. economy up to \$600 billion per year.⁴² Beijing was also accused by the U.S. government of breaching the confidential

³⁸ Among other reports, see Adam Goldman, "Ex-C.I.A. Officer Suspected of Comprising Chinese Informants Is Arrested," *New York Times*, Jan. 16, 2018, <https://www.nytimes.com/2018/01/16/us/politics/cia-china-mole-arrest-jerry-chun-shing-lee.html>.

³⁹ Ali Watkins, "China Grabbed American As Spy Wars Flare," *Politico*, Oct., 11, 2017, <https://www.politico.com/story/2017/10/11/china-spy-games-espionage-243644>.

⁴⁰ See Josh Gerstein, "Ex-CIA Officer Charged with Spying for China," *Politico*, June 22, 2017, <https://www.politico.com/story/2017/06/22/kevin-mallory-ex-cia-officer-arrested-spying-china-239877> and Joseph Tanfani, "U.S. Diplomat Arrested, Accused of Conspiracy with Chinese Intelligence Agents," *Los Angeles Times*, Mar., 29, 2017, <http://www.latimes.com/politics/la-na-china-state-spy-20170329-story.html>.

⁴¹ Tim Johnson, "FBI Says Chinese Operatives Active at Scores of U.S. Universities," *McClatchy News*, Feb. 14, 2018, <http://www.mcclatchydc.com/news/nation-world/national/national-security/article199929429.html>.

⁴² The leading cyber espionage report, by Mandiant Corporation, can be found at <https://www.fireeye.com/content/dam/fireeye-www/services/pdfs/mandiant-apt1-report.pdf>; for assessments of economic costs, see The Commission on the Theft of American Intellectual Property, "Update to the IP Commission Report," National Bureau of Asian Research, 2017, http://www.ipcommission.org/report/IP_Commission_Report_Update_2017.pdf.

records of the Office of Personnel Management, stealing the information of more than 22 million U.S. citizens, including those with government-issued security clearances.⁴³ Clearly, Beijing's systematic targeting of American individuals, corporations, and government entities reveals an aggressive intent to weaken and disrupt elements of U.S. society.

Nor is China's competition with the United States limited to its dealings with the United States. The most contested aspect of Sino-U.S. relations may well be the question of how the region's smaller powers align strategically. Beijing's trade relations with smaller nations are increasingly seen as a means of gaining influence, using foreign aid as a means of securing political support and access to strategic ports throughout Asia. OBOR, meanwhile, seeks to link smaller states ever more closely to China, with potentially deleterious effects for U.S. trade relations in the region.

Asia's smaller states have long made clear that they do not want to be caught in between China and the United States, let alone be forced to choose sides. In reality, both Beijing and Washington have limits on how far they can push smaller countries. There is no likelihood of Washington forming a NATO-like regional security organization, even if it wanted to. It must instead continue to rely on its "hub-and-spoke" model of bilateral security alliances in the region. Similarly, despite China's dominant economic position in Asia, it continues to find resistance to its increasing influence. Beijing is rightly seen as an often-overbearing actor — its very size makes smaller nations wary of its power.

Washington is so far unwilling to promote a more robust liberal agenda in Asia, or explicitly call for greater cooperation among democracies. This leaves it focused primarily on security issues, and also constrained by the limits of its allies' more modest capabilities. For its part, Beijing has little to say to the region's democracies beyond promoting trade, while its illiberal partners, such as North Korea, Laos, and Cambodia, are weak, isolated, and largely irrelevant. This leaves most smaller nations in Asia the option of maneuvering between Washington and Beijing for their own interests, variously prioritizing economics, politics, or security. The fear of entrapment by either great power is a major driving factor in the

⁴³ Ellen Nakashima, "Hacks of OPM Databases Comprised 22.1 Million People, Federal Authorities Say," *Washington Post*, July 9, 2015, https://www.washingtonpost.com/news/federal-eye/wp/2015/07/09/hack-of-security-clearance-system-affected-21-5-million-people-federal-authorities-say/?utm_term=.26db6f1dcfa5.

policies of smaller nations, and so most attempt to remain equidistant between the two. For America's allies, the calculation is more complicated because they must take into account their treaty obligations without alienating Beijing. Australia and the Philippines, in particular, have struggled with maintaining that balance, given their dependence on Chinese economic ties.

Competition Doesn't Mean Cold War

Perhaps above all, Asian nations want to avoid a new cold war. Any attempt to portray Sino-U.S. competition in such terms deeply concerns most Asian capitals, even Japan, which is probably the most hawkish of U.S. allies. Such a formulation is counterproductive, as well as objectively misleading. Adopting a Cold War paradigm to explain contemporary Sino-U.S. relations would logically lead to attempts to organize Asian countries in a formal bloc against Beijing, which will fail, and to contain China, which will lead to a dangerous deterioration of the relationship.

Instead, Washington should continue to recognize that it is engaged in a persistent, open-ended strategic competition with China for influence in Asia and beyond. Holding the line against a weakening of America's role in Asia should be paramount. Preserving a credible American military posture in the region that includes responding to Chinese aggressive actions such as cyber espionage should also be a priority, as much to send a signal to Beijing as to protect U.S. interests. The competition for ideas should be a part of U.S. policy as well, and ought to include promoting further democratization in the region (or at least trying to prevent further democratic erosion), as well as promoting the benefits of high-level free trade agreements that can help foster prosperity.

Yet such a policy approach does not require labeling China as an "enemy," let alone a global ideological rival. The interdependence of both countries' economies, as well as certain, if limited, shared goals on issues like climate change, means that there will be some opportunities for cooperation. With Xi Jinping now seemingly positioned to stay in power indefinitely, the United States must maintain a firm line against China while approaching

the relationship from a position of strength.⁴⁴ Such steadfastness may in turn cause China to moderate some of its more aggressive behavior, though any short-term change in China's political system is highly unlikely. Beijing sees the competition with Washington as a long game. U.S. policymakers should adopt a similar mindset without creating a self-fulfilling prophecy of great power conflict.

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3. Competition Aplenty, But No Cold War

By Robert Ayson

It's not difficult to envision a future where the competitive side of Sino-U.S. relations overshadows its cooperative dimension. Since the early days of the Barack Obama administration, if not before, it has become clear that the more China translates its economic power into diplomatic and military influence, the more that the United States will seek counteractive measures.

For the Donald Trump administration, such measures have relied on America's military superiority, especially in the Asia-Pacific region. By giving less weight to trade and diplomatic multilateralism than its predecessor, the Trump approach downplays the

⁴⁴ "China Scraps Presidential Term Limits, Clearing Way for Xi's Indefinite Rule," *Bloomberg News*, Mar. 11, 2018, <https://www.bloomberg.com/news/articles/2018-03-11/china-ties-future-to-xi-as-congress-scraps-president-term-limits>.

collaborative possibilities in America's relationship with China. And because it places such a strong emphasis on military power, the new administration is making contentious interactions between the two countries all the more likely.

Primed for Competition

To be sure, any competitive relationship takes at least two sides to tango. There is no question that China would like to have the dominant position in wider Asia, an ambition that threatens America's long-standing estimation of its own vital interests. For many years that prospect has seemed out of reach. But China's growing strength and influence, coupled with a ruler who wishes to more confidently assert Beijing's preferences abroad, brings it closer to realizing its goal of gaining a position of regional leadership.

Ever sensitive to the changing balance of power with the United States, Beijing may have seen Donald Trump's arrival in Oval Office as an opportunity to exploit, even if this meant heightening the risks of competition. In an era when the U.S. president is tarnishing America's hard-won international reputation, the argument that China lacks soft power appeal needs re-evaluating. Xi Jinping's grandiose claim that China is the new champion of economic globalism⁴⁵ is an example of Chinese messaging that attracts while Trump repels. Meanwhile, China's Belt and Road Initiative (BRI) reflects a more upbeat vision of Asia's future than America's abandonment of the Trans Pacific Partnership.

Between Xi Jinping's regional ambitions and several near-term decisions facing the United States, the chance that competition between the two countries will intensify is increasing. If, for example, the Trump administration follows through on the president's threats to impose tariffs on Chinese goods,⁴⁶ economic competition could escalate. And if Kim Jong-Un disappoints Trump in their pending summit meeting, and the United States takes provocative military action against North Korea following dashed expectations of

⁴⁵ Noah Barkin and Elizabeth Piper, "China's Xi Positions Himself as Champion of Globalization at Davos," *Huffington Post*, Jan. 17 2017, https://www.huffingtonpost.com/entry/china-xi-globalization-davos_us_587e705be4b0c147fobb6fc4.

⁴⁶ Edward Alden, "The Trump Tariffs on China: A Perilous Moment," *CFR Blog*, Mar. 22 2018, <https://www.cfr.org/blog/trump-tariffs-china-perilous-moment>.

denuclearization, the United States and China could come into direct conflict on the Korean Peninsula for the first time in nearly 70 years. Counterintuitively, even if the White House decides not to use preventive force against North Korea, avoiding that war would make it more likely that Washington and Beijing compete more intensely over other contested spots. In the South China Sea, for instance, China wishes to reduce America's military reach and the United States wishes to avoid the further extension of Beijing's expanding assertions of control.

China and the United States are also wrestling diplomatically. China has been trying to persuade America's allies and partners in Asia that they might be better off distancing themselves from Washington. South Korea and the Philippines come to mind as examples of this effort in North and Southeast Asia, respectively. Both are traditional U.S. allies, and both have seen China attempt to use a combination of charm and coercion to peel them away from the United States. There is also some element of ideological competition between China and the United States. The former is showing developing countries that they do not need to be democratic to be rich, while at the same time the leader of the free world appears to regard democracy as overrated.

The cooperative aspects of Sino-U.S. relations, which in theory could encourage mutual restraint and a positive sum outlook, are more fragile and narrowly based than the issues that engender competition between China and America. The two great powers certainly have some common economic interests, and have both benefited from the economic interdependence that exists between them. Growing trade and financial ties between the United States and China have raised the costs of conflict between them. But close economic connections are no guarantee of peace: Europe's powers were, after all, highly interdependent in 1914.

Paradoxically, the economic interactions that have allowed China to flourish have also allowed it to change the distribution of power in a region where the United States wishes to remain preeminent. Moreover, as Japan's relations with China demonstrate, very close economic connections can coexist with serious diplomatic and military tensions.

There are other dimensions in which Beijing and Washington have interests in common. Both would like to prevent third parties from provoking local conflicts that could drag in either country. One example is the Sino-U.S. *modus vivendi* when it comes to Taiwan: Both great powers have indicated to Taipei that pressing for independence is not an option. Despite some early wobbles,⁴⁷ President Trump has not upset the status quo on Taiwan, but many in Washington would like to see him take a firmer line with Beijing.⁴⁸

More immediately significant are the overlapping but also competing interests that the United States and China bring to the situation with North Korea. In the early months of the Trump administration, the new president was willing to give Beijing the benefit of the doubt when it came to helping the international community reign in North Korea's nuclear and ballistic missile program. But he has also shown signs of impatience with Xi's reluctance to apply the totality of economic pressure on North Korea — something Washington wants and Beijing would rather avoid.

Cold, but not a War

With plenty of competition ahead between the United States and China, and with obstacles strewn in the path toward deeper collaboration, it seems reasonable to wonder whether these two great powers are sliding into a Cold War. But this bilateral contest — even if it becomes increasingly severe — should not be mistaken as the 21st century version of the east-west conflict that dominated the post-World War II world until the collapse of the Soviet Union.

There are several reasons why the Cold War analogy is misplaced. First of all, China is competing with the United States largely within the same system. As the Cold War intensified in the 1950s and early 1960s, by contrast, the centralized economies of the Soviet bloc represented an entirely alternative system to the capitalist west. Can China's BRI and

⁴⁷ Tom Phillips et al., "Trump's Phone Call with Taiwan Risks China's Wrath," *Guardian*, Dec. 3, 2016, <https://www.theguardian.com/us-news/2016/dec/03/trump-angers-beijing-with-provocative-phone-call-to-taiwan-president>.

⁴⁸ Patrick Temple-West, "GOP Pressures Trump on Taiwan as China Issues Threats," *Politico*, Feb. 2, 2018, <https://www.politico.com/story/2018/02/02/china-taiwan-trump-republicans-386449>.

Asia Infrastructure Investment Bank be viewed as alternatives to U.S. and western-led approaches? Yes, they can. But do they suggest that Beijing is abandoning its western capitalist connections? Not so much.

Smaller liberal countries like New Zealand, which are participating in these new arrangements, do not see themselves as signing up to an entirely separate Chinese sphere of economic influence. To the contrary, the New Zealand government insisted it would not be part of TPP negotiations if the aim was to exclude or contain China.⁴⁹ Far too many Asia-Pacific countries wished U.S. and Chinese approaches to regional economics were complementary. They know that China may be seeking to rework some of the rules of the international game, but it is by no means clear that Beijing is trying to create an entirely separate one. That's because China has benefited significantly from the international order that it is sometimes accused of seeking to dismantle.

Another reason the Cold War analogy is inappropriate is that Beijing does not hold the same position that Moscow and Washington once enjoyed. At the height of the Cold War, the United States and the Soviet Union sat at the apex of the Western and Eastern blocs respectively. Their highly unequal relations with allies is a reminder that the Cold War dominated international politics not merely because of the existence of the two superpowers, but because so many other states were on one side or another. Even the non-aligned movement — which sought to eschew choosing sides — was defined in relation to that divide.

Today's China has nothing like the Soviet bloc at its disposal. Several of its neighbors, especially in continental Southeast Asia, are accommodating China's rise and are willing to acknowledge its local dominance. Beijing would like to expand that group to include maritime Southeast Asia and potentially beyond. Much further afield, China has developed close relations with a number of developing countries, including several African states that

⁴⁹ "New Zealand gov't rejects TPP China containment: trade minister," *Global Times*, June 30, 2015,

http://www.xinhuanet.com/english/2015-06/30/c_134369400.htm.

rely extensively upon its aid and investment.⁵⁰ But these are not Marxist-Leninist-Maoist look-alikes. China wants its friends and partners to tolerate the political system it has developed for itself. But it is not engaged in a revolutionary campaign to entice them to copy China's one-party state. China's rule is a negative one: Don't criticize or interfere in China's politics. It encourages inaction rather than the adoption of a particular ideologically driven political system.

What's more, China lacks allies who are willing — or, as was the case with the Soviet Union, required — to be part of a Beijing-led military coalition. China has no equivalent to the Warsaw Pact, whose imposed unity encouraged the creation of the alliance standoff with what became the North Atlantic Treaty Organization (NATO). China does have a partner in Russia. The two have a shared interest in diluting America's primacy in world affairs and in encouraging a multipolar world, where possible. Russian leaders are also keen to protect the country's brand of authoritarian politics against the decadent appeal of Western liberalism. And yet, it is easy to overstate the unity between Beijing and Moscow. We cannot take seriously the idea that they speak with one voice, still less that Russia is willing to submit to China's direction, or vice versa.

One might be forgiven for superficially comparing China's encroachment on the South China Sea to the Soviet Union's Cold War efforts in Eastern Europe. Beijing is creating new facts on the "ground" in maritime Asia,⁵¹ and new ground on which those facts can be built. But most of this is happening on hitherto unpopulated — or legally non-existing — features that China claims as part of its own sovereign territory. There is no bloc being built here. China may have satellite *dishes* in the South China Sea, but it has no satellite *countries*. Some governments in maritime Southeast Asia may have little choice but to put up with China's spreading presence. But this does not make them Chinese allies or even willing puppets. So what does Beijing's great answer to the Soviet bloc of the Cold War consist of?

⁵⁰ Irene Yuan Sun, Kartik Jayaram, and Omid Kassiri, *Dance of the Lions and the Dragons*, McKinsey and Company, June 2017, [https://www.mckinsey.com/~media/McKinsey/Global Themes/Middle East and Africa/The closest look yet at Chinese economic engagement in Africa/Dance-of-the-lions-and-dragons.ashx](https://www.mckinsey.com/~media/McKinsey/Global%20Themes/Middle%20East%20and%20Africa/The%20closest%20look%20yet%20at%20Chinese%20economic%20engagement%20in%20Africa/Dance-of-the-lions-and-dragons.ashx).

⁵¹ "Comparing aerial satellite images of China's Spratly Outposts," Asia Maritime Transparency Institute, Feb. 16, 2018, <https://amti.csis.org/comparing-aerial-satellite-images-chinas-spratly-outposts/>.

North Korea? Cambodia? Pakistan on alternate days? Not Iran — Tehran is too independent for that. Not Turkey if China needs dutiful partners. It's an awfully short list.

Turning to the United States, for all of its traditional allies in Europe and Asia, it can hardly boast of leading a tight and cohesive western bloc today. To help create a new Cold War, Washington would need to frighten its prospective allies about the threat from China to the point where they were willing to suspend their independence for the sake of the team. But there is little sign of this happening, especially under the Trump administration.

If the new Cold War adversary is really China, European countries are showing absolutely no appetite for a Soviet era type of containment. Indeed, they have been falling over themselves to economically court Beijing and dilute their criticisms of China's human rights record. In turn, China has been increasing its economic and political influence with a series of smaller European states.⁵² But this doesn't mean these polities are completely on China's side in a wholesale division of the planet.

In Asia, Washington would find it hard to gather allies that would be willing to treat China as a threat that needs to be contained. Nor would many countries in the region be willing to separate themselves from the motley crowd of China supporters. The Obama Administration's experience with its "pivot to Asia" proved this point. To the extent that the rebalance worked in Washington's favor, it built links with newer partners who were unwilling to definitively choose the United States over China, but who still wanted America to balance China's growing influence. The Trump administration, and its successors, will struggle in vain to find a bloc of countries willing to walk away from lucrative relationships with China.

Regarding the military factor, which is the Trump administration's focus, any possible anti-China coalition would be very small: It might include Japan, although Tokyo seems interested in developing its own independent capacities to use force in order to give itself more options should Washington prove unreliable. It's possible Australia would join such a

⁵² Laurens Cerulus and Jakob Hanke, "Enter the Dragon," *Politico Europe*, Oct. 9, 2017,

<https://www.politico.eu/article/china-and-the-troika-portugal-foreign-investment-screening-takeovers-europe/>.

coalition, although the southern anchor of the American alliance system in Asia has been reluctant to join U.S. freedom of navigation operations, which doesn't bode well for its cooperation.⁵³ Who else is ready and able? Singapore simply couldn't function without strong commercial ties with China. If America adopts a Cold War mentality in Asia, its list of loyal followers would be small.

Beware a Hot War

We shouldn't spend too much of our time worrying about the dangers of a new Cold War between the United States and China. But we do have reason to be worried about the possibilities of a hot war. If the olive branch extended by North Korea to South Korea and the United States proves to be full of thorns, Washington would find itself back in an increasingly dangerous standoff with Pyongyang. The use of force by either country could have dramatic implications for the United States and China: not in the form of a new Cold War or some kind of peaceful coexistence that mirrors detente, but in a military battle. The task for countries in the region, therefore, is not to help China and the United States avoid a Cold War. It is to keep them from ending Asia's lukewarm peace.⁵⁴

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⁵³ James Laurenceson, "Will Australia Join South China Sea FONOPs? Don't Count on It," *Asia Unbound*, Mar. 2, 2017, <https://www.cfr.org/blog/will-australia-join-south-china-sea-fonops-dont-count-it>.

⁵⁴ Rosemary Foot, "China and the United States: Between Cold and Warm Peace", *Survival* 51 No. 6 (2009): 123-146.

4. Beyond Cold War: Paradigms for U.S.-China Strategic Competition

By Elsa B. Kania

Beijing has long called for the United States to abandon what it calls its “Cold War mentality” (冷战思维). Today, that critique, long a staple of official Chinese propaganda, is starting to ring true as the United States once again emphasizes great power rivalry in identifying China as a strategic competitor.⁵⁵ The notion of a “new Cold War” may be a convenient conceptual framework for the intensifying competition between the United States and China, but Washington should indeed abandon Cold War prescriptions for containing China. At best, such an approach would play directly into the hands of China’s propaganda machine. Instead, the United States must recognize that China’s ambition for what it describes as “national rejuvenation” constitutes a challenge that eclipses the Cold War in both complexity and consequence.

An Unrivaled Challenger

Across all dimensions of national power, China is a far more formidable rival than the Soviet Union or modern Russia. For better and worse, China’s quest for “national rejuvenation” — with ambitions to “regain its might and re-ascend to the top of the world” — has already started to shift the world order’s center of gravity.⁵⁶ China’s emergence as an economic powerhouse, enabled by its integration into the global economy, has created both positive dividends and negative externalities for the United States and the world. Its quest to become a “superpower” in science and technology could enable China to emerge as a new center of innovation, including in biotechnology, artificial intelligence, and quantum

⁵⁵ Department of Defense, “Summary of the National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Advantage,” <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>; The White House, *National Security Strategy of the United States of America*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

⁵⁶ See, for instance: “Commentary: Milestone Congress points to new era for China, the world,” *Xinhua News Agency*, Oct. 24, 2017, http://www.xinhuanet.com/english/2017-10/24/c_136702090.htm.

technologies. Meanwhile, the Chinese military is pursuing rapid modernization and defense innovations that could offset — rather than match, as the Soviet military did — America’s current military-technological advantage in the Pacific and beyond.

There is no clear precedent for the challenge that China poses today. In particular, the level of economic interdependence between China and the United States, which has often been mutually beneficial, further complicates matters, since such entanglement can be exploited to asymmetric advantage. Certain Chinese policies and practices — particularly tactics for transferring technology that range from outright theft of intellectual property to forced technology transfers — have proven damaging to U.S. interests and distortionary to global trade.⁵⁷ At the same time, mastery of economic statecraft has given China greater influence, even over U.S. allies and partners. China has also sought to expand its sphere of influence, just as a rising United States asserted the Monroe Doctrine. But China’s ambitions already are very global in scope and scale, stretching from Asia to the Arctic.⁵⁸ Going forward, China’s defense of its ever-growing national interests may mean that its influence — and perhaps even its military power — will extend in parallel.

Relative to the Cold War, the ideological dimension of this competition has been less obvious thus far, but it may prove to be a considerable challenge going forward. At a time when U.S. soft power is diminished,⁵⁹ global public opinion of the United States and China is now similarly positive, while favorable perceptions of China have increased considerably.⁶⁰ Despite the clumsiness of Chinese propaganda, the success of the “China

⁵⁷ For a full accounting, see: Office of the United States Trade Representative Executive Office of the President, “Findings of the Investigation into China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation under Section 301 of the Trade Act of 1974,” Mar. 22, 2018, https://ustr.gov/sites/default/files/Section_301_FINAL.PDF.

⁵⁸ Anne-Marie Brady, *China as a Polar Great Power*, (Cambridge University Press, 2017).

⁵⁹ Joseph Nye, “Donald Trump and the Decline of American Soft Power,” *Project Syndicate*, Feb. 6, 2018, <https://www.project-syndicate.org/commentary/trump-american-soft-power-decline-by-joseph-s--nye-2018-02>. For contrast, on Chinese sharp power, see: “Sharp Power: Rising Authoritarian Influence,” National Endowment for Democracy, Dec. 5, 2017, <https://www.ned.org/sharp-power-rising-authoritarian-influence-forum-report/>.

⁶⁰ “In global popularity, U.S. and China – not Russia – vie for first,” Pew Research Center, Aug. 23, 2017, <http://www.pewresearch.org/fact-tank/>.

model” has rendered its approach attractive to illiberal and developing states, at a time when global faith in democracy is diminishing precipitously. A recent study estimated that nearly three in ten Americans would support an “authoritarian alternative” to democracy.⁶¹ Meanwhile, traditional instruments of Chinese Communist Party (CCP) power, including such “magic weapons” as the United Front Work, have been reinvigorated to advance influence and often even interference in the politics of democracies from Australia to Peru, furthering Party-State interests.⁶² While their efficacy can be limited, the global deployment of such tools has provoked acute concerns about the “sharp power” of authoritarian influence worldwide.⁶³ This kind of “political warfare” has a long history,⁶⁴ and countering it requires forced transparency that exposes and counters these “covert, corrupt, coercive” activities, while strengthening the resilience of our democracies.⁶⁵

Perils of Cold War Thinking

Given these challenges, the United States may be tempted to revert to an established playbook of containment. After all, the Soviet Union also pursued a sphere of influence within its near abroad, and U.S. containment proved effective in preventing it from

⁶¹ Lee Drutman, Larry Diamond, and Joe Goldman, “Follow the Leader: Exploring American Support for Democracy and Authoritarianism,” Voter Study Group, March 2018, <https://www.voterstudygroup.org/publications/2017-voter-survey/follow-the-leader>.

⁶² Peter Mattis, “What We Talk About When We Talk about Chinese Communist Party Interference in the Public Square,” *War on the Rocks*, Mar. 7, 2018, <https://warontherocks.com/2018/03/talk-talk-chinese-communist-party-interference-public-square/>; Anne Marie Brady, “Magic Weapons: China’s political influence activities under Xi Jinping,” Wilson Center, Sept. 18, 2017, <https://www.wilsoncenter.org/article/magic-weapons-chinas-political-influence-activities-under-xi-jinping>;

Alex Joske, “Beijing Is Silencing Chinese-Australians,” *New York Times*, Feb. 6, 2018, <https://www.nytimes.com/2018/02/06/opinion/beijing-chinese-australians-censorship.html>;

“Sharp Power: Rising Authoritarian Influence,” National Endowment for Democracy, Dec. 5, 2017, <https://www.ned.org/sharp-power-rising-authoritarian-influence-forum-report/>.

⁶³ “Sharp Power.”

⁶⁴ Mark Stokes and Russell Hsiao, “The People’s Liberation Army General Political Department Political Warfare with Chinese Characteristics,” Project 2049, Oct. 14, 2013, https://www.project2049.net/documents/PLA_General_Political_Department_Liaison_Stokes_Hsiao.pdf.

⁶⁵ John Garnaut, in personal capacity, “Testimony to US House Armed Services Committee,” Mar. 21, 2018, <https://docs.house.gov/meetings/AS/ASoo/20180321/108048/HHRG-115-ASoo-Wstate-GarnautJ-20180321.pdf>.

extending such influence globally. However, in today's complex, globalized world — in which economics is China's primary means of influence — such a strategy is unlikely to prove feasible, let alone successful. In particular, an attempt to disentangle the U.S. and Chinese economies — or even simply to cut such a Gordian knot — could be deeply damaging to the United States and highly disruptive to the world economy. Although Xi Jinping's efforts to position himself as a champion of free trade should be met with serious skepticism, it is true that China has a stake in the current order and has benefited from globalization. While China has not yet liberalized politically as a result of its deepening integration into the international order, it has arguably become more of a *status quo* power in certain respects, increasing its involvement in international issues and institutions, in response to U.S. urgings that it become a “responsible stakeholder.”⁶⁶

Moreover, were the United States to revert to a “Cold War mentality,” concentrating primarily on countering and containing China's economic resurgence and expanding influence, it might only accelerate the emergence of a more Sino-centric world order. A U.S. decision to pursue tactics that risk alienating U.S. allies and partners — such as imposing indiscriminate tariffs — could backfire. In reaction, Beijing's attempts to create an alternative institutional architecture, including the creation of the Asian Infrastructure Investment Bank (AIIB), may achieve greater traction, possibly at the expense of more U.S.-centric institutions, like the World Bank.⁶⁷ At the same time, Beijing's “One Belt, One Road” initiative aims to accelerate the emergence of a more Sino-centric order by reshaping the geopolitics and economics of Eurasia.⁶⁸ If U.S. actions, such as import tariffs, raise the specter of protectionism, it could increase the relative attractiveness of the economic opportunities that China promises, notwithstanding the strings that will likely be attached. It is still possible for the United States to confront China on its anti-competitive behavior,

⁶⁶ For an extensive consideration of this debate (that illustrates that these debates have remained ongoing over decades), see Alastair Iain Johnston, “Is China a Status Quo Power?,” *International Security* 27, no. 4 (Spring 2003):5–56,

https://www.belfercenter.org/sites/default/files/files/publication/johnston_spring_2003.pdf.

⁶⁷ For more on AIIB, see, for instance, the following report: Scott Morris, “Responding to AIIB,” Council on Foreign Relations, Sept. 1, 2016, <https://www.cfr.org/report/responding-aiib>.

⁶⁸ For a deeper analysis of these issues, see Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative*, National Bureau of Asian Research, May 2017, <http://www.nbr.org/publications/issue.aspx?id=346>.

by enacting aggressive industrial policies, for example, and to exert pressure for deeper regulatory changes that are favored by some reformers within China.⁶⁹

The perils of a Cold War approach to China are most acute in the military domain. The more the United States flexes its military muscles in Asia, the more it will inadvertently bolster Beijing's narrative that U.S. "hegemonism," rather than Chinese assertiveness,⁷⁰ is to blame for exacerbating regional tensions.⁷¹ U.S. strategy must ensure that any further military presence in the region is balanced by greater security cooperation with allies and partners. And, perhaps more critically, the United States must engage economically, including a reconsideration of the merits of joining the Trans-Pacific Partnership. As U.S.-China military competition intensifies — from the seas to space to the cyber domain — the United States must also be wary of the risks of misperception and potential miscalculation that can arise within a classic security dilemma.⁷² At the same time, the United States must avoid falling into the trap of overinvesting in the military dimension of competition and neglecting other core sources of strength, lest it find itself making the same mistakes that undermined the Soviet Union during the Cold War.⁷³

U.S. strategy toward China must balance and reconcile concurrent competition and cooperation. In particular, it is critical to engage with China in order to mitigate risks to strategic stability that may arise. This includes deepening the military-to-military relationship between the United States and China, for example, through the new joint

⁶⁹ Scott Kennedy, "Surviving March Madness in U.S.-China Trade Relations," CSIS, Mar. 28, 2018, <https://www.csis.org/analysis/surviving-march-madness-us-china-trade-relations>.

⁷⁰ Alastair Iain Johnston, "How new and assertive is China's new assertiveness?" *International Security* 37, no. 4 (2013): 7-48. Chen, Dingding, Xiaoyu Pu, and Alastair Iain Johnston, "Debating China's assertiveness," *International Security* 38, no. 3 (2014): 176-183.

⁷¹ For one typical take in Chinese state media, see, for instance: "U.S.-called freedom of navigation is hegemonism in disguise," *Xinhua*, Nov. 19, 2015, http://www.xinhuanet.com/english/2015-11/19/c_134833546.htm+&cd=2&hl=en&ct=clnk&gl=us.

⁷² Robert Jervis, "Cooperation under the security dilemma," *World Politics* 30, no. 2 (1978): 167-214.

⁷³ It would be ironic if the United States were to become the victim of its own techniques of competitive strategy, which Chinese leaders may have studied more closely.

strategic dialogue mechanism.⁷⁴ The realities of rivalry should not undermine joint efforts to mitigate shared threats, from North Korea to cyber crime to climate change. Increasingly, it may become difficult to justify sustaining such cooperation unless tangible outcomes arise from it. It is therefore important to begin where shared threats and interests converge, and to focus on systemic challenges that cannot be resolved without the involvement of the world's most powerful and vulnerable stakeholders. For instance, the United States and China were the two nations most adversely impacted by the WannaCry ransomware outbreak in May 2017,⁷⁵ which has since been attributed to North Korea.⁷⁶ In the case of the Mirai botnet, vulnerabilities in Chinese Internet of Things (IoT) devices enabled its creation and the launching of massive Distributed Denial of Service (DDoS) attacks that caused major disruption to the Internet.⁷⁷ Future U.S.-China cooperation to counter high-end cyber crime and enhance IoT security could prove viable and mutually beneficial. It is clear that such global issues and systemic challenges cannot be readily resolved without cooperation.

Rivalry and Rejuvenation

Going forward, the United States should not fear, but rather must embrace, cooperation with China as a catalyst for an “American rejuvenation.” While aspects of a Cold War paradigm may be applicable to this strategic competition, U.S. strategy should instead articulate a new vision that accounts for the complexity of U.S.-China competition and cooperation in a chaotic and uncertain world. In the process, the United States must

⁷⁴ “U.S., Chinese Military Leaders Sign Agreement to Increase Communication,” DOD News, Aug. 15, 2017, <http://www.jcs.mil/Media/News/News-Display/Article/1278963/us-chinese-military-leaders-sign-agreement-to-increase-communication/>.

⁷⁵ “Tens of thousands of Chinese firms, institutes affected in WannaCry global cyberattack,” *South China Morning Post*, May 15, 2017, <http://www.scmp.com/news/china/policies-politics/article/2094377/tens-thousands-chinese-firms-institutes-affected>.

⁷⁶ “Press Briefing on the Attribution of the WannaCry Malware Attack to North Korea,” Dec. 19, 2017, <https://www.whitehouse.gov/briefings-statements/press-briefing-on-the-attribution-of-the-wannacry-malware-attack-to-north-korea-121917/>.

⁷⁷ “Chinese firm admits its hacked products were behind Friday’s DDOS attack,” *Computerworld*, Oct. 23, 2016, <https://www.computerworld.com/article/3134097/security/chinese-firm-admits-its-hacked-products-were-behind-fridays-ddos-attack.html>.

recognize and reaffirm its commitment to its core values and enduring advantages — the vibrancy of its democracy, the freeness and openness of its society, and the dynamism of its innovation ecosystems. And yet, America must not take these strengths for granted, at a time when there are troubling indicators of democratic breakdown,⁷⁸ a resurgence of hatreds and prejudice that is antithetic to U.S. values,⁷⁹ and inadequate investment in the technologies that will shape America’s future.⁸⁰ As China pursues its national rejuvenation, the United States must undertake its own revitalization — fortifying its democratic institutions; battling the demons of hatreds both old and new; and embracing new frontiers of innovation, including through concentrating on education, openness to immigration, and sustained funding for basic scientific research. At a time of crisis and anxiety, the United States must rise to the challenge of an ascendant China.

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⁷⁸ Steven Levitsky and Daniel Ziblatt, “This is how democracies die,” *Guardian*, Dec. 21, 2018, <https://www.theguardian.com/us-news/commentisfree/2018/jan/21/this-is-how-democracies-die>; Steven Levitsky and Daniel Ziblatt, *How Democracies Die*, (New York: Crown, 2018).

⁷⁹ For more context, see Heidi Beirich and Susy Buchanan, “2017: The Year in Hate and Extremism,” Southern Poverty Law Center, Feb. 11, 2018, <https://www.splcenter.org/fighting-hate/intelligence-report/2018/2017-year-hate-and-extremism>; See also David Sterman, “Terrorism in America After 9/11,” *New America*, <https://www.newamerica.org/in-depth/terrorism-in-america/what-threat-united-states-today/>; For a recent case, see: Kelly Weill, “Suspected White Supremacist Died Building ISIS-Style Bombs,” *Daily Beast*, Apr. 12, 2018, <https://www.thedailybeast.com/suspected-white-supremacist-died-building-isis-style-bombs?ref=home>.

⁸⁰ Report by the MIT Committee to Evaluate the Innovation Deficit, “The Future Postponed: Why Declining Investment in Basic Research Threatens a U.S. Innovation Deficit,” Apr. 2015, <https://dc.mit.edu/sites/default/files/Future Postponed.pdf>.

5. Are the U.S. and China really in a new Cold War? A view from the region

By Sheryn Lee

Has the Cold war returned? Yes, if we are to believe current media and policy discussions about the state of Sino-U.S. relations.⁸¹ Meanwhile, in response to American plans to expand its strategic reach in Asia, Beijing has repeatedly accused Washington of a “Cold War” mentality and of misreading Chinese military modernization.⁸² Parallels have been drawn to the bipolar and openly antagonistic relationship between the United States and the Soviet Union, with some comparing U.S. policy in Asia to “containment” and arguing that bipolarity is returning once again to global politics. According to this theory, the post-Cold War period of American unipolarity is declining, a rising China will not “subordinate itself to Pax Americana,” and the ensuing Sino-U.S. strategic competition will divide the international order.⁸³

However, despite the seemingly appealing description of another Cold War-type clash of ideologies, there are several problems with using that era of bipolarity as a template for understanding current Sino-U.S. affairs. The Cold War was an extreme form of strategic competition that divided the globe into two ideological poles. It was openly antagonistic in political, ideological, economic, and military terms, leading to proxy wars and a nuclear arms race. In contrast, U.S. relations with China are far more complex and Asia’s changing regional

⁸¹ See for instance, Geoff Dyer, “US v China: is this the new cold war,” *Financial Times*, Feb. 21, 2014, <https://www.ft.com/content/78920b2e-99ba-11e3-91cd-00144feab7de>; and Yan Xuetong, “Trump can’t start a Cold War with China, even if he wants to,” *Washington Post*, Feb. 6, 2018, https://www.washingtonpost.com/news/worldpost/wp/2018/02/06/china-trump/?utm_term=.cacebe146b78.

⁸² “China accuses US of ‘Cold War mentality’ with new nuclear policy,” *Reuters*, Feb. 8, 2018, <https://www.reuters.com/article/usa-nuclear-china/china-accuses-us-of-cold-war-mentality-with-new-nuclear-policy-idUSL4N1PU01X>.

⁸³ See Christopher Layne, “The US-Chinese power shift and the end of Pax Americana,” *International Affairs* 94, no. 1 (January 2018): 89-111; Randall Schweller, “Opposite but Compatible Nationalisms: A Neoclassical Realist Approach to the Future of US-China Relations,” *The Chinese Journal of International Politics* 11, no. 1 (March 2018): 23-48; and Øystein Tunsjø, *The Return of Bipolarity in World Politics: China, the United States, and Geostuctural Realism* (Ithaca: Cornell University Press, 2018).

balance of power is nowhere near settled. And despite labelling China a “strategic competitor” in its 2018 *National Defense Strategy*,⁸⁴ the United States has not actively sought to contain China, nor has it contested China’s every military advancement, as it did the Soviet Union. We should therefore resist the urge to apply stark terminology to what is, in reality, a complex Sino-U.S. relationship that continually fluctuates between cooperation and conflict.

The Art of the Deal

One of the key dimensions of the Cold War was the clash of ideology between the communist Soviet Union and the democratic West. Although there is a clash of values between the United States and China today, it is not polarized to the same degree. The 2018 *National Security Strategy* argues that China and Russia “are determined to make economies less free and less fair, to grow their militaries, and to control information and data to repress their societies and expand their influence.”⁸⁵ But if the United States is competing for influence, China and Russia are less damaging to its efforts than the overall posture of the Trump administration. With the pending introduction of trade tariffs, the commitment to increase its defense expenditure and military capabilities, and the alleged collusion of some members of President Donald Trump’s team with Russia during the 2016 election campaign the United States is damaging its soft power. Trump has openly praised strongmen such as Xi Jinping, Vladimir Putin, Tayyip Erdogan, Abdel Fattah el-Sisi, and Rodrigo Duterte. He has also reduced the emphasis of human rights in U.S. foreign policy, ended U.S. leadership on climate change, and undermined the “rules-based” global order the United States effectively built and has maintained over many decades. Indeed, as some eminent U.S. political scientists have argued, there has been an “underlying erosion of democratic norms” in America since the 1990s of which Trump is merely a symptom.⁸⁶ Trump’s “fiery, populist

⁸⁴ U.S. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America*, January 2018, 1, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

⁸⁵ The White House, *National Security Strategy of the United States of America*, December 2017, 2, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

⁸⁶ Interview with Uri Friedman, “How’s Democracy Holding Up After Trump’s First Year,” *Atlantic*, Jan. 13, 2018, <https://www.theatlantic.com/international/archive/2018/01/trump-democracy-ziblatt-levitsky/550340/>.

nationalism” challenged American internationalism and espoused a return to isolationism and protectionism.⁸⁷

It is no surprise, then, that interpersonal relations between Trump and President Xi Jinping have been warm. In fact, Trump was the only Western leader who expressed sympathy for Xi’s moves to becoming “President for life,” and the White House refused to criticize China for removing the two-term limit on its presidency. Both leaders are symptomatic of their political systems and both have transactional approaches to international relations. “Chairman” Xi has effectively ended China’s era of “collective leadership” and created a cult of personality similar to Mao, this time based on the “Chinese Dream” slogan. Similarly, Trump claims to “drain the swamp” in order to “Make America Great Again.” These programs of national rejuvenation are based on economic nationalism and the pursuit of national interests. This is not the “intense competition between rival political ideologies” that unfolded during the Cold War that affected the “global distribution of power among states.”⁸⁸ Moreover, it is important to remember that Sino-U.S. relations have only been recast by Trump in the past year — previously Beijing and Washington maintained cooperation on the key issues of global economic growth, climate change, and nuclear security.

What could upend the Trump-Xi friendship is not a clash of liberal and authoritarian ideologies but rather a clash of economic policies — in essence, the “deal-based order” both leaders have promoted. Trump seeks to preserve the American economic might that has financed American military superiority and underpinned the U.S.-led global order since the end of the Cold War. The United States has played a key role in China’s economic development as the largest purchaser of Chinese products and through technology transfer agreements. Trump seeks to overturn this by following through on his campaign promise of reducing China’s trade surplus with the United States, including employing protectionist measures. His administration is seeking to impose tariffs on up to \$60 billion of Chinese imports, namely information technology, apparel, and consumer electronics, as redress for

⁸⁷ Hal Brands, “US Grand Strategy in an Age of Nationalism: Fortress America and its Alternatives,” *The Washington Quarterly* 40, no. 1 (Spring 2017): 74-75.

⁸⁸ Stephen M. Walt, “I Knew the Cold War. This Is No Cold War,” *Foreign Policy*, Mar. 12, 2018, <https://foreignpolicy.com/2018/03/12/i-knew-the-cold-war-this-is-no-cold-war/>.

Chinese intellectual property theft and unfair trade practices.⁸⁹ On the other hand, Beijing has repeatedly vowed to defend its “legitimate rights and interests.” In reaction to Trump’s declaration of a 25 percent tariff on steel imports, China’s metal industry urged the government to target U.S. coal and other sectors located in Trump’s electoral support base.⁹⁰ Nevertheless, the possibility of a “trade war” is not tantamount to the emergence of Cold War bipolarity.

There Is no Arms Race

During the Cold War, American containment of the Soviet Union prevented it from using “the power and position it won from [the Second World War] to reshape the postwar international order.”⁹¹ Consequently, the democratic West and communist East structured both their conventional and nuclear armed forces in relation to one another. The interaction between arms acquisition programs resulted in increases in the size and destructive capabilities of their militaries. This was “punctuated by several intense nuclear crises, an arms race in which each side accumulated tens of thousands of powerful hydrogen bombs, and proxy wars in which *millions* died.”⁹²

China is on a trajectory to threaten America’s position in Asia, but it is not there yet. In Asia today, much regional and U.S. concern stems from annual increases in Chinese defense expenditure and the rapid transformation of the People’s Liberation Army (PLA), which also involves the reorganization of its strategic command structures. However, China’s defense spending has never exceeded 2 percent of GDP, nor has the PLA achieved parity to the technological sophistication of U.S. armed forces, particularly in modern command and control (C4ISR) systems. What’s more, China’s long-term military modernization does not

⁸⁹ Takeshi Kawanami, “US set to hit China with tariffs up to \$60bn over intellectual property theft”, *Nikkei Asian Review*, Mar. 14, 2018, <https://asia.nikkei.com/Politics-Economy/International-Relations/US-set-to-hit-China-with-tariffs-up-to-60bn-over-intellectual-property>.

⁹⁰ “China metal producers urge Beijing to retaliate on US tariffs,” *Reuters*, Mar. 9, 2018, <https://www.reuters.com/article/us-china-trade-steel/china-metal-producers-urge-beijing-to-retaliate-on-u-s-tariffs-idUSKCN1GL01O>.

⁹¹ John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War*, 2nd edn, (Oxford: Oxford University Press, 2005), 4.

⁹² Walt, “I Knew the Cold War.”

begin and end with combating America's presence in Asia. Its military modernization — particularly upgrades to its naval and associated air capabilities — has been an ongoing political and strategic process driven by several overlapping impulses. Starting in the 1970s, China recognized the potential strategic and economic value of controlling its maritime approaches, which had been largely ignored under Mao Zedong.⁹³ Realizing this aspiration has involved a drastic realignment of its traditional force structure — expanding from its previous exclusive focus on homeland defense to include both territorial defense and expeditionary duties.⁹⁴

Although Washington's focus has now shifted towards recognizing China as a “strategic competitor,” the American military retains a global force posture in order to meet global deployment requirements, meaning its capability development is driven by more than just the PLA. America's armed forces pursue qualitative military modernization and innovation to maintain technological superiority. This is done in a cost-effective way to ensure that advanced weapons acquisitions have a lasting effect not just on American security commitments in Asia, but also its global “command of the commons.” Although the PLA is eroding American regional capabilities in anti-submarine warfare (ASW) and ballistic missile defense, American *Third Offset Strategy* technologies — such as quantum machine learning, artificial intelligence-human collaboration, and network enabled autonomous weapons — are presumably not only far ahead of the PLA's military transformation but also able to counter the ability of American adversaries to disrupt the C4ISR network that is central to modern American warfighting.⁹⁵

⁹³ Daniel M. Hartnett, “China's Evolving Interests and Activities in the East China Sea,” in *The Long Littoral Project: East China and Yellow Seas—A Maritime Perspective on Indo-Pacific Security*, ed. Michael A. Devitt and Catherine K. Lea (Alexandria: Center for Naval Analyses, September 2012), 83-86.

⁹⁴ Timothy R. Heath, “Developments in China's Military Force Projection and Expeditionary Capabilities,” Testimony presented before the U.S.-China Economic and Security Review Commission, Jan. 21, 2016, <http://www.rand.org/pubs/testimonies/CT450.html>.

⁹⁵ Robert Martinage, *Toward a New Offset Strategy: Exploiting US Long-Term Advantages to Restore US Global Power Projection Capability* (Washington DC: Center for Strategic and Budgetary Assessments, 2014), 34, <https://csbaonline.org/research/publications/toward-a-new-offset-strategy-exploiting-u-s-long-term-advantages-to-restore>.

Coping with Change

It is unlikely that changes in the regional balance of power will result in the emergence of bipolarity on the order of what existed between the United States and the Soviet Union. Regional observers have long lamented the lack of a credible Asia policy due to Washington's polarized partisanship and stagnant economy. This began well before Trump's impulsive policy decisions — the region criticized George W. Bush's prioritization of the Global War on Terror over his commitment to Asia, and asked the Obama administration whether the regional "pivot" or "rebalance" would ever become a reality. Consequently, countries such as Japan, Australia, India, and South Korea have long been preparing for the worst-case scenario of Asia "Without America."⁹⁶ Although Sino-U.S. relations are now framed as a "strategic competition," its effect on Asia is markedly different than that of Cold War bipolarity.

On the one hand, American allies and partners remain invested in the bilateral system of "hubs and spokes," as well as the complex network of minilateral arrangements and regional forums meant to maintain the delicate regional stability. Countries are diversifying their foreign policies through minilateral initiatives, ranging from attempts to reinvigorate "The Quadrilateral" — the United States, Japan, India, and Australia — to the proliferation of enhanced security and strategic partnership bilateral agreements between the "spokes." In addition, despite Trump's withdrawal from the Trans-Pacific Partnership (TPP), the remaining 11 countries signed an amended agreement in March 2018, expressing a commitment to ratifying an "effective, rules-based and transparent trading system."⁹⁷

On the other hand, nation-states tend to act in their own national interests before they act for the collective good of the region. Therefore, coping with changes to the regional balance of power has also resulted in increased investment in self-reliant defense capabilities. This makes for a more uncertain and contested geostrategic environment, increasing the risk of miscalculation and misadventure. Countries such as Japan, South Korea, Taiwan, and Vietnam are modernizing blue water power projection, ASW, and maritime constabulary

⁹⁶ Hugh White, "Without America: Australia in the New Asia," *Quarterly Essay* 68 (Black Inc, 2017).

⁹⁷ Australian Government, "Trans-Pacific Partnership Agreement," Department of Foreign Affairs and Trade, Mar. 8, 2018, <http://dfat.gov.au/trade/agreements/tpp/news/Pages/news.aspx#tpp-news-20180308>.

capabilities. Countries such as Japan and South Korea are also manufacturing indigenous defense technologies that capitalize on technology transfer agreements with the United States, with the long-term objective of decreasing the reliance on foreign purchases. These efforts should not be viewed as enhancing collective security or containment strategies by like-minded countries against China. They are neither coordinated nor integrated with one another. Responses to China's actions, moreover, are varied, a key example being the South China Sea. Vietnam has invested in land reclamation and militarization activities on its occupied islands in the South China Sea.⁹⁸ Australia has resisted calls for conducting freedom of navigation operations in the area, citing that it would "unilaterally provoke an increase in tensions,"⁹⁹ while the Philippines has eschewed multilateral discussions and opted to negotiate bilaterally with China to resolve its dispute in the West Philippine Sea, despite its favorable ruling at the U.N.-backed Permanent Court of Arbitration.¹⁰⁰

Cold War 2.0?

The debate about whether the current state of Sino-U.S. competition is a repeat of the Cold War reflects the uncomfortable uncertainty in predicting the outcomes of the next transformation in the balance of power. It is unsurprising, then, that the debate looks to the history of hegemonic power transition for answers. And history suggests that peaceful power transitions are rare and the odds are not good for the U.S.-Sino case.¹⁰¹ This guiding framework and the Trump administration's emphasis on economic nationalism and a "zero-sum" approach only reinforces the current trend to focus on the conflictual aspects of this relationship and to draw stark conclusions.

⁹⁸ "Vietnam builds up its remote outposts," *CSIS Asia Maritime Transparency Initiative*, Aug. 4, 2017, <https://amti.csis.org/vietnam-builds-remote-outposts/>.

⁹⁹ Australian Foreign Minister Julie Bishop quoted in Lisa Murray, "Foreign Minister Julie Bishop won't provoke in the South China Sea," *Australian Financial Review*, Mar. 8, 2018, <http://www.afr.com/news/politics/world/foreign-minister-julie-bishop-wont-provoke-in-the-south-china-sea-20180308-hox7nr>.

¹⁰⁰ Liu Zhen, "China, Philippines to set up negotiation mechanism to resolve South China Sea disputes," *South China Morning Post*, Oct. 22, 2016, <http://www.scmp.com/news/china/diplomacy-defence/article/2038993/china-philippines-agree-set-negotiation-mechanism>.

¹⁰¹ See Kori Schake, *Safe Passage: The Transition from British to American Hegemony* (Cambridge: Harvard University Press, 2017).

But the United States and China are *not* in a new Cold War. Instead, they are locked in a strategic competition that is becoming fiercer but is constrained by an understanding that each needs the each other, and that pursuing “defeat” would simply be too costly. This does not mean that serious conflict between the two is impossible. The Taiwan Strait, the East China Sea, and the South China Sea disputes loom large in this respect. But their competition is not a total struggle on a global stage. This is good news. The bad news, however, is that we have already entered a new phase in Sino-U.S. relations characterized by orthogonal conflict, playing out in cyber space, through “gray zone” coercion, and influence operations. The West has realized it “got China wrong.”¹⁰² But a Cold War paradigm does not get China right.

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6. A New Era of Major Power Competition, Not a New Cold War

By Tiffany Ma and Brian O’Keefe

As China continues to pursue an ambitious agenda for its long-term economic and political rise, Washington has openly acknowledged that some of Beijing’s aspirations challenge its fundamental interests in the Asia-Pacific. Despite the alluring simplicity of likening uncertainties in the present U.S. relationship with China to the zero-sum competition of the Cold War, significant differences make the analogy a poor fit. The reality is that the United

¹⁰² “How the West got China wrong,” *Economist*, Mar. 1, 2018, <https://www.economist.com/news/leaders/21737517-it-bet-china-would-head-towards-democracy-and-market-economy-gamble-has-failed-how>.

States and China are more interconnected, and the current international system is more complex, than at any point during the Cold War. Looking back at the Cold War may situate current dynamics in a broader historical context, and the analogy may offer certain insights. But it is dangerous to confuse the past with the great power competition — as well as the elements of cooperation — that are currently playing out in the Indo-Pacific region.

Cold War Criteria

Despite the pervasiveness of the term “cold war” in discussions about great power relations today, it is important to recognize that the period from 1945 to 1991 grew out of a unique confluence of twentieth-century disasters with lingering nineteenth-century tensions between capitalism and socialism.¹⁰³ The United States and Soviet Union were the last powers standing after two world wars and the Great Depression. Facing one another’s nearly equal power and antithetical worldviews, each “side” embraced its ideology in identity-laden terms, casting itself as virtuous and its opponent as dangerous and depraved. The two superpowers lived largely separate lives. They did not trade, and they maintained few significant political linkages. Under the totality of their competing visions, each took steps that threatened the existence of not just the other’s society but of the entire world. Because the confrontation eventually spanned the globe, less powerful states were inevitably drawn in, sometimes unwillingly.

Any attempt to characterize the current relationship between China and the United States as a new Cold War would need to fulfill several criteria. First, it would require a strongly bipolar distribution of power, in which other states are pulled toward one of the two roughly equal poles. Second, the superpowers and those aligned with them would need to be living essentially disconnected lives from those aligned opposite them, save perhaps shared membership in a few major international institutions. Third, China and the United States would have to pursue zero-sum policies against one another across all issues of mutual concern, not just military policies. And finally, each side would need to be so sensitive to the military balance between them that signs of an arms race would emerge, posing perilous risks to humanity.

¹⁰³ Odd Arne Westad, *The Cold War: A World History* (Basic Books, 2017).

How does the Sino-U.S. relationship fare according to these four measures? Not very well. With respect to bipolarity and the alignments of smaller states, China does not compare to the Soviet Union, which controlled an array of client states that made it possible to wage proxy wars against the United States. Today, the United States maintains defense treaties with dozens of states throughout the Asia-Pacific, Europe, and the Americas,¹⁰⁴ while China counts only North Korea as an ally. Moreover, since the fall of the Cold War bipolar order and the triumph of American preeminence, the world has gradually been moving toward a multipolar structure. Power in the region is distributed more diffusely than it was during the Cold War¹⁰⁵ — a trend only partly driven by China’s rise.

China and the United States do not live separate existences, as was the case with the United States and the Soviet Union. Elements of cooperation and interdependence have in fact featured in U.S. policy toward China since the Nixon administration, from Cold War alignment against the Soviet Union to jointly tackling climate change in the 21st century. Today, China is the United States’ top trading partner, with bilateral trade in goods alone reaching an all-time high of nearly \$636 billion in 2017,¹⁰⁶ and two-way foreign direct investment flows likewise achieving record levels of more than \$60 billion in 2016.¹⁰⁷ An unprecedented 329,000 Chinese students studied in the United States in 2017,¹⁰⁸ and in 2014, the number of U.S. students in China surpassed 100,000.¹⁰⁹ The Cold War saw nothing of the sort. What’s more, cooperation between China and the United States has broadened

¹⁰⁴ United States Department of State, U.S. Collective Defense Arrangements, <https://www.state.gov/s/l/treaty/collectivedefense/>.

¹⁰⁵ National Intelligence Council, *Global Trends 2025: A Transformed World* (U.S. Government Printing Office, 2008), [https://www.dni.gov/files/documents/Newsroom/Reports and Pubs/2025_Global_Trends_Final_Report.pdf](https://www.dni.gov/files/documents/Newsroom/Reports%20and%20Pubs/2025_Global_Trends_Final_Report.pdf).

¹⁰⁶ United States Census Bureau, Top Trading Partners - December 2017, <https://www.census.gov/foreign-trade/statistics/highlights/top/top1712yr.html> - total.

¹⁰⁷ Thilo Hanemann, Daniel H. Rosen, & Cassie Gao, “Two-Way Street: 2017 Update: US-China Direct Investment Trends,” Rhodium Group & The National Committee on U.S.-China Relations, May 2017, <http://us-china-fdi.com/static/downloads/2017Update.pdf>.

¹⁰⁸ Stephanie Saul, “On Campuses Far from China, Still under Beijing’s Watchful Eye,” *New York Times*, May 4, 2017, https://www.nytimes.com/2017/05/04/us/chinese-students-western-campuses-china-influence.html?_r=0.

¹⁰⁹ US-China Strong Foundation, <http://uschinastrong.org/initiatives/1-million-strong/>.

across a range of issues, including space, cyber, conservation and wildlife, and counterterrorism. Military-to-military engagement has also matured over the decades, including direct exchanges at the senior and staff levels, a growing number of confidence-building measures, and Chinese participation in the U.S.-led Rim of the Pacific naval exercises.¹¹⁰

China is also far more integrated into a variety of international institutions than the Soviet Union ever was. It participates with the United States in premier multilateral bodies including the International Monetary Fund, the World Trade Organization (WTO), the G20, and the Asia Pacific Economic Cooperation. China also contributes to U.N. peacekeeping operations. The significance of China's record in these entities is a subject of debate given its complicated history — including the fact that the People's Republic of China was not “present at the creation” of key institutions. Yet the point remains that Beijing has been seen as a partner in resolving difficult international challenges in a way that Moscow never was.

Third, while the United States and China differ in their economic and political systems, they have not, since the normalization of relations, let ideology define their relationship. China has not sought to export its ideology as the Soviet Union did, aggressively, during the Cold War. Of course, Xi Jinping recently stated that China's experience could offer other countries “a new option” for development without concomitant pressure to reform politically.¹¹¹ And some scholars have dubbed China's economic model *sui generis* and an existential threat to trade multilateralism and the centrality of the WTO.¹¹² Nonetheless, talk of a so-called “Beijing Consensus” seems overplayed.¹¹³ Beijing remains a beneficiary of

¹¹⁰ Roy D. Kamphausen with Jessica Drun, “Sino-U.S. Military-to-Military Relations,” in “U.S.-China Relations in Strategic Domains,” Travis Tanner & Wang Dong, eds., National Bureau of Asian Research, Special Report, no. 57, April 2016, 103–118, http://www.nbr.org/publications/specialreport/pdf/sr57_us-china_april2016.pdf.

¹¹¹ Xi Jinping, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era,” Work Report of the 19th Party Congress, Oct. 18, 2017, http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf, 9.

¹¹² Mark Wu, “The ‘China, Inc.’ Challenge to Global Trade Governance,” *Harvard International Law Journal* 57, no. 2 (Spring 2016): 261–324.

¹¹³ Scott M. Kennedy, “The Myth of the Beijing Consensus,” *Journal of Contemporary China* 19, no. 65

the liberal international economic order shaped by Washington, and the United States and its partners possess the multilateral means to address Chinese practices should they collectively choose to utilize them.

While ideological differences between the United States and China do not mirror Cold War spheres of influence, political differences and geopolitical ambitions are deepening competition in other ways. Xi Jinping's vision, as sanctioned by party elites, is leading to a more assertive foreign policy agenda and a more prominent role for Beijing on the world stage. In its actions and rhetoric, China has begun to shape and challenge its external environment. This is particularly evident in the South China Sea land reclamation activities,¹¹⁴ the expansive Belt and Road Initiative,¹¹⁵ Beijing's efforts to alter the cross-strait status quo,¹¹⁶ and Xi's declaration that China will "take an active part in reforming and developing the global governance system."¹¹⁷ Moreover, Beijing's goal of national rejuvenation reflects a desire to increase China's power and status — although, as with the Cold War analogy, one should not rush to equate the Chinese Communist Party's present aspirations to those of some bygone imperial era.

Like the Cold War, the military domain features prominently in U.S.-China relations. During the Cold War, an arms race was driven by the desire to sustain military and technological parity. The specter of conflict and escalation to nuclear war meant that both sides' militaries and national security apparatuses were postured for direct confrontation. For the United States and China, similar concerns exist, yet neither views the other as its singular security concern. In its most recent national security strategy,¹¹⁸ the United States

(June 2010): 461–477.

¹¹⁴ See "Imagery," Maritime Awareness Project, National Bureau of Asian Research, maritimeawarenessproject.org/gallery/imagery/.

¹¹⁵ Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative* (National Bureau of Asian Research, 2017).

¹¹⁶ Abraham Denmark, "China's Increasing Pressure on Taiwan," *Asia Dispatches*, Jan. 30, 2018, <https://www.wilsoncenter.org/blog-post/chinas-increasing-pressure-taiwan>.

¹¹⁷ Xi, Work Report of the 19th Party Congress, 54. See also, "Xi Calls for Reforms on Global Governance," *Xinhua*, Sept. 28, 2016, http://www.xinhuanet.com/english/2016-09/28/c_135720719.htm.

¹¹⁸ The White House, *National Security Strategy of the United States of America*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905-2.pdf>.

prioritizes major power competition with both China and Russia in addition to other threats. For Beijing's part, unification with Taiwan has been and continues to be the main focus of PLA planning and modernization, and China has prepared for U.S. intervention through asymmetric means.¹¹⁹ Accidental escalation between the United States and China over regional hotspots is certainly conceivable. However, both countries have strong incentives to avoid unwarranted escalation — both lack the capacity and constituencies for major conflict.¹²⁰

The character of strategic stability also differentiates the Sino-U.S. security relationship from Cold War dynamics. Strategic stability in the Cold War context largely referred to arms race stability and crisis stability. In the Sino-U.S. context, the concept of strategic stability is more expansive, including new factors, such as mutual vulnerability and interdependence, and new strategic domains.¹²¹ In addition, strategic stability may function on several levels, including regional balance, strategic nuclear force balance, and the overall bilateral relationship.¹²² A broader definition of strategic stability acknowledges complexities in the U.S.-China relationship that did not exist between the United States and the Soviet Union. A more nuanced understanding of strategic stability recognizes that stability could be affected by increased tensions across a range of different issues — and, conversely, that more potential avenues exist for strengthening stability as well.

¹¹⁹ Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2017* (Washington, D.C., May 15, 2017),

https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

¹²⁰ Timothy R. Heath & William R. Thompson, "U.S.-China Tensions Are Unlikely to Lead to War," *National Interest*, Apr. 30, 2017, <http://nationalinterest.org/feature/us-china-tensions-are-unlikely-lead-war-20411?page=show>.

¹²¹ Thomas Fingar & Fan Jishe, "Ties that Bind: Strategic Stability in the U.S.-China Relationship," *Washington Quarterly* 36, no. 4 (Fall 2013): 125-138, https://aparc.fsi.stanford.edu/sites/default/files/TWQ_13Winter_Fingar-Jishe.pdf; Eric Jacobson & Phil Goldstein, "Emerging Challenges in the China-US Strategic Military Relationship," Center for Global Security Research Workshop Report, Lawrence Livermore National Laboratory, May 8, 2017, <https://e-reports-ext.llnl.gov/pdf/881654.pdf>.

¹²² International Security Advisory Board, "Maintaining U.S.-China Strategic Stability," Oct. 26, 2012, <https://www.state.gov/documents/organization/200473.pdf>.

What Sino-U.S. Competition Means

The current state of Sino-U.S. relations is competitive. However, that competition is occurring between interlinked economic and geopolitical partners and is more likely to play out within international institutions and rules than through proxy wars. Managing this type of geopolitical competition is a more complex task than outright containment or conflict in the traditional sense, because the two powers are neither friends, given the level of strategic distrust, nor foes, given the high degree of interdependence. Nor are they equals. The United States has clear advantages that have been generated by its “long-standing lead in the development and deployment of new technologies, and the unmatched ability of its huge and dynamic economy to carry the costs of military primacy.”¹²³ While the overall future of the U.S.-China relationship is still highly uncertain, three specific trends are relatively clear.

First, cooperation between China and the United States will become more difficult to pursue systematically. China’s integration into the international system suggests that some level of cooperation with the United States is conducive to both sides’ interests and economic growth. However, rhetorical tensions are building, and the United States is retreating from traditional tenets of trade and diplomacy, potentially risking harm to the very international institutions it has long championed.¹²⁴ The two sides will have to find ways — both individually and together — to keep cooperation on track.

Second, the contest for regional leadership will increasingly occur within a multipolar system. China has long preferred a multipolar regional order featuring a less prominent U.S. role, and it has taken actions to undermine U.S. leadership in Asia in order to facilitate such

¹²³ Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (W. W. Norton & Company, 2011), 215.

¹²⁴ Edward Alden, “Trump, China, and Steel Tariffs: The Day the WTO Died,” Council on Foreign Relations, Mar. 9, 2018, <https://www.cfr.org/blog/trump-china-and-steel-tariffs-day-wto-died>.

a change.¹²⁵ The Trump administration believes that China seeks not only “Indo-Pacific regional hegemony in the near-term” but also “displacement of the United States to achieve global preeminence in the future.”¹²⁶ Still, it is important to note that usurping U.S. dominance would not guarantee China global preeminence. The Asia-Pacific region will serve as a litmus test of China’s long-term global ambitions and influence.

Third, the rift between the United States and China over notions of international order will continue to widen. Successive U.S. administrations have seen the creation and maintenance of international order as critical for promoting U.S. interests, though the discourse would benefit from a systematic or comprehensive definition of order.¹²⁷ Under the current administration, U.S. presidential rhetoric on alliance relationships has been unprecedentedly transactional and inconsistent,¹²⁸ while Washington’s tone toward China has undergone a shift — as reflected in more frequent references to China as a “revisionist” power.¹²⁹ The commander of U.S. Pacific Command, Adm. Harry Harris, recently channeled a widespread Washington view when he testified that Beijing is using its military and economic power to erode the free and open international order.¹³⁰ While China certainly poses unprecedented challenges to U.S. interests in the Asia-Pacific, the “revisionist” designation carries its own risks. As one China expert has observed, “it seems now that any Chinese attempts to accumulate or exercise power are labelled as undermining the

¹²⁵ Robert Sutter, “Does China Seek to Dominate Asia and Reduce US influence as a Regional Power?,” Paper for the series “Reframing China Policy: The Carnegie Debates,” Carnegie Endowment for International Peace, Apr. 20, 2007, http://carnegieendowment.org/files/Sutter_paper.pdf.

¹²⁶ United States Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge*, January 2018, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

¹²⁷ Michael J. Mazarr et al., “Understanding the Current International Order,” RAND Corporation, 2016, https://www.rand.org/content/dam/rand/pubs/research_reports/RR1500/RR1598/RAND_RR1598.pdf, 54.

¹²⁸ On the potential consequences of this rhetoric, even amidst consistent military deployments and treaty commitments, see Mark S. Bell & Joshua D. Kertzer, “Trump, Psychology, and the Future of U.S. Alliances,” in “Assessing the U.S. Commitment to Allies in Asia and Beyond,” Sharon Stirling, ed., German Marshall Fund of the United States, Collection, no. 11, Mar. 2018, 6–13, <http://www.gmfus.org/publications/assessing-us-commitment-allies-asia-and-beyond>.

¹²⁹ *National Security Strategy*, 2017.

¹³⁰ Adm. Harry B. Harris, Jr., Statement before the Senate Armed Services Committee on U.S. Pacific Command Posture, Mar. 15, 2018, https://www.armed-services.senate.gov/imo/media/doc/Harris_03-15-18.pdf.

international order or revisionist.”¹³¹ In this respect, the Cold War’s confrontational identity discourse can serve as a warning. If the United States defines China as revisionist and itself as the defender of the international order, both powers may become more likely to intensify strategic competition and miss opportunities for further cooperation.

Implications for Smaller Powers

Navigating this new era is proving ever more challenging for the major powers, but secondary powers in the Asia-Pacific are confronted with an even more precarious predicament. Smaller states must increasingly hedge their strategies to manage relations with China, a leading economic partner, and with the United States, the region’s primary security provider. Evidence of that hedging can be seen in the reticence of some non-claimant states to take a stronger position, whether individually or collectively through the Association of Southeast Asian Nations, on the South China Sea disputes and in their tentative, often heavily caveated, interest in the China-centered Asian Infrastructure Investment Bank and the Belt and Road Initiative.

While smaller states do not want to be caught in the middle of Sino-U.S. strategic competition, avoiding it is increasingly difficult given the growing friction over issues of regional order and leadership. The ability to hedge is further complicated by what Director of National Intelligence Daniel Coats calls uncertainty over “the willingness and capability of the U.S. to maintain its international commitments” — a factor that may lead some countries to orient their policies, particularly on trade, away from the United States, at least for the time being.¹³²

¹³¹ Oriana Skylar Mastro, “China’s End Run around the World Order,” *Cato Unbound*, Mar. 14, 2018, <https://www.cato-unbound.org/2018/03/14/oriana-skylar-mastro/chinas-end-run-around-world-order>.

¹³² Daniel R. Coats, “Statement for the Record: Worldwide Threat Assessment of the US Intelligence Community,” Mar. 6, 2018, <https://www.dni.gov/files/documents/Newsroom/Testimonies/Final-2018-ATA---Unclassified---SASC.pdf>.

As much as smaller states may prefer to engage in a hedging posture, recent years have also seen a noticeable trend in balancing behaviors.¹³³ Countries in Asia are increasingly pursuing both internal and external balancing strategies vis-à-vis China — by investing internally in their own militaries, as well as deepening external strategic partnerships and alliances. The complicating reality of China as the main trade partner to most in the region has compelled some Southeast Asian nations to “diversify their strategic relationships, beyond a binary choice between Beijing and Washington.”¹³⁴ Increasingly, Southeast Asia is looking to India, Japan, and Australia as partners for cooperation. The shift toward multipolarity appears to open up more balancing options for smaller states to manage the effects of Sino-U.S. competition.

Conclusion

What is perhaps most revealing about the analogy of a “new Cold War” is not so much the comparison itself, but the fact that people are resorting to it. Observers are groping for an analytical framework to make sense of the complexities of Sino-U.S. competition, the nature of America’s interconnectedness with China, the stark differences between China and the Soviet Union, and the changes that have taken place in the international system since the Cold War. And yet, analogies merely compare. They do not explain or predict. The Cold War analogy ultimately produces less insight than oversight when it comes to understanding the current state and future trajectory of U.S.-China relations.

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¹³³ Adam P. Liff, “Whither the Balancers? The Case for a Methodological Reset,” *Security Studies* 25, no. 3 (2016): 420–459.

¹³⁴ Joshua Kurlantzick, “Southeast Asia Seeks New Partners in the Era of ‘America First,’” Council on Foreign Relations, Mar. 14, 2018, <https://www.cfr.org/blog/southeast-asia-seeks-new-partners-era-america-first>. See also, Max Fisher and Audrey Carlsen, “How China is Challenging American Dominance in Asia,” *New York Times*, Mar. 9, 2018, <https://www.nytimes.com/interactive/2018/03/09/world/asia/china-us-asia-rivalry.html>.

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7. America Faces the Stakes and Style of a Cold War in Asia

By Kori Schake

While the Cold War era and the growing competition with China do share many similarities, China is a much weaker adversary than the Soviet Union. Nevertheless, the Cold War analogy is still useful for thinking about the threats a rising China poses to the United States.

Every American president since 1990 has emphasized the cooperative nature of relations between the great powers and the prospect that rising powers could be co-opted into the existing international order. President Donald Trump, in his 2017 *National Security Strategy*, instead placed the focus on conflict, especially with China, proclaiming that, “after being dismissed as a phenomenon of an earlier century, great power competition returned.”¹³⁵ The tone is almost celebratory, a harkening back to a time when the country and its challenges seemed clearer. But are we really seeing the emergence of a new Cold War with China?

The circumstances that American leaders are facing today do bear some interesting resemblances to the Cold War, especially the mid-1950s. Now, as then, there is anxious

¹³⁵ The White House, *The National Security Strategy of the United States*, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

concern about the success and durability of the U.S. economic system. People who had lived through the Great Depression and America's near-run victory over two authoritarian economic powerhouses didn't have the luxury of believing in the natural superiority of the American way of life. Americans have arguably never been as safe or as prosperous as they are now. Yet, especially with real wages stagnant and the 2008 financial collapse, Americans worry that free market liberalism is no longer competitive with the dynamism of an authoritarian China. This anxiety parallels very closely with CIA estimates from the 1950s about the Soviet economy overtaking the U.S. economy.¹³⁶ What is more, the weaknesses of the American economy are a major theme in Chinese discussions of their increasing power and global prominence.¹³⁷

Comparing Then and Now

The two eras bear a number of similarities. The first has to do with social and political division. In the decade following the end of World War II, America's domestic political order was badly frayed — then even more so than it is now. Sen. Joseph McCarthy was holding hearings seeking to uncover traitors in the Army and State Department, writers were prevented from working because of their politics, and the military was enforcing an end to segregation of schools in the South.

Then, as now, America faced an authoritarian regime with ambitions to change the rules of the international order. In both eras, America had a tendency to overstate the strengths of its competitor and underestimate its own.¹³⁸ Then, as now, America's success was deeply reliant on holding together fractious allies whom it worried were insufficiently concerned with the threat and inadequately cooperative to provide the basis for U.S. strategy. We often romanticize the golden age of alliance commitment, so it merits remembering that in

¹³⁶ Angus Maddison, "Measuring the performance of a Communist Command Economy: Evaluating the CIA Estimates for the USSR, *Review of Income and Wealth* 44, no. 3 (September 1998), <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1475-4991.1998.tb00284.x>.

¹³⁷ Liu He, "Overcoming the Great Recession: Lessons from China," M-RCBG Associate Working Paper No. 33, Harvard Kennedy School, 2014, <https://www.hks.harvard.edu/centers/mrcbg/publications/awp/awp33>.

¹³⁸ James Fallows, "How America Can Rise Again," *Atlantic*, January/February 2010, <https://www.theatlantic.com/magazine/archive/2010/01/how-america-can-rise-again/307839/>.

1953, President Dwight Eisenhower and Secretary of State John Dulles concluded that “the NATO concept (was) losing its grip in Europe.”¹³⁹

The final similarity between the Cold War and the contemporary challenge that China poses is the risk that the adversary possesses “superior military capabilities in certain local areas,” and that those capabilities “can be exercised without substantial risk of provoking general war.”¹⁴⁰ In both eras, the United States has lacked confidence that its general military strength could be tailored to counter localized advantages of the adversary.

Yet there are important differences between the early Cold War and today’s concerns about a rising China. For one thing, China is much weaker internationally than the Soviet Union was. While we may fear China’s ideological appeal, it has nowhere near the soft power magnetism that communism did, especially for states just emerging from colonial control in the post-World War II era. China has sought to build attractive narratives with its Confucius Institutes and the Belt and Road Initiative that echoes the Marshall Plan. Yet both face major hurdles after China’s attempts to intimidate independent scholars overseas and its seizures of foreign ports and other infrastructure as collateral for non-performing loans to smaller foreign governments. Smaller regional powers have grown especially skittish amid suspicions that Chinese lending terms have been unduly lenient in order to create debt for equity swaps, giving China control over other nations’ infrastructure.¹⁴¹ China has no allies to speak of and seems to want only tributaries. Its main appeal is overtly commercial, leaving it vulnerable to the collapse of its influence concurrent with any economic setbacks it might experience. China is also economically dependent on global market access in ways the Soviet Union never was. That market dependence gives the United States more tools with which to craft strategy.

¹³⁹ Dulles to Eisenhower, Sept. 6, 1953, *Foreign Relations of the United States, 1952-1954*, Vol. II, pp. 457-460.

¹⁴⁰ “Implications of Growing Nuclear Capabilities for the Communist Bloc and the Free World,” *National Intelligence Estimate 100-5-55*, June 14, 1955, par. 31, *Foreign Relations of the United States, 1955- 1957*, Vol. XIX, p. 86.

¹⁴¹ Elizabeth Redde, *Confucius Controversies*, *Inside Higher Education*, July 24, 2014, <https://www.insidehighered.com/news/2014/07/24/debate-renews-over-confucius-institutes>; “Maldives: Trouble in Paradise,” *Japan Times*, Feb.13, 2018, <https://www.japantimes.co.jp/opinion/2018/02/13/editorials/maldives-trouble-paradise/#.WqcL5JPFLVo>.

But the United States too is different than it was during the Cold War. While President Trump's *National Security Strategy* talks about great power competition, it is difficult to imagine any recent president thinking, as Eisenhower did, that if the United States went to war against the Soviet Union, he should be impeached for sending reinforcements to Europe, because the American military would be needed in the United States for "reestablishing order in American cities after the (nuclear) exchange."¹⁴² Also, the current president does not seem to believe in "the security of the stalemate" that produced strategic stability between great powers during the Cold War.¹⁴³ Nor do recent American presidents worry that "if we wage such a war to establish respect for free government in Europe and Asia, we won't have that type of government left ourselves."¹⁴⁴

There was, especially during the early years of the Cold War, a healthy modesty about America's ability to affect the world, particularly through the use of military force. Eisenhower's Chairman of the Joint Chiefs of Staff, Adm. Arthur Radford, once remarked that the United States

can only contribute by deterring military action, thus borrowing time during which the political, economic, and psychological programs of the Free World can function. The relative strengths of the opposing Blocs will, to a large extent, be determined by the success of the non-military elements of our national security strategy.¹⁴⁵

¹⁴² Diary Entry by the President's Press Secretary, Feb. 1, 1955, *Foreign Relations of the United States*, #3, p. 40.

¹⁴³ Memorandum of Discussion at the 230th Meeting of the National Security Council, Washington, D.C., January 1955, "Basic National Security Policy," *Foreign Relations of the United States, 1955-1957*, Vol. XIX, National Security Policy, p. 26.

¹⁴⁴ Memorandum of Discussion at the 257th Meeting of the National Security Council, Washington, Aug. 4, 1955, *Foreign Relations of the United States, 1955-1957*, National Security Policy, Vol. XIX, doc. 30, <https://history.state.gov/historicaldocuments/frus1955-57v19/d30>.

¹⁴⁵ Memorandum from the Chairman of the Joint Chiefs of Staff (Radford) to the President, <https://history.state.gov/historicaldocuments/frus1955-57v19/d73-fn:1.5.4.2.8.198.8.5>. Washington, Apr. 17, 1956, "Military and Other Requirements," doc 73, *Foreign Relations of the United States, 1955-1957*, National Security Policy, Volume XIX. <https://history.state.gov/historicaldocuments/frus1955-57v19/d73>.

One may hear echoes of that sentiment from the current Defense Secretary, but less so by elected leaders in either the executive or legislative branches of government.

America has grown so powerful, and so flabby in its strategic thinking, that its presidents no longer believe, as Eisenhower did, that the nation's chief executive owes the people both security and solvency. Contemporary presidents of both parties have had their senses so dulled by the exorbitant privilege of affordable debt that they have become inured to the risk that penury may force military capitulation (as the United States imposed on Britain during the 1956 Suez crisis).

Given these many differences between the 1950s and today, it bears asking, does the Cold War analogy do more harm than good? No.

Even with all these variations on the theme, the Cold War analogy is still useful for thinking about the threats a rising China poses to the United States. The comparison helps give a sense of proportion to what America faces. Identifying China as an adversary clarifies U.S. strategic thinking on the matter and suggests policy courses of action commensurate to the challenge. The most vital challenge in this regard is recognizing the value of friendships and alliance relationships that allow the United States to share the burden of a long struggle and foreclose assets to its adversary. The comparison also suggests the magnitude of effort that will be required, over an extended period of time, to preserve U.S. autonomy. And not just governmental effort, although that, too, will need to be much more serious and coordinated than it has been since the collapse of America's Cold War adversary. It will also require civil society to mobilize its businesses and faith communities, its schools and language and family networks, and all the panoply of strengths free societies have in abundance but that the government does not control.

The Choices Facing Asia's Small States

Asia's smaller states have to worry not only whether the United States is able to repeat its previous success against a major adversary, but also whether it will choose to do so. Being the hegemon of the international order requires a state to have both the ability to set the rules and the willingness to enforce them. America's recent behavior has called both

aspects of that equation into doubt. The United States currently has a president who does not appear to believe in mutually beneficial trade, and who is burning through goodwill that accrued to the United States by legitimating its power through international institutions and norms by which lesser powers have been able to participate in shaping the rules that bind the international order. Can the United States continue to set rules for other countries when its own society is so divided, and the world is in the midst of a technological revolution? Any rules that the United States sets might be perceived as predatory at a time when the president doesn't seem to subscribe to mutually beneficial trade and looks at America's allies as burdens, often treating them poorly. Furthermore, it's unclear whether Americans will be willing to enforce international order as new competitors rise, weapons of mass destruction proliferate, and the homeland comes to feel itself at risk to the same worrying degree it did during the Cold War. Asia's smaller states have fewer sentimental claims on American attention than do its long-standing allies, which claim bonds of values and shared history, making the reliability of American guarantees correspondingly paler.

Given China's economic heft and the degree to which the economies of smaller Asian states are interwoven with China's, refusing Chinese investment to curtail its influence would be prohibitively costly for these countries. They could bilaterally lash themselves to the U.S. mast or choose non-alignment, leaving them exposed to China's depredations. However, neither option offers much appeal. Alternatively, smaller powers could pursue a dual-track policy of tacit acceptance of Chinese international policies coupled with maintaining enough military power to drive up the cost of conflict to China, as Finland did in response to the Soviet Union. Probably the best option is the one most that is most widespread in Asia: encouraging economic interaction while hedging against exposure by cultivating American interest and engaging in frenetic cooperation with other "rise of the rest" countries. Banding together to cascade training and equipment, demonstrate a growing sense of collective security, reduce their exposure either to U.S. abandonment or Chinese pressure, and set consensual terms for economic and political action is probably the best any of Asia's smaller countries can achieve.

What's at Stake

The Cold War comparison provides a bracing recognition that America could fail. It gives a sense of what the consequences would be of losing autonomy. For nearly forty years, the jury was out on whether the United States and its allies were winning the Cold War. That America won was a highly contingent outcome. Just because the United States overestimated Soviet power does not mean it is overestimating China's potential now. Nor does it mean — having succeeded before in overcoming all obstacles and mistakes — that the United States will remain capable of repeating that hat trick.

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