



# AFTER THE RESPONSIBLE STAKEHOLDER, WHAT? DEBATING AMERICA'S CHINA STRATEGY

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Now that the responsible stakeholder approach to China is essentially defunct, how should America respond? There are four options — accommodation, collective balancing, comprehensive pressure, and regime change.

The Trump era has upended many aspects of U.S. statecraft, not least among them America's China policy. For 25 years after the Cold War, the United States executed a largely bipartisan approach to managing a rising China. This strategy was based on the idea that a combination of persistent engagement and prudent hedging would ultimately socialize Beijing into the American-led international order. In recent years, however, that strategy unraveled as China became more repressive internally and grew stronger and more assertive externally. In response, the Trump administration has proclaimed the “responsible stakeholder” strategy dead and argued that Washington must get serious about competing with Beijing.

Yet, competition is not an end in itself. Despite the emerging consensus that Washington's old strategy has failed, there is little agreement on what should replace it. What, exactly, does America seek to achieve vis-à-vis China? Should U.S. leaders indefinitely contain Chinese geopolitical influence? Force the “breakup or mellowing” of Chinese power? Pursue a grand bargain with the Chinese Communist Party? These are fundamental questions, which the administration has yet to answer.

There are four basic options for resetting America's China policy: accommodation, collective balancing, comprehensive pressure, and regime change. These options are ideal-types: They illustrate the range of possible approaches and capture distinct analytical logics about the nature of the China problem and the appropriate response. At one extreme, Washington could seek an accommodation with Beijing in hopes of striking a grand bargain and establishing a cooperative long-term relationship. At the other extreme, the United States could seek regime change or even precipitate a military showdown to prevent China from growing more powerful. Both of these options assume that America must take urgent action to “solve” the China challenge. Yet, neither of these approaches is realistic, and, in fact, each is

downright dangerous.

The real debate involves the two middle options: collective balancing and comprehensive pressure. Collective balancing would rely on U.S. cooperation with allies and partners to prevent China from constructing a regional sphere of influence or displacing the United States as the world's leading power. Comprehensive pressure would go further, attempting not simply to counter-balance Chinese influence overseas but to actively erode China's underlying political, economic, and military power. These options, in turn, rest on different fundamental assumptions. Collective balancing accepts that Chinese power is likely to expand but assumes that it is possible to prevent Beijing from using its power in destabilizing ways. Comprehensive pressure assumes that China's power must be limited and even diminished, despite the risk that doing so will sharply escalate tensions. Probing the logic of these strategies, and assessing their various strengths and weaknesses, is critical to going beyond “competition” and adopting a new approach. The alternative — practicing tactics without strategy — is no way to confront the daunting geopolitical challenge that China presents.

### **The Rise and Fall of the Responsible Stakeholder**

For decades, U.S. leaders undertook a largely consistent, bipartisan approach to China. The United States sought to integrate China into the global economy by opening its markets and welcoming China into the World Trade Organization. Washington also pushed Beijing to assume a greater role in regional and global affairs. U.S. leaders hoped that their efforts would illustrate the benefits of membership in the existing order and induce China, as Robert Zoellick explained in 2005, to “work with us to sustain the international system that has enabled its success.”<sup>1</sup> In the meantime, the United States committed to

1 Robert Zoellick, “Whither China? From Membership to Responsibility,” Remarks to the National Committee on U.S.-China Relations, Sept. 21, 2005, [https://www.ncuscr.org/sites/default/files/migration/Zoellick\\_remarks\\_notes06\\_winter\\_spring.pdf](https://www.ncuscr.org/sites/default/files/migration/Zoellick_remarks_notes06_winter_spring.pdf).

maintain the military capabilities and alliances necessary to dissuade China from taking a more confrontational path.<sup>2</sup>

The responsible-stakeholder paradigm offered a coherent “theory of victory”: It identified a desired outcome and employed all elements of American power to bring about that outcome. Over time, the strategy produced greater Sino-American cooperation on a range of issues, from counter-piracy to climate change. It is increasingly clear, however, that the responsible-stakeholder strategy failed. Two of its core assumptions now appear misplaced: the idea that China’s intentions would become more benign over time, and the belief that Washington had the power to keep Chinese ambitions in check until that shift occurred.

What happened instead was that, as China rose, the Chinese Communist Party became more willing to use its newfound power in coercive and disruptive ways.<sup>3</sup> Confounding Western hopes that China would liberalize, the Chinese Communist Party embraced more repressive policies, especially after Xi Jinping became general secretary in

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2012. Meanwhile, Beijing sought to control the Indo-Pacific region by coercing its neighbors, undermining U.S. alliances, practicing mercantilist policies, steadily increasing its presence and influence in the South China Sea, and modernizing its military.

In the Indo-Pacific and beyond, moreover, China has engaged in a range of behaviors

that challenge American interests: supporting authoritarian regimes, engaging in widespread corruption, pursuing predatory trade practices and major geo-economic projects meant to project Chinese influence further afield, seeking to stifle international criticism of its human rights abuses, practicing massive intellectual property theft, and striving for technological dominance in critical emerging fields, such as artificial intelligence. Recently, China’s confidence has been on display, with Xi stating in 2018 that “no one is in a position to dictate to the Chinese people,” after declaring in 2017 that China is ready to “take center stage in the world.”<sup>4</sup> Rather than becoming a responsible stakeholder in a U.S.-led system, China appears increasingly determined to compete with Washington for primacy in the Indo-Pacific and beyond.

These more assertive policies have been made possible by China’s surprisingly rapid growth. Between 1990 and 2016, China’s constant-dollar gross domestic product increased roughly twelve-fold and its military spending grew ten-fold.<sup>5</sup> The People’s Liberation Army rapidly developed the tools — anti-ship missiles, quiet submarines, advanced fighter aircraft, and integrated air defenses — needed to contest American supremacy in the Western Pacific and give China greater ability to shape events in its region and beyond. Surging national wealth also led to an explosion of Chinese trade, lending, and investment abroad, which enabled far more ambitious geo-economic statecraft. All told, this expansion of Chinese national power is unprecedented in modern history. It has dramatically narrowed the gap between China and the United States and made it far more difficult for Washington to shape Beijing’s behavior.

No strategy can survive the invalidation of its central premises: By the end of the Obama presidency, the responsible-stakeholder concept was living on borrowed time. The Trump administration drove the final stake through the concept in its 2017 *National Security Strategy*. The document slammed Beijing for attempting to “shape a world antithetical

2 The logic of post-Cold War strategy toward China is discussed in Kurt Campbell and Ely Ratner, “The China Reckoning: How Beijing Defied American Expectations,” *Foreign Affairs* 97, no. 2 (March/April 2018), <https://www.foreignaffairs.com/articles/china/2018-02-13/china-reckoning>; Hal Brands, “The Chinese Century?” *National Interest* no. 154 (March/April 2018), <https://nationalinterest.org/feature/the-chinese-century-24557>.

3 On Chinese assertiveness, see Nien-Chung Chang Liao, “The Sources of China’s Assertiveness: The System, Domestic Politics or Leadership Preferences?” *International Affairs* 92, no. 4 (July 2016): 817–33, <https://doi.org/10.1111/1468-2346.12655>.

4 Quotes from Gordon Watts, “President Xi Warns ‘No One Will Dictate to Chinese People,’” *Asia Times*, Dec. 18, 2018, <https://cms.atim.com/2018/12/president-xi-warns-no-one-will-dictate-to-chinese-people/>; “Xi Jinping: ‘Time for China to Take Centre Stage,’” *BBC.com*, Oct. 18, 2017, <https://www.bbc.com/news/world-asia-china-41647872>. See also Elizabeth Economy, *The Third Revolution: Xi Jinping and the New Chinese State* (New York: Oxford University Press, 2018); China Military Power: *Modernizing a Force to Fight and Win* (Washington, DC: Defense Intelligence Agency, 2019); Aaron L. Friedberg, *The Authoritarian Challenge: China, Russia, and the Threat to the Liberal International Order* (Washington, DC: Sasakawa Peace Foundation, 2017), [https://www.spf.org/jpus-j/img/investigation/The\\_Authoritarian\\_Challenge.pdf](https://www.spf.org/jpus-j/img/investigation/The_Authoritarian_Challenge.pdf).

5 The figures can be found at World Bank, “GDP (constant 2010 US\$),” <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?locations=CN-RU>; and Stockholm International Peace Research Institute, Military Expenditure Database, [https://www.sipri.org/sites/default/files/1\\_Data%20for%20all%20countries%20from%201988%E2%80%932017%20in%20constant%202016%29%20USD.pdf](https://www.sipri.org/sites/default/files/1_Data%20for%20all%20countries%20from%201988%E2%80%932017%20in%20constant%202016%29%20USD.pdf), both accessed January 2019.

Figure 1: Four Possible China Strategies

	<b>Accommodation</b>	<b>Collective Balancing</b>	<b>Comprehensive Pressure</b>	<b>Regime Change</b>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>- China restrained and risk-averse</li> <li>- U.S. primacy fading</li> <li>- Cooperation spirals possible</li> </ul>	<ul style="list-style-type: none"> <li>- China revisionist but fairly risk-averse</li> <li>- Regional states will balance China</li> <li>- Counter-balancing coalition could deter China</li> </ul>	<ul style="list-style-type: none"> <li>- China revisionist and risk-acceptant</li> <li>- Regional states will be peeled away as Chinese power grows</li> <li>- U.S. position sustainable only if China's rise is slowed</li> </ul>	<ul style="list-style-type: none"> <li>- China revisionist and risk-acceptant</li> <li>- U.S. primacy a "wasting asset"</li> <li>- Chinese Communist Party can be overthrown without nuclear war</li> </ul>
<b>Theory of Victory</b>	Strike a deal before China gets stronger	Anchor counter-balancing coalition until Chinese behavior mellows	Weaken China before it can overturn regional/ global order	Overthrow the Chinese Communist Party before it is too late
<b>Center of Gravity</b>	Quality of bilateral relationship	Alignment decisions of regional states	Relative U.S.-China power balance	Chinese Communist Party's hold on power

to U.S. values and interests” and declared the failure of China’s “integration into the post-war international order.”<sup>6</sup>

In particular, China’s behavior increasingly threatens three enduring U.S. interests. First, the United States seeks to maintain a favorable balance of power in the Indo-Pacific region and to deter a military conflict — over Taiwan, Korea, or maritime Asia — that could undermine the regional order and cost American or allied lives. Second, U.S. leaders have an interest in ensuring an open international economy conducive to American prosperity and competitiveness. Third, the United States seeks to preserve an international environment in which democracy, human rights, and the rule of law can flourish, and it seeks to strengthen — where possible — the prevalence of those practices abroad. As Chinese power has grown and Chinese behavior has become more assertive, U.S. policymakers have come to see all three of these interests as being imperiled.

So far, however, the Trump administration’s efforts to protect these interests have been inconsistent. The administration levied tariffs on Chinese goods, attacked China’s “predatory economics,” announced a strategy to preserve a “free and open” Indo-Pacific region, and unveiled a national

defense strategy focused on countering China.<sup>7</sup> But these moves were accompanied by a warm, sometimes fawning, personal relationship between President Donald Trump and Xi, by persistent hopes that Beijing would help deliver an agreement to denuclearize North Korea, and by speculation that the Trump administration might yet resolve its trade disputes with China through some sort of economic grand bargain. Meanwhile, the U.S. withdrawal from the Trans-Pacific Partnership left the United States without a credible strategy for combating China’s regional economic influence, and separate trade disputes with Japan and South Korea rattled some of Washington’s key regional relationships. These conflicting actions feed the perception that Trump is an unreliable partner, not just for China but for allies as well.

In short, the responsible-stakeholder strategy may be dead, but U.S. leaders have not settled on an alternative. In conversations with experts, we have found that most scholars and policymakers fall into one of four camps, based largely on assumptions about China’s intentions, regional reactions, and the sustainability of U.S. primacy. These four ideal-type options are outlined in Figure 1 above and assessed in the sections that follow.

6 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>.

7 “Advancing a Free and Open Indo-Pacific Region,” U.S. Department of State, Nov. 18, 2018, <https://www.state.gov/r/pa/prs/ps/2018/11/287433.htm>; “Summary of the 2018 National Defense Strategy of the United States of America,” U.S. Department of Defense, January 2018, <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

## **The Risks of Accommodation**

Although the Trump administration has pushed the relationship toward greater competition, some experts believe that the United States and China should manage their differences by striking a “grand bargain.” Charles Glaser suggests that the United States should end its commitment to Taiwan in exchange for China peacefully resolving its maritime disputes and accepting a long-term U.S. military presence in the Indo-Pacific.<sup>8</sup> Lyle Goldstein argues that the two countries should work together to encourage the development of “cooperation spirals.” Chinese leaders, for their part, have touted “win-win” solutions and a new model of great-power relations.<sup>9</sup>

The attraction of accommodation is obvious. If successful, it would avoid the costs associated with prolonged political, economic, military, technological, and ideological competition, and it would facilitate compromise on issues such as climate change, where joint U.S.-Chinese action is sorely needed. The logic of this approach is equally straightforward: If the United States has failed to shape Chinese behavior through a combination of engagement and hedging, then it should seek to defuse the emerging confrontation before the balance of power becomes even less favorable. Unfortunately, accommodation is a bad bet for several reasons.

First, the United States cannot simply “make a deal” on many core issues since those issues have to do with the territory and interests of U.S. allies and partners. Washington does not itself claim the Senkaku/Diaoyu Islands, Scarborough Shoal, or Taiwan, so it cannot relinquish those claims. Entering negotiations with Beijing over the heads of leaders in Tokyo, Manila, and Taipei would undermine the U.S. network of alliances and partnerships. U.S. leaders would thus find it difficult to strike a grand bargain unless they are also willing to entertain withdrawing from the Indo-Pacific.

Second, neither U.S. nor Chinese leaders can have much confidence that a bargain struck now would hold in the future. At times of flux in the international hierarchy, established powers often

hesitate to conclude grand bargains because they fear that the rising power might simply seek to renegotiate the deal later, when the balance has shifted further in its favor. So even if the United States cut a deal that satisfied China in the short term, there is little guarantee that Beijing would remain satisfied if its influence continued to grow. In fact, accommodation could incentivize greater Chinese revisionism by signaling declining U.S. willingness to defend its interests or by giving Beijing control of valuable territory — such as Taiwan — that could serve as a springboard to future aggression.<sup>10</sup> Chinese leaders are also likely to be skeptical of a grand bargain given that the United States has walked away from major agreements signed in recent years — most notably the Iran nuclear deal and the Paris climate accord.

Finally, perhaps because of the reasons listed previously, leaders in Washington and Beijing appear averse to a grand bargain. Although Trump vaguely floated the idea in the months after his election, and there remains the possibility of a broad economic deal to deescalate the bilateral trade war, his administration recently and publicly dismissed a broader strategy of accommodation aimed at a comprehensive settling of differences.<sup>11</sup> Future U.S. administrations are likely to do the same, given that both Republicans and Democrats have strongly criticized China’s security activities, economic practices, and human rights violations. Meanwhile, Xi Jinping has provided few indications that he is willing to make serious compromises in pursuit of a deal. Quite the opposite: His recent speeches on both foreign and domestic policy have been strident and confident.<sup>12</sup> Even if a grand bargain is theoretically possible, it is probably not in the cards.

## **The Dangers of Regime Change**

If the quest for a comprehensive settlement of differences is likely to prove quixotic, so is another extreme option rooted in a sense of great urgency: bringing the competition to a head in hopes of conclusively resolving the China problem. If aggression and expansion are baked into China’s

8 Charles L. Glaser, “A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security* 39, no. 4 (Spring 2015): 49–90, [https://doi.org/10.1162/ISEC\\_a\\_00199](https://doi.org/10.1162/ISEC_a_00199).

9 Lyle Goldstein, *Meeting China Halfway: How to Defuse the Emerging US-China Rivalry* (Washington, DC: Georgetown University Press, 2015).

10 See, on the general logic of this assertion, Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1983), 194.

11 Josh Rogin, “Pence: It’s Up to China to Avoid a Cold War,” *Washington Post*, Nov. 13, 2018, <https://www.washingtonpost.com/news/josh-rogin/wp/2018/11/13/pence-its-up-to-china-to-avoid-a-cold-war/>. Also see Ely Ratner, “There Is No Grand Bargain With China,” *Foreign Affairs*, Nov. 27, 2018, <https://www.foreignaffairs.com/articles/china/2018-11-27/there-no-grand-bargain-china>.

12 Chris Buckley and Steven Lee Myers, “4 Takeaways from Xi Jinping’s Speech Defending Communist Party Control,” *New York Times*, Dec. 18, 2018, <https://www.nytimes.com/2018/12/18/world/asia/xi-china-speech-takeaways.html>.

authoritarian system, and if China's rulers can sustain high levels of economic growth and political stability long enough to make a serious bid for geopolitical dominance in the Indo-Pacific and beyond, there is potentially an argument for adopting drastic measures to avert this outcome. If a confrontation between Washington and Beijing is inevitable, this thinking goes, better to have that confrontation while it can still be won. To this end, U.S. officials could seek regime change in Beijing through covert action or all-out economic warfare. The United States could even provoke a military showdown in the hopes of crippling and perhaps destroying the Chinese Communist Party.

Radical as it sounds, such now-or-never thinking has influenced U.S. policy debates before. During the late 1940s, an array of American strategists and informed observers argued that Washington should wage preventive war against the Soviet Union before Moscow acquired the bomb. The Truman administration rejected this option, but it pursued provocative policies of destabilization — such as fomenting violent resistance in Eastern Europe and the Soviet Union — meant to weaken and perhaps cripple the Soviet empire before it became even more dangerous.<sup>13</sup> These policies largely failed, however, and the idea of forcing a showdown with China also suffers from fatal defects.

First, although Beijing is sure to be a formidable competitor, it would have to become far more powerful — and aggressive — to constitute the sort of existential threat that would justify such an extreme response. And while China may grow stronger, its own internal vulnerabilities — a growing debt burden and accumulating economic challenges, an aging population and festering social instability, as well as simmering ethnic tensions — suggest that its continued ascent is not foreordained.<sup>14</sup> Forcing an all-out confrontation would be a strategy born of panic, not realism.

Second, such an aggressive American strategy

would almost certainly backfire. It is doubtful that the United States could overthrow the Chinese Communist Party short of major war — after all, U.S. sanctions have failed to topple far weaker governments — and efforts to do so might provoke Beijing to lash out. Even if the United States succeeded in deposing the party, there is no guarantee that a new government would be better.

## Forcing an all-out confrontation would be a strategy born of panic, not realism.

The collapse of Communist Party rule could lead to the rise of a radical nationalist military clique just as easily as it could the emergence of a stable democracy. Nor would the emergence of such a democracy necessarily solve America's problems. Young democratic governments are often more warlike than their predecessors, and any successor regime would have good reason to be angry with the United States.<sup>15</sup>

Provoking war with Beijing would risk even more cataclysmic effects: heavy American casualties and equipment losses, severe economic costs, cyber attacks against critical domestic infrastructure, and the potential for nuclear escalation.<sup>16</sup> Starting such a war would also rupture American alliances and levy intense global condemnation upon the United States. Even if America were to win a military conflict, any such victory would be Pyrrhic in the extreme, for it would jeopardize the very security and influence a more competitive strategy is meant to protect.

13 See Marc Trachtenberg, "A 'Wasting Asset': American Strategy and the Shifting Nuclear Balance, 1949–1954," *International Security* 13, no. 3 (Winter 1988/89): 5–49, <https://www.jstor.org/stable/2538735>.

14 For example, Nicholas Eberstadt, *China's Demographic Outlook to 2040 and Its Implications* (Washington, DC: American Enterprise Institute, 2019), <https://www.aei.org/wp-content/uploads/2019/01/China%E2%80%99s-Demographic-Outlook.pdf>.

15 Edward D. Mansfield and Jack Snyder, "Democratization and the Danger of War," *International Security* 20, no. 1 (Summer 1995): 5–38, <http://muse.jhu.edu/article/447386>.

16 *Providing for the Common Defense: The Assessment and Recommendations of the National Defense Strategy Commission* (Washington, DC: U.S. Institute of Peace, 2018), <https://www.usip.org/sites/default/files/2018-11/providing-for-the-common-defense.pdf>.



## Collective Balancing

If U.S. leaders accept that China poses a formidable challenge without a decisive solution, they are left with two primary options: collective balancing and comprehensive pressure. Where these two strategies differ is in their approach to the changing balance of power. Comprehensive pressure seeks to reverse the ongoing power shift. Collective balancing accepts that shift as a fact of life — and does not attempt to significantly disrupt the economic relationship with China — but maintains that Beijing can be deterred by a coalition of like-minded states.

China has already surpassed the United States in GDP (adjusted for purchasing power parity), but advocates of collective balancing assert that America still has the upper hand. After all, the United States retains treaty alliances with more than half of the world's 20 largest economies and has close partnerships with many others. Talk of U.S.-China rivalry therefore misses the larger point: The competition is not between China and the United States but between a comparatively isolated China and a broad-based, U.S.-led coalition.

Accordingly, the center of gravity for a strategy of collective balancing is the alignment decisions of states in the Indo-Pacific region. If Indo-Pacific countries align with the United States in a firm balancing coalition, then Washington would have the political, economic, and military power to resist Chinese efforts to alter the status quo in destabilizing ways. And if China cannot dominate the Indo-Pacific, it would not be able to mount a serious hegemonic challenge to the United States. Beijing would not be able to dictate the terms of trade in the region in a way that gives it decisive economic advantages over the United States; it would not have the regional springboard necessary to project significant military power on a truly international scale. In other words, by keeping China constrained and off-balance *within* the Indo-Pacific, collective balancing prevents China from reshaping the world *beyond* the Indo-Pacific.<sup>17</sup>

As the logic of collective balancing would predict, Beijing's coercive actions already appear to be facilitating greater cooperation among some regional states, such as Japan, India, and Australia, while also causing those and other countries to seek

closer security relationships with the United States. Time is therefore on America's side, advocates of collective balancing argue, so long as the United States adequately supports and encourages the resistance that Chinese assertiveness provokes. And if the United States and its allies and partners hold the line and show that China cannot overturn the regional and international order, Beijing may eventually adopt more acceptable policies.

Collective balancing, then, would hinge on America's ability to maintain a coalition of countries sufficient to deter or counteract Chinese revisionism. Doing so would require undertaking an array of enhanced measures to demonstrate that Washington can prevent Beijing from dominating the region politically, economically, and militarily, and to assure regional states that the United States will reliably back countries that stand up to Beijing.

In practice, this would necessitate significant investments in new U.S. military capabilities to reverse the deteriorating regional balance of power. The United States would also support countries from Japan to Vietnam as they develop their own anti-access/area denial capabilities to keep China at bay. Washington would use military sales, training, exercises, and other tools to bolster countries confronting Chinese coercion. U.S. leaders would simultaneously intensify efforts to provide Indo-Pacific states with alternatives to deepening economic dependence on China by rejoining the Trans-Pacific Partnership (or a similar replacement) and working with key allies and partners to offer loans and capital to vulnerable countries. Good first steps include the recently passed BUILD Act, which will substantially increase U.S. development financing in the Indo-Pacific, and the U.S.-Australia-Japan Trilateral Partnership for infrastructure development.<sup>18</sup>

Collective balancing would also feature stronger efforts to delineate acceptable Chinese behavior from unacceptable activity, and to inflict harsher penalties on Beijing when lines are crossed. To date, many U.S. positions regarding China have been murky, such as Washington's ambiguous approach to application of the U.S.-Philippines Mutual Defense Treaty.<sup>19</sup> China has often challenged these commitments using "gray zone" coercion — incremental expansion designed to probe when and where Washington is willing to

17 This interpretation of the relationship between regional hegemony and global primacy follows John Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2014).

18 On the importance of the BUILD (Better Utilization of Investments Leading to Development) Act and reforming U.S. development finance efforts, see Daniel Kliman, "To Compete with China, Get the New U.S. Development Finance Corporation Right," Center for a New American Security, Feb. 6, 2019, <https://www.cnas.org/publications/commentary/to-compete-with-china-get-the-new-u-s-development-finance-corporation-right>.

19 Gregory Poling and Eric Sayers, "Time to Make Good on the U.S.-Philippine Alliance," *War on the Rocks*, Jan. 21, 2019, <https://warontherocks.com/2019/01/time-to-make-good-on-the-u-s-philippine-alliance/>.

stand by its commitments. Instances of the United States failing to help its friends beat back gray-zone coercion — such as the Scarborough Shoal incident in 2012 — have undermined perceptions of U.S. reliability in the region and discouraged allies and partners from taking a harder line toward Beijing.<sup>20</sup> Conversely, since President Barack Obama stated

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that the Senkaku Islands fell within Article 5 of the U.S.-Japan Security Treaty in 2014, Beijing has avoided a major confrontation.<sup>21</sup>

Collective balancing thus requires closer cooperation with allies and partners to determine and demonstrate the extent of U.S. commitments. Lingering questions about U.S. alliance guarantees — namely, whether the U.S.-Philippines Mutual Defense Treaty covers the islands and reefs that Manila controls in the South China Sea — would be clarified, with the understanding that the risk of giving America's friends license to engage in irresponsible behavior is dramatically outweighed by the danger that unchecked Chinese salami-slicing would hollow out America's alliances on the installment plan. Any Chinese efforts to acquire control of new or disputed territory, or to restrict freedom of navigation or overflight, would need to be met with a forceful response. Diplomatic or economic costs would also have to be imposed for other destabilizing actions, such as

deploying additional military capabilities to man-made Chinese islands or declaring an Air Defense Identification Zone covering the South China Sea. By showing that Washington is fully committed to sharper competition with China, advocates of collective balancing argue, this strategy would rally the region and ensure that Beijing faces a multilateral coalition it cannot overwhelm.

Yet, a strategy of collective balancing has weaknesses. First, even a stronger American approach might not be sufficient to pull together a diverse region and prevent China from altering the status quo in significant ways. Close U.S. allies — namely South Korea and Japan — remain at odds due to historical animosities.<sup>22</sup> Similarly, despite their common interest in resisting Chinese aggrandizement, the other South China Sea claimants are more divided than they were five years ago. China has proven adept at splitting regional organizations, such as the Association of Southeast Asian Nations, by bribing or bullying vulnerable states.<sup>23</sup> If China's economic and military power grows, so will its ability to peel off weaker members of any balancing coalition. Rather than hanging together, regional states might end up hanging separately.

Second, if China can sustain robust economic growth, even a multilateral balancing strategy may ultimately be untenable. Former Treasury Secretary Lawrence Summers predicts that China's economy will be twice the size of America's by 2050.<sup>24</sup> Well before that, China may attain sufficient military power to make U.S. (or U.S.-plus-allied) intervention in areas such as Taiwan prohibitively expensive.<sup>25</sup> If the balance continues to shift, problems of collective action would plague opponents of Chinese expansion, shrinking the number of regional states willing to stand up to Beijing. And if a changing balance of power makes the Chinese leadership more accepting of risk, even an impressive balancing coalition may not be sufficient to deter greater aggressiveness. Put simply, it may prove impossible to accept the ongoing U.S.-China power shift while still

20 Ashley Townshend, "Duterte Deal with China over Scarborough Shoal exposes US failure," *CNN*, Oct. 31, 2016, <https://www.cnn.com/2016/10/31/opinions/philippines-china-us-scarborough-shoal-south-china-sea/index.html>.

21 Zack Cooper, "Flashpoint East China Sea: Potential Shocks," Asia Maritime Transparency Initiative, Center for Strategic and International Studies, April 27, 2018, <https://amti.csis.org/flashpoint-east-china-sea-potential-shocks/>.

22 "Japanese PM Abe's Adviser Says China Could Gain, US Lose from Japan-South Korea Feuds," *Straits Times*, Jan. 24, 2019, <https://www.straitstimes.com/asia/east-asia/japanese-pm-abes-adviser-says-china-could-gain-us-lose-from-japan-south-korea-feuds>.

23 Brahma Chellaney, "Divided Asean Spins Its Wheels as Great Powers Become Back-Seat Drivers in Southeast Asia," *South China Morning Post*, Aug. 19, 2018, <https://www.scmp.com/news/china/diplomacy-defence/article/2160250/aseans-limits-are-display-effort-build-robust-southeast>.

24 Lawrence H. Summers, "Can Anything Hold Back China's Economy?" *Washington Post*, Dec. 3, 2018, [https://www.washingtonpost.com/opinions/can-anything-hold-back-chinas-economy/2018/12/03/9140fc06-f726-11e8-8c9a-860ce2a8148f\\_story.html?utm\\_term=.489611680d48](https://www.washingtonpost.com/opinions/can-anything-hold-back-chinas-economy/2018/12/03/9140fc06-f726-11e8-8c9a-860ce2a8148f_story.html?utm_term=.489611680d48).

25 Eric Heginbotham et al., *The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power 1996-2017* (Santa Monica, CA: RAND Corp., 2015), [https://www.rand.org/pubs/research\\_reports/RR392.html](https://www.rand.org/pubs/research_reports/RR392.html).



maintaining an acceptable regional balance.

Third, key Trump administration policies have undermined America's alliance edge. The alignment decisions of regional states would take center stage in a collective-balancing approach, and the wisdom of U.S. policies would be viewed through this lens. Yet, the administration's withdrawal from the Trans-Pacific Partnership damaged U.S. relationships in the region, leaving many countries more dependent on and vulnerable to China. Trump's application of tariffs on steel and aluminum for purported national security reasons has hurt many allies and partners. Finally, as the Trump administration's first secretary of defense, James Mattis, suggested in his resignation letter, Trump does not appear to believe in "maintaining strong alliances and showing respect to those allies."<sup>26</sup> In all these ways, the administration has made it more difficult to execute a strategy of collective balancing.

## **Comprehensive Pressure**

The limitations of collective balancing raise an obvious question: What if cooperation with allies and partners proves insufficient to check China's momentum and preserve peace in the Indo-Pacific? After all, America has long sought to inhibit the malign expression of Chinese power but has had diminishing success as Beijing's capabilities and ambitions have grown.

The RAND Corporation reports that the military balance in the Western Pacific is rapidly nearing a series of "tipping points" at which America's superiority and ability to deter Chinese aggression against Taiwan or even in the South China Sea might rapidly erode.<sup>27</sup> China also has extensive economic ties with all the countries of the Indo-Pacific, including every U.S. ally. If these trends continue, holding the line may prove impossible: The United States could find itself in the position of Germany's Kaiser Wilhelm II before World

War I, lamenting that his allies and partners were dropping away "like rotten pears."<sup>28</sup> And because collective balancing deals only with the outward manifestations of Chinese power — as opposed to putting greater pressure on the underlying sources of that power — it takes a great deal of U.S. leverage off the table. Consequently, it might be necessary for the United States to take a sharper posture toward China by adopting a comprehensive pressure strategy reminiscent of Washington's containment of Moscow during the Cold War.

In some ways, a comprehensive pressure strategy would look a lot like collective balancing. It would include intensified military, diplomatic, and geo-economic initiatives meant to stymie China's bid for primacy in the Indo-Pacific and perhaps beyond. In addition, comprehensive pressure would feature initiatives meant to give the United States greater strategic autonomy vis-à-vis China and to reduce Chinese power over time. At a minimum, the United States would disentangle itself from China in sectors where the existing level of economic interdependence threatens America's ability to resist Chinese advances — for example, by ending the practice of sourcing critical components of U.S. military capabilities from Chinese companies.<sup>29</sup> At a maximum, comprehensive pressure might entail weakening China's economy by imposing broad-based tariffs, excluding China from trade agreements, restricting allied trade with and investment in China, and undermining China's role in global supply chains.<sup>30</sup>

Comprehensive pressure could also feature efforts to politically and ideologically undermine the Chinese Communist Party. This could include sanctions against Chinese leaders involved in repression, stronger condemnation of Chinese human rights violations, and even attempts to undermine the legitimacy of the regime by releasing files on corruption by top party leaders and their families. It might also involve efforts "to introduce new information into relatively closed societies," as a recent report by the Center for Strategic and

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26 James Mattis, "Resignation Letter as Secretary of Defense," Defense Department, Dec. 20, 2018, <https://media.defense.gov/2018/Dec/20/2002075156/-1/-1/1/LETTER-FROM-SECRETARY-JAMES-N-MATTIS.PDF>.

27 Heginbotham et al., *U.S.-China Military Scorecard*.

28 Trachtenberg, "Wasting Asset," 41.

29 See Derek Scissors and Daniel Blumenthal, "China Is a Dangerous Rival, and America Should Treat It Like One," *New York Times*, Jan. 14, 2019, <https://www.nytimes.com/2019/01/14/opinion/us-china-trade.html>; *Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States*, Department of Defense, September 2018, <https://media.defense.gov/2018/Oct/05/2002048904/-1/-1/1/ASSESSING-AND-STRENGTHENING-THE-MANUFACTURING-AND-DEFENSE-INDUSTRIAL-BASE-AND-SUPPLY-CHAIN-RESILIENCY.PDF>.

30 For consideration of the range of options, see Aaron Friedberg, "A New U.S. Economic Strategy toward China?" *Washington Quarterly* 40, no. 4 (Winter 2018): 97–114, <https://doi.org/10.1080/0163660X.2017.1406710>.



Budgetary Assessments suggests.<sup>31</sup> The goal would not be to overthrow the regime but, rather, to weaken China's geopolitical potential by diverting its attention and resources to domestic challenges.

A proposal with parallels to containment immediately meets with derision from some American critics (and Chinese spokespersons), who argue that the strategy reeks of "Cold War thinking." Yet, there are real advantages to this approach. If the United States cannot effectively fight a prolonged war against China because — as a recent Defense Department report explains — the Pentagon relies on Chinese suppliers for "a number of critical energetic materials used in munitions and missiles," then Sino-American economic integration has gone too far.<sup>32</sup> There is no question, moreover, that China's economic and political strains constitute strategic vulnerabilities that the United States could exploit for competitive advantage, just as America used economic denial

and ideological warfare to weaken the foundations of the Soviet empire during the Cold War.

Although the Trump administration's approach to China has been muddled, the administration has undertaken some initiatives consistent with a comprehensive pressure strategy. Most notably, the administration has attempted to address the glaring contradiction at the heart of America's post-Cold War strategy toward China: the fact that the United States has long sought to contain China's ability to challenge the American-led world order while simultaneously helping China build the economic and military wherewithal to mount such a challenge. In a stark change of approach, a faction within the administration has supported the president's trade war with China not as a bargaining tactic but as a way of weakening China's economy.<sup>33</sup> Furthermore, Vice President Mike Pence's October 2018 speech on China, which indicted Beijing for an array of foreign and domestic

31 Thomas Mahnken, Ross Babbage, and Toshi Yoshihara, *Countering Comprehensive Coercion: Competitive Strategies Against Authoritarian Political Warfare* (Washington, DC: Center for Strategic and Budgetary Assessments, 2018), 60–61; Hal Brands and Toshi Yoshihara, "Waging Political Warfare," *National Interest* no. 159 (January/February 2019).

32 *Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States*, Defense Department.

33 David Chance and Roberta Rampton, "Death by China' Economist Ascendant as Trump Pushes Tariffs, Hits China," *Reuters*, March 8, 2018, <https://www.reuters.com/article/us-usa-trade-trump-navarro-analysis-idUSKCN1GJ2TU>.

**Consequently, it might be necessary for the United States to take a sharper posture toward China, by adopting a comprehensive pressure strategy reminiscent of Washington's containment of Moscow during the Cold War.**

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misdeeds, seemed designed as a call to arms in the manner of Winston Churchill's 1946 "Iron Curtain" speech or Harry Truman's 1947 "Truman Doctrine" address. Likewise, Secretary of State Mike Pompeo used the anniversary of the Tiananmen Square massacre to highlight the coercive nature of the Chinese Communist Party and proclaim American solidarity with Chinese citizens seeking greater political freedoms and human rights.<sup>34</sup>

Yet, the Trump administration's periodic embrace of tougher China policies has triggered three core criticisms. First, embracing comprehensive pressure means pushing U.S.-China relations into a new and potentially more dangerous phase. The United States would no longer be able to claim the moral high ground by saying that it does not oppose China's emergence on the world stage. Instead, it might face accusations of being the more aggressive party in the dispute. This approach would certainly increase the difficulty of cooperation on issues such as climate change and management of future economic crises. Beijing, moreover, would probably not remain passive while the United States applied pressure. It might respond in ways that would further ratchet up tensions and raise the chances of outright conflict. Given that China's long-term power trajectory is deeply uncertain in light of looming political, economic, and demographic challenges, prudence may counsel delaying such a decisive rupture in the relationship for as long as possible.<sup>35</sup>

Second, although some U.S. allies — such as Japan — might quietly applaud the shift in U.S. policy, many others would hesitate to embrace such an approach. Most U.S. allies and partners would fear that Washington was forcing them to choose sides in a U.S.-China confrontation. They might well resist a strategy that requires them to significantly constrict their economic dealings with their largest trading partner, especially given their vulnerability to Chinese economic coercion and political meddling. If the United States goes too far, too fast, it might inadvertently damage relationships that will be critical to keeping China's ambitions in check.

Third, domestic politics in the United States may not be ready for comprehensive pressure. Hawkish rhetoric toward China is becoming ever more commonplace among U.S. officials and politicians, but the American technology and financial sectors

(as well as U.S. universities) are still heavily invested in Beijing.<sup>36</sup> Opposition from allies and domestic critics might be overcome, of course. And if, as seems increasingly likely, China emerges in the coming decades as a global military challenger as threatening as the Soviet Union once was, then the United States will probably have to move to a more confrontational policy eventually. But doing so would require, at a bare minimum, concerted public education and diplomatic campaigns laying out the case for why such a stark shift in policy is merited. If the Trump administration pivots to comprehensive pressure without laying the groundwork at home and abroad, the result could be to weaken American competitiveness rather than to strengthen it.

### **Toward a Collective Pressure Strategy**

Dealing with an increasingly confident, assertive China is arguably the most difficult geopolitical challenge America has faced in a generation. It will prove more difficult still if Washington cannot decide what it is ultimately trying to accomplish. We have outlined four strategies: accommodation, collective balancing, comprehensive pressure, and regime change. The extreme strategies of accommodation and regime change are overly risky and likely to fail, perhaps catastrophically. The middle two strategies, collective balancing and comprehensive pressure, are more promising, but each still involves significant challenges and risks.

So how should America proceed? It bears repeating here that these strategies are ideal-types. They illustrate the range of options and clarify the logics and assumptions underpinning them. But they are not straightjackets, and a real-world strategy might end up occupying the space between certain options or even combining aspects of them. This is particularly likely because the real world is messy and the future is hard to foresee. Both collective balancing and comprehensive pressure rest on plausible logics, but they hold different assumptions about the sustainability of U.S. primacy. Informed experts hold diverse opinions on this topic, so we can only make informed guesses about which will ultimately be borne out by events.

Political and diplomatic constraints complicate

34 Brendan Cole, "Mike Pompeo Tells China to Own Up to How Many It Killed in Tiananmen Massacre," *Newsweek*, June 4, 2018, <https://www.newsweek.com/mike-pompeo-tells-china-own-how-many-it-killed-tiananmen-massacre-956468>.

35 Daniel Blumenthal, "The Unpredictable Rise of China," *Atlantic*, Feb. 3, 2019, <https://www.theatlantic.com/ideas/archive/2019/02/how-americans-misunderstand-chinas-ambitions/581869/>.

36 Zack Cooper and Annie Kowalewski, "The New Washington Consensus," *Asan Forum*, Dec. 21, 2018, <http://www.theasanforum.org/the-new-washington-consensus/>.



things further. Even if one believes, for example, that comprehensive pressure is the ideal strategy, it may not be possible to get the domestic and international buy-in necessary to make that strategy effective, at least in the short term. Strategic analysis requires clearly delineating options and the ideas behind them, but strategy must be implemented even when clarity is wanting.

For these reasons, we favor a hybrid approach fusing elements of collective balancing and comprehensive pressure. This strategy, which we call collective pressure, would seek to build a coalition of allies and partners strong enough to deter or simply hold the line against Chinese revisionism until such a time as the Chinese Communist Party modifies its objectives or loses its grip on power. If China continues to challenge critical elements of that order, and if Chinese power continues to grow in dangerous ways, the United States would gradually intensify the pressure. It would lead the coalition in efforts to reduce China's geopolitical, economic, and ideological influence; weaken its power potential; and exacerbate the strains under which Beijing operates.

The first step in such a strategy would be a massive transparency campaign designed to publicize the Chinese Communist Party's coercive activities, unfair economic practices, growing military capabilities, political repression, and human rights violations. A transparency campaign would aim to make clear that the United States remains a friend of the Chinese people but is concerned about the party's covert, corrupt, and coercive behavior. Most importantly, such a campaign is essential to building both the international support necessary for effective balancing and the domestic support necessary for a stronger pressure campaign.

The second step in a collective-pressure strategy would be a concerted effort to rally a broad, winning coalition in the Indo-Pacific and beyond. Changing the alignment decisions of regional states is difficult given relative power trends. It would, therefore, require a new U.S. approach. Simply highlighting Beijing's malfeasance is not enough. Washington must provide an attractive and reliable alternative. To this end, the United States would clarify its alliance commitments, including to the Philippines; reenergize efforts to build greater regional military capability; rejoin the Trans-Pacific Partnership; and actively support efforts by regional states to defend their sovereignty. Rather than criticizing allies and partners, this approach would seek to attract and empower America's friends.

A third step — essential to accomplishing the second — would be to situate the United States itself to compete more effectively with China. Washington should refocus its military, particularly the U.S. Navy and Air Force, on preparing for potential contingencies with China. This includes making critical investments in long-range strike, undersea warfare, active and passive missile defenses, shore-based anti-ship missiles, and other capabilities that will be critical to defeating Beijing's anti-access/area denial strategy and honoring U.S. security commitments in a crisis. Meanwhile, the United States would move to protect against Chinese intellectual property theft (or impose greater economic and diplomatic costs in response to such theft) and avoid defense industrial dependence on China. The U.S. government would also need to improve interagency processes to address cross-cutting challenges, such as China's United Front activities and support for authoritarian governments abroad.<sup>37</sup> Finally, the United States would undertake a bipartisan public education campaign about the need to take the China challenge seriously by reinvesting in American education and innovation.

As with the other options, a hybrid strategy of this sort carries risks. Even a modest shift toward comprehensive pressure would raise bilateral tensions and force difficult discussions with some international partners and domestic stakeholders. And because this strategy is still rooted in collective balancing, it carries some of the risk inherent in that approach, especially the possibility that Washington will find it impossible to build a coalition sufficient to deter Chinese revisionism. A hybrid strategy, critics could claim, would be akin to leaping halfway across a chasm.

Yet, a strategy of collective pressure also addresses some of the weakness in each of the ideal-type approaches it combines. Although collective pressure assumes that the Chinese Communist Party is unlikely to become a responsible stakeholder, it leaves the door open for Beijing to adopt more cooperative approaches, or for dynamics within China to bring about a mellowing of its external behavior. Moreover, this strategy would still be rooted in America's greatest asymmetric advantage — its global network of allies and partners — but does not rely on them entirely. It also has the benefit of gradually making American officials — and American society — accustomed to a harder-edged strategy, rather than asking them to make that shift suddenly.

37 Alexander Bowe, "China's Overseas United Front Work," U.S.-China Economic and Security Review Commission, Aug. 24, 2018, [https://www.uscc.gov/sites/default/files/Research/China%27s Overseas United Front Work - Background and Implications for US\\_final\\_0.pdf](https://www.uscc.gov/sites/default/files/Research/China%27s%20Overseas%20United%20Front%20Work%20-%20Background%20and%20Implications%20for%20US%20final_0.pdf).

Implementation of collective pressure would be metered by how far and how fast critical domestic and international audiences can be persuaded to go. Ultimately, if Beijing grows significantly more accepting of risk and its power markedly increases, then collective pressure leaves the door open for a toughening of China policy — and prepares the ground for doing so. A hybrid approach is thus appealing because it offers greater competitive pressure than a pure strategy of collective balancing can provide, while avoiding the most escalatory, diplomatically counterproductive, and politically divisive elements of comprehensive pressure.

Reasonable observers can disagree about where to strike the balance between collective balancing and comprehensive pressure. They may even prefer altogether different strategies. What is essential now is that this debate be more structured and rigorous than it has been to date. Competition itself is not a strategy. Advocates of any strategy should make clear what they aim to achieve, how they intend to do it, and what the accompanying risks are. We believe a collective-pressure strategy offers the best way forward. But regardless of the approach advocated, it is past time to stop circling the China problem and start a more analytically rigorous debate over what to do about it. 🇺🇸

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