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RETHINKING US-CHINA COMPETITION: NEXT GENERATION PERSPECTIVES

A BROOKINGS INTERVIEW

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DIRECTOR'S SUMMARY

From a potential "responsible stakeholder" to a "strategic competitor," the U.S. government's description of China has changed dramatically over the past years. Once a de facto partner in the Cold War, Beijing is increasingly seen as an economic rival at home and a challenge to American power in Asia and perhaps abroad. Furthermore, as knowledge of China's social controls and treatment of ethnic Uighurs spreads, many Americans wonder what role values and human rights should play in U.S. policy toward Beijing. The discourse around China and its role in the world is changing.

In spring 2019, Brookings Vice President and Director of Foreign Policy Bruce Jones convened four Brookings scholars and affiliates—Tarun Chhabra, Rush Doshi, Ryan Hass, and Mira Rapp-Hooper—to probe how the rising generation of foreign policy scholars think about the evolving debate around China and the future of the U.S.-China relationship.

The edited transcript below reflects their assessments of China's evolving foreign policy intentions, their debates on how to define the changing U.S.-China relationship, the dynamics of strategic competition between Washington and Beijing, as well as potential policy responses.

The highlights:

- *Assumptions that have guided U.S. relations with China since the Cold War are being revisited and in some cases overturned. While the intentions behind Beijing's foreign policy decisions remain up for debate, China's growing weight and impact are increasingly apparent in its immediate region and around the globe, necessitating a shift in policy response.*
- *Part of this shift stems from China's growing relevance across strategic and regional domains, requiring engagement from a wider range of relevant stakeholders. From technology to the global economy and global governance, as well as from Southeast Asia to Europe, a growing number of issue areas are affected by Chinese actions and the U.S.-China relationship.*

- *Strategic competition between the United States and China requires concerted U.S. efforts in a range of domains beyond traditional defense issues alone—including diplomacy, infrastructure, development, technology and artificial intelligence, and more. However, nor can American policymakers ignore the changing security balance in the Indo-Pacific and its implications for U.S. operability and the credibility of American alliances with regional states.*
- *The Cold War model has limitations to the current context, and poor analogies can lead to bad policymaking. However, this caution should not prevent scholars from interrogating the history of the Cold War for applicable lessons to the current moment, particularly around societal mobilization for long-term peacetime strategic competition.*
- *While the onset of strategic competition between the United States and China creates areas of tension and rivalry, it should not be assumed that all areas of competition will result in a negative spiral. The prospect of positive "race-to-the-top" dynamics should be further explored in spaces like development in Africa and in infrastructure.*
- *U.S.-China strategic competition will be a critical lens through which to view the relationship in the coming years, but it cannot be the only one. The return of great power competition does not erase the serious transnational challenges that confront the globe. From combating infectious disease to preventing financial crises and countering climate change, the United States and China must work to preserve channels for cooperation.*
- *It is possible that we will look back at Xi Jinping as having made a critical strategic error to end prematurely China's "hide and bide" policy, thereby enhancing Western pushback and resolve, rather than reaping the benefits of Western dysfunction.*
- *These caveats aside, the growing tensions of U.S.-China strategic competition are now upon us. This competition need not lead to conflict, but the relationship will require sustained attention and long-term diligence.*

1. THE TIMES, THEY ARE A CHANGIN'

BRUCE JONES: In the post-Cold War period, U.S. policy toward China was driven by a generation of scholars and experts trained during the Cold War and whose own careers were heavily shaped by the opening to China in 1978-79. The scholars in this interview, however, all turned to China in the period defined by China's rise, not by China's role in the Cold War.

As we watch a shift in U.S. thinking and debate on China, how much is simply a shift in the narrative on China? How much is an evolution in the way Beijing and Washington are each behaving? Or is this more a reinterpretation of changes that have been underway for some time?

Ryan, you've watched the changing texture of the debate in this country, but working in the National Security Council under the Obama administration, you also have been very closely involved in the management of that relationship itself. What's driving this?

RYAN HASS: There are a few ways this period is distinct relative to previous ones. First, there's an abundance of information about events inside China today that didn't exist in the 1970s. For example, we now learn in real time about events transpiring in Xinjiang in ways that our contemporaries in the 1960s or 1970s would not have been able to.

Second, during the period of opening to Beijing, China was seen as a strategic asset for the United States to use in its competition with the Soviet Union. There was not much debate about whether we would view China that way. That no longer is the case; China is now viewed as a strategic challenger.

The third change is the people who are looking at China. In the early years, China policy was driven by people who enjoyed prestige and respect, and who were willing to use that in advancement of a stable, constructive U.S.-China relationship. People like Zbigniew Brzezinski, Henry Kissinger, Stapleton Roy—this generation of diplomats who cite as part of their legacy bringing China into the world and putting the U.S.-China relationship on a stable trajectory. There are no successors who feel the same way, enjoy the same prestige, and are willing to use it in support of development of a stable and constructive U.S.-China relationship.

Chinese President Xi Jinping meets former U.S. Secretary of State Henry Kissinger at the Great Hall of the People in Beijing, China, November 8, 2018. REUTERS/Thomas Peter/Pool

BRUCE JONES: Where is the weight of evidence in terms of an evolution or a change in Chinese strategy during the previous decades—in particular after the global financial crisis? Or is it simply a lifting of the curtain on what was happening anyway? In either case, how much is that change a function of Beijing's estimation of weakness in the West?

RYAN HASS: My view all along has been that China is working toward a relatively fixed point on the horizon; the pace and manner by which it is moving toward that point on the horizon have changed.

China has become more ambitiously aggressive, and the pacing by which it has proceeded has accelerated in the period since the global financial crisis. This has to do with a judgment on Beijing's part that obstacles have been removed—a lowering of the perceived cost or risk of acting more aggressively to pursue those goals.

RUSH DOSHI: We're not just seeing a changing of the narrative surrounding China's rise, but also a validation, to a degree, of one set of post-Cold War narratives about China and the discrediting of another set of narratives. We are seeing that the skeptical narratives on China's rise—for example, take Aaron Friedberg's work from more than a decade ago—made better predictions than some of the more optimistic and engagement-focused narratives.

Engagement-focused narratives ultimately became a bet on China's political, economic, and military trajectory. I'm not saying that those types of bets were wildly optimistic, but they were surely more optimistic than what we've seen in reality. As that bet on engagement got larger, and the evidence in its favor got thinner, it became not only inevitable but rational for the U.S. to revisit it.

MIRA RAPP-HOOPER: I agree very much with everything that's been said. However, the narrative shift also has to do with U.S. perceptions of China's continued ascent—and the understanding that little seems likely to arrest that trajectory—coupled with the particular leadership of Xi Jinping. Some colleagues in this group have made persuasive arguments that China's more assertive foreign policy did not start with Xi. China may have had some consistent foreign policy goals over decades, but the rise of a leader who is more forward-leaning in the service of those goals, combined with the structural realities that did not seem to be abating, helped to crystallize this reevaluation.

TARUN CHHABRA: One other shift that we've seen is that both inside and outside of government, and for a long period of time, the main unit of analysis for U.S.-China relations was the stability of the relationship. But now there's a sense that our interest in preventing friction is being outweighed by the costs of China's growing ambition and influence. We might have to incur more risk in the relationship to defend U.S. and allied interests. So, our China conversation now includes Europeanists, technologists, labor economists, civil liberties advocates, and so on. In turn, all of these people have to become more sophisticated China watchers themselves because there is no way that you can think about American policy and strategy holistically without coming to a well-informed view about what China is up to in the world.

RUSH DOSHI: China, also, is no longer an abstraction for Americans. It's not this big distant land with ancient civilization and quirky social traditions. This is a country that is violating people's data privacy, that is perceived as taking away American manufacturing jobs, that is seen as hollowing out America's future economic competitiveness, and that is flexing its muscles militarily through new demonstrations of capabilities. What we are seeing is a more visceral reaction than we have in the past with China.

BRUCE JONES: Do you think that the Chinese leadership understand the political cost they're paying for things like the Office of Personnel Management hack and interference in the politics of close allies like Australia and New Zealand? Do they have an adequate understanding of our society and the way that their moves are being understood in the United States and in the broader West?

RYAN HASS: I do not think that they adequately understand the implications of their actions. One of the challenges in this top-down political system is that it's very difficult to inculcate self-reflection, because it often involves telling the leadership that the choices that they made previously were suboptimal.

RUSH DOSHI: It's hard to get genuine self-reflection, even if it's easy to mandate "self-criticism" as a disciplinary tool—as the Communist Party once did quite regularly during the Cultural Revolution. What we are seeing is a dynamic where China has simultaneously damaged its appeal, undermined support from the very business communities that it relies on, and created the sense of a growing threat in the United States.

RYAN HASS: China's actions have created a reaction in the United States. For 40 years, there was a prevailing center-right/center-left bipartisan consensus on China policy. There also was a second consensus between the progressive left and the nationalist right on China. Under President Trump, the center of gravity of U.S. policy has jumped from the center to the progressive/nationalist consensus. That has been a bumpy ride, but that also helps explain some of what's going on.

2. A "NEW COLD WAR"?

BRUCE JONES: In a piece in *Nikkei Asian Review*,[1] I described the end of an era of cooperation and the start of an era of competition with Beijing. Is that the right way to frame it? And will that framing resonate in different regions around the world?

Put another way, to what extent does this rebalancing of perspectives on China differ by region? For instance, if China is a major investor, a major source of aid, and doesn't ask questions about human rights records, is it seen as a negative or as positive within each region?

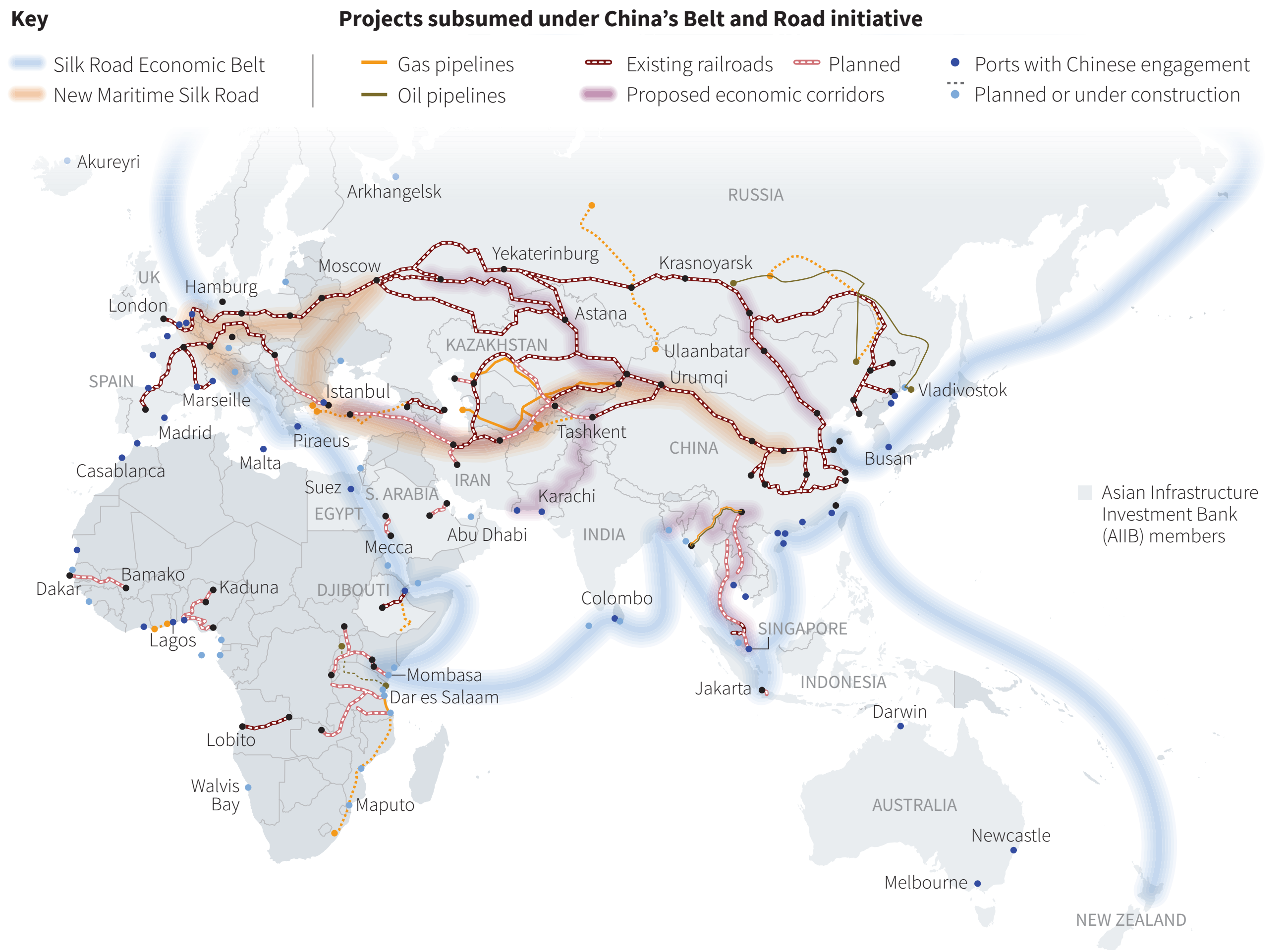
TARUN CHHABRA: It's important to help catalogue best practices for dealing with Chinese investments and influence. There's a wide variation on how countries are able to absorb it, while resisting certain elements of it. When you talk to the Indian strategic community, for example, they are of course concerned about India's version of the China challenge. They're concerned about not just with the traditional flashpoints on the border but also economic inroads, digital penetration, and political influence. On the other hand, they also say: "We never needed a book called *The China Fantasy*, because we never had one."[2] A lot of countries in China's neighborhood have a similar attitude. But without a strategy, vigilance, friends, and resources, even the most deep-rooted skepticism isn't enough, and can still succumb to capture and, too often, some degree of fatalism.

RUSH DOSHI: We need more research to understand how different countries are thinking about the Belt and Road Initiative (BRI), especially in light of China taking an effective lease of 99 years over a key port in Sri Lanka, in part because the government couldn't pay back its debts.[3] But we also need to better understand whether other developing countries are finding corruption, the usage of Chinese labor, and a variety of other factors that are necessarily associated with Chinese aid and investment to be harmful to their own domestic politics. The way in which this unfolds in these countries at the domestic political level is something we'll be paying attention to.

BRUCE JONES: On BRI's impacts, I was in Japan recently right after Prime Minister Shinzo Abe returned from his summit meeting with Xi Jinping, where they signed an agreement for Japanese co-investment in BRI projects. There was a clear division among the national security, foreign policy, development, and business communities as to how, if at all, they wanted to implement this decision. Some absolutely wanted to implement that agreement, seeing China as a source of investment and a source of profits via joint investment in the developing world. Others clearly did not. It's striking to look at a country like Japan that's literally on the frontlines of dealing with Chinese assertiveness, still seeing an ability to cooperate with Beijing economically.

MIRA RAPP-HOOPER: That point is essential. What you're observing with respect to Japan puts something of an upper bound on the way the United States thinks about strategy in Asia in general. Japan, our closest ally in the region, has essentially tied itself to the mast when it comes to its long-term security alignment with the United States. Yet, it still sees a deep and abiding interest in economic and development cooperation with China, such that you're seeing this variegated response to BRI. That tells you something really profound—that countries in the region are unlikely to become amenable to simply choosing sides. It suggests that any kind of American strategy is necessarily going to have to contend with that deep-seated force in the region.

FIGURE 1. REVIVING THE SILK ROAD



Source: Mercator Institute for China Studies.

C. Inton, 23/04/2018 REUTERS

BRUCE JONES: It's one of the reasons why I find the reference to a "new Cold War" to be particularly analytically unhelpful. When we were in a strategic struggle with the Soviet Union, we were not economically integrated with them, as we are with China. Now, that suggests one or two responses. The first is what Mira just said. The second is what Dan Blumenthal at the American Enterprise Institute and others have been arguing for, a deliberate strategy to disentangle our economies.[4]

TARUN CHHABRA: When we say that the Cold War analogy is wrong, it's important to explain the upshot. This critique is often brandished as a rhetorical weapon to say, "you're too hostile in your approach to China." But the Cold War was not a monolith. We had huge debates within the Cold War about how to handle the Soviet Union. American foreign policy oscillated substantially during the Cold War. I think we may have similar debates and oscillations in the course of long-term competition with China.

So yes, of course, there are enormous differences with the Cold War, but there were also enormous differences within the Cold War. There's also a way in which big data and artificial intelligence (AI)-enabled authoritarian China—which is also interdependent with the United States—is in some ways a much greater threat to us than the Soviet Union ever was. That's especially relevant if China remains committed to its authoritarian model, remains economically dynamic, and continues to export technologies that enable the consolidation and proliferation of authoritarianism globally; and particularly if we were to get into a crisis or conflict scenario, when all bets are off and interdependence will be weaponized.

But specifically on the point of decoupling the U.S. and Chinese economies, I think it's critical to note that the question is not simply, does the United States want to decouple? China is already decoupling in some sectors, and Beijing's Made in China 2025 plan, however it might now be buried or retitled, is not only a strategy for technology supremacy but also, along the way, a blueprint for decoupling in high technology. So, the baseline question is how we are going to respond to and shape China's version of decoupling. And hopefully that's nested in an ambitious and competitive economic and industrial policy of our own.

RYAN HASS: I worry that bad historical analogies lead to bad policy decisions. Many of the core attributes of the Cold War period do not exist now with respect to U.S.-China relations. There are no proxy wars being fought, no universalistic ideological struggle being waged, no existential concerns about surprise nuclear attacks, and both the United States and China now have deep commercial and people-to-people ties in ways that the United States and the Soviet Union never did. This isn't meant to downplay the competitive nature of U.S.-China relations now, just to emphasize that Cold War analogies are imprecise for understanding U.S.-China relations today.

MIRA RAPP-HOOPER: I would add to Tarun's good point that not only were there multiple perspectives on the Cold War, there were also multiple eras within it. There were periods involving relatively serious threats to the United States and its homeland, and there were relatively more manageable periods in which the term "Cold War" basically entailed a form of geostrategic competition between peer competitors.

So, the simple use of the phrase "Cold War" as an analogy has a sort of a blunt force to it. But the analogy itself is far more complex than its common usage. If we are talking about a return to a form of geopolitical competition with a near peer rival, then that is uncomfortable. It is a strategic burden that will require considerable national resources to meet, but that is not in and of itself an abnormal condition in international politics.

BRUCE JONES: The other thing to remember about a Cold War is that it's not *a war*. The Cold War as a whole was less bad than a hot war. There are times when we are going to have remember that, as bad as it sounds to be in a "Cold War" with China, the framework of the Cold War did actually allow us to avoid direct military confrontation with Soviet Union for 50 years. That's not trivial.

RUSH DOSHI: To offer one alternative analogy, though no analogy is perfect, we can see certain similarities with the Anglo-German rivalry at the turn of the 20th century. This is increasingly manifest with respect to economic interdependence, the nature of naval competition, as well as, to some degree, the kind of offshore balancing dynamic with Great Britain and Europe in the past.

BRUCE JONES: It's going to be especially hard when you look at how deeply AI issues are integrated into both economies. To return momentarily to the language of the Cold War: Is AI is going to end up being treated as a kind of COMECON topic, the way nuclear technology was with the Soviets? They are very different: Whereas nuclear production accounted for a tiny portion of GDP and could be hived off from other issues, our major AI firms are deeply enmeshed in Chinese research, and vice versa.

In this context, how should we think about the Trump administration's recent actions against Huawei and the broader trade war? The same week that Huawei was put on the U.S. Commerce Department's "Entities List," effectively banning the sale of the company's products in the U.S., Microsoft opened in Shanghai its largest global research center focused on AI and the internet of things.

TARUN CHHABRA: We have to manage rivalry and interdependence, unlike the Cold War. But some degree of economic decoupling is inevitable, especially in sensitive areas like telecommunications, because our interdependence has so far outpaced our mutual trust, and we've seen China weaponize interdependence with Japan, South Korea, Norway, Canada, and others. We do it with sanctions. Too much interdependence when your interests are so divergent can be very destabilizing. But we should be trying to go about this in a much more orderly way, and contemplating something like an allied industrial policy to secure and realign supply chains. The U.S. administration is instead claiming Hondas are a national security threat and still threatening tariffs against Japan. And it's very unfortunate that the administration has tethered the real security threat posed by Huawei to the trade war. Already, many U.S. allies were convinced that the administration's pressure not to allow Huawei into their 5G networks was disingenuous. The timing of the Huawei actions, right after trade talks broke down, and then the president's comments—suggesting that he'd be willing to revisit his decisions on Huawei as be part of a trade deal—are counterproductive at best, and especially so when many countries are looking for reasons not to exclude Huawei, because they are worried about jeopardizing Chinese foreign investment and access to the Chinese market.

RUSH DOSHI: An additional unintended consequence of economic disentanglement is that it can drive swing states or third parties to align with different powers. In the case of the Anglo-German rivalry, when Britain put tariffs on German imports, it led some of the states around to move closer to Germany economically than they otherwise might have been. And, as Bruce's example shows, that was in an era where we had far less complicated supply chains than we do now.

3. DOMAINS OF A STRATEGIC COMPETITION

BRUCE JONES: So if instead of "Cold War," if we use the phrase "strategic competition" as a launching-off point for thinking about the nature of the relationship, then what are going to be the primary areas of competition?

RUSH DOSHI: I think there are probably four broad areas, and in each of these, new questions will emerge as China becomes a more global actor.

On the military side we'll see continued competition over Asia's hotspots—the East China Sea, the South China Sea, the Taiwan Strait, and the Korean Peninsula. But the emerging question now is whether China's acquisition of anti-access/air-denial (A2/AD) capabilities at the regional level sufficiently complicates the ability of the United States to intervene. That's a question that we are now grappling with, and it matters not only if it is objectively true that China can complicate U.S. intervention, but if various parties *believe* it to be true. Simultaneously, as China develops power projection capabilities, amphibious capabilities, and overseas facilities as part of its global profile, are we going to see strategic and military competition go beyond Asia and become global as well?

The second domain is competition over economics and technology on two tracks. One is certainly the internet—its standards, infrastructure, and applications. Here we see concern over the digital aspects of BRI, as well as Huawei and 5G as leading examples. But a second component is concern over a generalized leadership of a wide range of new technologies from AI to biotech, to smart manufacturing. Here the concern is that Chinese industrial policy and technology would combine to give it a lead in the commanding heights of tomorrow's economy.

A man looks at surveillance cameras displayed at Huawei's booth at the security exhibition in Shanghai, China, May 24, 2019. REUTERS/Aly Song

The third area where we're seeing competition is political. It's generalized competition, for the first time in decades, in wide swaths of the world, not just confined to the Indo-Pacific, but also Africa, Latin America, the Middle East, and even parts of Europe. We don't know the intentions behind the cultivation of China's influence in these places—and in some cases it might be purely motivated by economic self-interest. However, we do know the vectors of influence, which involve trade, political influence, technology, military facilities, and more.

Finally, we are witnessing competition over elements of global order and international norms. It is not just in institutions like the United Nations where Xi Jinping's influence is now appearing, but also in the financial institutions of the World Bank and the International Monetary Fund. This competition also is growing in what I would describe as the "gaps in international order": those under-governed spaces that include everything from cyberspace and outer space, to the deep sea—domains where the United States really hasn't exercised much power.

I would argue that we don't quite know what the competition for political influence in the broader world looks like, and there is debate about what China's intentions are. We know China believes that it should gain influence, that it should seek to acquire it. That's not unusual; many countries want to cultivate influence in different parts of the world. The question is, to what ultimate end? One of the questions that those of us who think about China's grand strategy have to grapple with is, what specifically are its intentions in Latin America, in the Middle East, in Europe? Are they different? To what degree are instruments of Chinese statecraft coordinated?

Some of us have talked about how we think there's more strategic coordination, intentionality, and coherence in regions close to China, where its interests are acute. We need to think through these questions—we don't want to treat all of China's activities as benign nor do we want to react to all of them as strategically motivated. So we need more study on these specific questions.

TARUN CHHABRA: I agree with what Ryan said earlier, that the challenge in addressing China's ambitions beyond Asia is figuring out the prudential balance between underreaction and overreaction in a context of uncertainty. But I take a position driven by theory and history, which is that as Chinese power grows, so will its ambitions. China's ambitions beyond Asia, including in Latin America and Europe, have and will become much more expansive, and more inimical to our interests to the degree that we still believe we need a strong, values-based trans-Atlantic community and committed liberal democratic friends around the world to safeguard our own values and political identity, and to diminish the likelihood of conflict. But we'll continue to debate how much torque to apply as we compete, and I suspect we'll do some of it by revisiting the historiography of the early Cold War.

MIRA RAPP-HOOPER: To complicate the picture further, recent research in international relations shows that much of what rising powers do is understandably opportunistic. China may have a grand set of objectives, but the exact requirements of those objectives may not even be fully crystallized in the mind of its leadership or may only become crystallized very late in the game. For example, we don't know whether China's version of regional hegemony requires it to completely expunge the United States military presence from Asia, or whether it can settle for something short of that. Yet that's an absolutely fundamental question for American strategy.

All of this is to say that while we're trying to interpret Chinese intentions, China is still solidifying its own intentions, and then revising them continuously. The strategic interaction may be taking place in small micro-cycles as opposed to in the sort of grand way that would make it easier to do strategy.

BRUCE JONES: There is a difference between a tit-for-tat reaction to what Beijing does in a certain region or country, and an effort to induce a race-to-the-top competition.

Think about infrastructure investment. Currently, the West is very badly divided in how it thinks about infrastructure investment. We could combine forces among Western actors to offer high-standard, rule-based alternatives in terms of infrastructure investment. That's not what we do right now. We have ham-handed approaches with little money and that can end up in a race to the bottom. However, we should still be looking for opportunities to be in a sort of competition that yields net positive results—or at least where the recipient country would end up better off.

RYAN HASS: It's the possibility for the positive externalities of strategic competition.

BRUCE JONES: Exactly. To go back to our earlier discussion of the Cold War, the Soviets and we competed in nasty ways for influence and the allegiance of a number of countries in the "periphery." Today that periphery is a whole lot closer than it used to be, and it's a whole lot richer than it used to be. We're much more sensitive and exposed to the internal politics and values of those countries, so I don't think we want to be in a kind of nasty, zero-sum, Cold War-style competition in sub-Saharan Africa, Latin America, or wherever. The world has changed a lot. It would be a major mistake to think of the developing world as a similar space for competition as it was in the 1950s and 1960s.

RUSH DOSHI: The key question here is not only what we think about whether or not China's influence is benign or malign in these places, but also what China thinks about the nature of the competition. Any consideration of U.S. policy has to account for how Beijing will likely react.

BRUCE JONES: Yet, there's an assumption of coherence in Chinese strategy that always strikes me as a little bit at odds with the reality of Chinese decisionmaking, which is fractious, bumpy, and incoherent at times, to say the very least.

RUSH DOSHI: Whether coherence exists is less of a binary question and more of a spectrum. There's more coherence in some areas and on some issues than there is on others. Most countries are not fully coherent in their foreign policy. But the question also is whether China is more able to implement a coherent, sustained, consistent, long-term strategy than a liberal democracy that elects leaders every four years.

There is a degree of a "strategic spine" to Chinese intentions, especially within East Asia. The implicit assumption for so long was that it didn't exist; now people assume that less. The question is at the global level, in Latin America, in the Middle East, what are we going to see? That is where, again, the consideration of China's own self-definition of its plans and strategy becomes important.

4. THE FUTURE OF THE UNITED STATES AS A SECURITY PROVIDER

BRUCE JONES: American strategic decisions will need to be made despite incomplete answers to these questions in the coming years. As we consider the big issues that we're going to grapple with as a policy community, let's begin with the security question. Mira, how should the United States view its defense role in the Indo-Pacific?

MIRA RAPP-HOOPER: It is clear from the course of this conversation that the days are gone in which there is a question as to whether China is going to be a major power. I think it's unrealistic to expect that the United States is going to be able to retain military primacy in Asia as China takes its role on the world stage. The United States is also going to remain the most powerful country on earth for the coming decades, albeit one that faces significant strategic constraints in Asia.

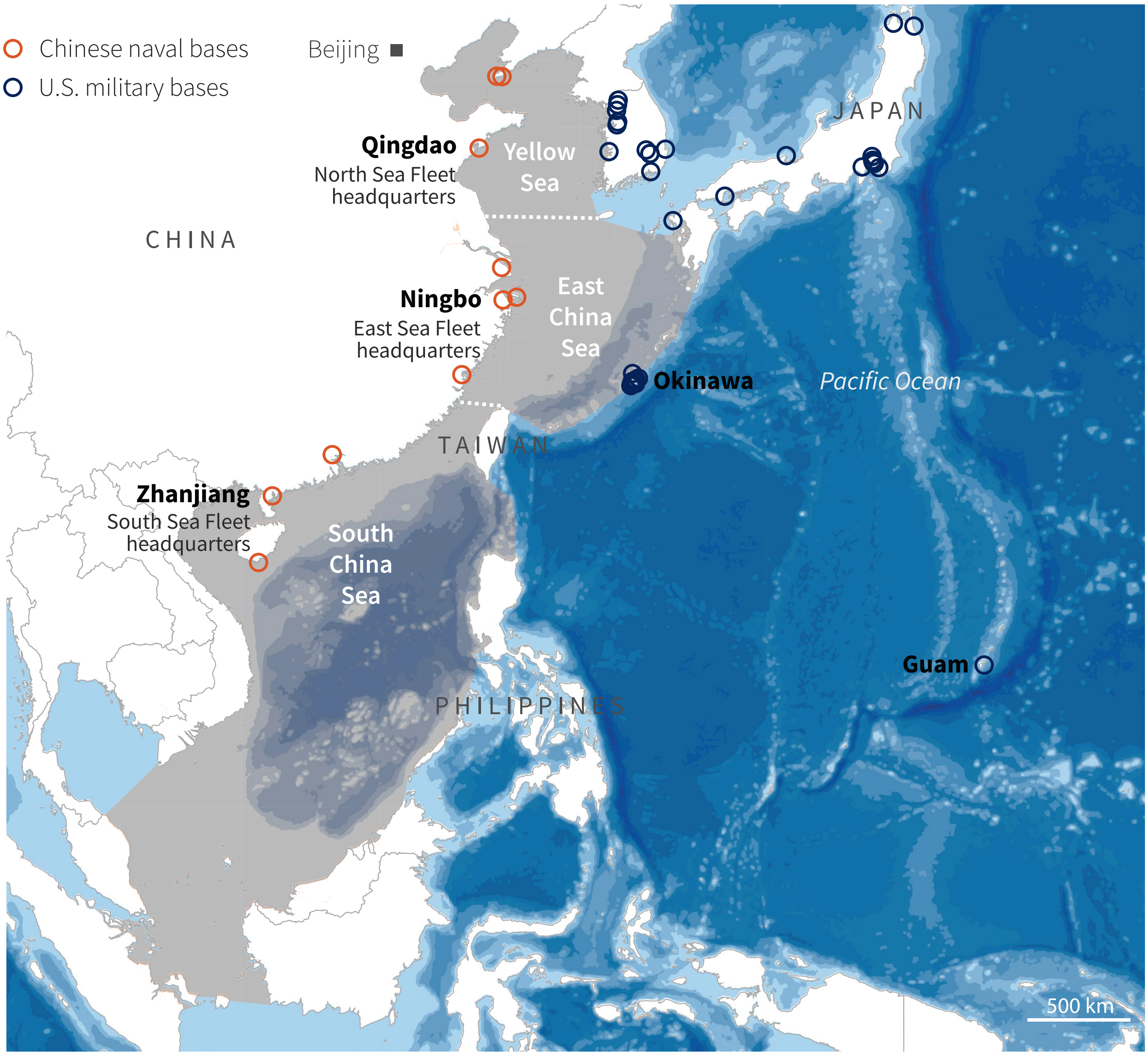
On defense, American strategists need to grapple urgently with the provision of direct defense for allies and secure our position on the first island chain. They must consider how to modernize alliances for a world in which much of the competition with China is likely to take place below the military threshold.

BRUCE JONES: On the first island chain, some argue that our defense of Japan both risks creating an escalatory dynamic where Tokyo doesn't feel the immediate costs and consequences, as well as prevents Japan from investing sufficiently in the deterrence technology that could manage China. An alternative strategy would put more of an onus on frontline states to be responsible for their own defense with some ultimate guarantees from the United States. What's your view on that?

RUSH DOSHI: After years of debate, it's more mainstream to discuss whether the United States and its allies should invest less in "sea control" and more in "sea denial" capabilities. Essentially, this would turn the first island chain and the waters west of it, effectively, into a World War I-style trench where it's difficult for either party to acquire sea control.

It's a very interesting idea, but it confronts two challenges. First, would you be able to sufficiently reassure your allies if this is all you did? Would they feel that they're not quite taken care of in the case of an actual dispute at sea? Second, when you emphasize denial, it's possible for someone else to exercise control, and then dare you to respond. You have to be the one to respond, to kinetically escalate. So there is a certain value in having the ability to exercise control. A good example of this was the Sino-Indian crisis over Doklam; because India was able to briefly control territory, it put the onus of escalation on China's shoulders.

FIGURE 2. CHINA'S "THREE SEAS"



Sources: Federation of American Scientists (FAS); U.S. Navy; United States Forces Japan; United States Forces Korea; U.S Department of Defense; Marine Regions, Flanders Marine Institute; Natural Earth

Staff, 30/04/2019 REUTERS

BRUCE JONES: It seems to me that you could ultimately end up in a situation where China is able to deny us the ability to close off sea lines of communication in the South China Sea and we are able to deny them the ability to close off sea lines of communication as well. Yet, the silver lining is that both of our economies would shudder to a halt if we close those lines off. So there is this kind of odd dynamic in that it is an objective that neither of us has any interest in implementing.

RUSH DOSHI: That's right. The leading questions over whether to pursue a strategy like this is, first, whether it is sufficiently reassuring to allies, and second, whether it is sufficiently capable of deterring escalation.

MIRA RAPP-HOOPER: A coherent defense strategy for our position in the region doesn't necessarily permit a one-size-fits-all approach toward all of our allies or all of the countries that we're thinking of as frontline states.

As Bruce suggested, the Japanese and Australians are among our closest and more capable allies in the region. Japan's proximity to China gives Tokyo great incentives to develop some independent capabilities and forgo others, but that picture would be different if the nature of the U.S. security guarantee changed. At the same time, we can imagine that a regional defense strategy germane to Taiwan is going to rely on the United States continuing to encourage Taiwan to develop denial capabilities of their own. Taiwan can take advantage of its inherent geographic advantages, as opposed to replicating, on a smaller scale, the United States or other militaries in the region with higher-end power production platforms. Likewise, we would not suggest to the Philippines a strategy that looks exactly like the one we'd be working on with the Japanese—the capability isn't there, but geography also makes the defense challenge different.

The overarching point is there must be a serious vision for how, given Chinese developments in A2/AD capabilities and power projection platforms, the United States can mount a credible defense of the first island chain. China's military strides make it a pressing set of questions.

RUSH DOSHI: The situation and needs will continue to evolve. The United States continues to need to invest in Third Offset technologies that former Deputy Secretary of Defense Bob Work championed at the Pentagon. We can imagine that investments in those capabilities—whether they be swarms, long-range weapons, better dispersion, autonomous weapons, undersea weapons—won't solve the problem entirely. However, they could give the United States more leverage in the case of a conflict or a crisis, which means greater bargaining power in peacetime as well. We cannot forget that investing in these capabilities generates real advantages for managing peacetime competition, not just for surviving conflict.

5. BEYOND SECURITY: BUILDING A BROADER STRATEGY

BRUCE JONES: Mira, let's look beyond the security question. What other domains should the United States be considering when building a strategy toward China?

MIRA RAPP-HOOPER: In a lightning overview, the economic question is how Washington can protect its interests while pursuing a mutually beneficial relationship with China in at least in a number of areas.

Diplomatically, U.S. strategists have to think about how, after several years of incredibly tumultuous domestic politics and strategic myopia, we convince the region that we have returned as a Pacific power that intends to stay.

In terms of international institutions, there are profound questions about the approach that the United States should take toward China's efforts at institutional entrepreneurship in otherwise under-governed areas—projects like the Asian Infrastructure Investment Bank or BRI. Where should it welcome, tolerate, and oppose those efforts? Or even try to co-opt them?

And finally, I would note that a lot of aspects of competition with China are, to a large degree, domestic endeavors. The United States will not retain its global position by landing any specific blow against Beijing, but by keeping itself dynamic and prosperous, which requires investments in education policy, technology policy, and health care—areas that that will allow us to harness our inherent advantages to compete most effectively. These are all investments we should be making anyway.

U.S. President Donald Trump, U.S. Secretary of State Mike Pompeo, U.S. President Donald Trump's national security adviser John Bolton and Chinese President Xi Jinping attend a working dinner after the G20 leaders summit in Buenos Aires, Argentina December 1, 2018. REUTERS/Kevin Lamarque

TARUN CHHABRA: Mira's last point is critical. The China challenge has helped fuel a growing anxiety about how well our own model is functioning. It's our own political polarization, economic inequality mirroring the Gilded Age, the hollowing out of the manufacturing base, deficient strategies to address the fallout of automation. There is a growing appreciation of a need for big structural changes. I think our foreign policy colleagues pay too little attention to the nexus between foreign and domestic policy. But people who care about U.S.-China relations—who care about American grand strategy—have to change that to focus on what's going to make us competitive in this contest.

And that's where certain aspects of the Cold War analogy are not bad, because we have to think about what it takes to mobilize for both domestic renewal and long-term competition with China. The good news is that, in most cases, the policy prescriptions for both are mutually reinforcing.

RYAN HASS: We need more sober, fact-based analysis of what China's intentions are and how they plan to achieve their objectives. Right now, we have a reflexive anti-China attitude that drives every action that the United States government takes toward China. It's just not effective at influencing how China identifies and pursues its interests.

What is strategy? Strategy is identifying objectives and then developing a plan to achieve those objectives. The goal should be to come up with objectives that are able to attract support from our allies and partners abroad, and consensus at home. Ultimately those are the two metrics that the Chinese use to evaluate the seriousness of our pushback. If we don't have consensus at home, if we don't have coordination with allies and partners, Beijing will heavily discount the level of concern that we exhibit or express.

BRUCE JONES: On that point, one subject that is being debated at home is the role of democracy promotion in our foreign policy. Often it is discussed in a very narrow and somewhat distorted space around military intervention in the Middle East. But now we're getting into to a much more fundamental debate about the relationship between American foreign policy, democracy, and the international order.

China is obviously not a democracy. Looking at the scale of human rights abuses and political crackdown, they're becoming a more authoritarian state, not a liberalizing one. If we're preoccupied by the nondemocratic character of China, then shouldn't we also be preoccupied by the democratic character of our Asian allies? Should the character, democratic or not, of our allies be germane to our strategy in dealing with China?

TARUN CHHABRA: I think it has to be. For a long time, we went through a period where we thought about the role of democracy in a grand strategy as an ephemeral, or "milieu" goal. It something that was nice to have. What we're seeing now with the resurgence of authoritarianism is a fundamental challenge to a core tenet of our grand strategy. We have always thought about competing with adversaries alongside our allies. We look at the net assessment of an adversary versus not just the United States but versus the United States together with our allies. But now you are seeing moves, whether by careful design or not, to divide and in some cases pick off many of those allies. Some of it through the Belt and Road Initiative, some of it through political interference, and some through the potential in the future to hold an economy at risk by owning the digital infrastructure.

This is changing the fundamental calculus of the net assessment. It is not so much about promoting democracy in places where it's hard to do it. Rather, it is about defending democracy in places where we have long assumed that it was going to endure. In other places, we should try to foster it where we can. And we will have to make some tough choices as we see that many authoritarians who historically aligned with us have more in common with Beijing than with us. Simultaneously, we should be working on measures of transparency and accountability so that it's harder to co-opt elites in a covert and corrupt fashion.

MIRA RAPP-HOOPER: The nature of our allies' regime type absolutely has to be a consideration in our strategy. It is essential for all the reasons that Tarun mentioned; we also know that, in a very different way from Russia, the use of influence operations against democracies is part of China's strategy. There is very little question that cooperation with allies in the face of those types of challenges has to be one part of an alliance modernization effort that makes our approach to the region better suited to 21st century challenges.

To take a slightly controversial stance, I also would argue that while it is strictly correct to say that our primary geostrategic competitors are authoritarian countries, ideology is playing a very different role for Russia and for China than it did for the Soviet Union in the Cold War. Namely, it is, and will continue to be, much harder for both Russia and China to export an affirmative ideology than it was for the Soviet Union to do the same. China has an ideology—it's market Leninism, but a lot of its ideology is suffused with Confucianism and mixed with other ingredients that are fundamentally Chinese. Beijing does not necessarily seek to export the content of its ideology to the countries with which it works.

Part of China's value proposition is the idea that it's not interested in meddling in internal affairs of other countries. It therefore provides a more palatable alternative to the United States, which others see as always exporting Western liberal democratic principles. While we can point to trends like the export of technologies for digital surveillance to other mixed regime types, I do think that technological vector is qualitatively different than an ideological competition with a peer competitor that has an international communist party through which it's trying to spread its ideology.

We've cut to another core question about the character of strategic competition that is yet to be answered. However, I would caution all of us to be circumspect when we think about how this type of ideological competition shares antecedents with the past.

TARUN CHHABRA: Ryan and I had a discussion about this here at Brookings, with Hal Brands of Johns Hopkins SAIS and Emily Rauhala of *The Washington Post*.[5] My concern is that, in some ways, China's authoritarianism today is more dangerous than Soviet communism was, in part because we now see a suite of digital tools that allows the perfection of dictatorship in a way that was never possible before, through surveillance technologies, predictive insights, and manipulation. Efforts to mobilize dissent will be nipped in the bud.

Empirical work tells us that the prevalence of regime type in the world correlates with the regime type of the major powers. The rise of an authoritarian China is a major headwind for democracy globally—and we've got plenty of problems as it is. Moreover, our colleague Bob Kagan is right to reframe how we think about the contest of models when he says we need to think of authoritarianism as the historical default in the world.[6] We've just been living in a period which is truly exceptional. The question is: How durable is the democratic moment if we don't circle the wagons and push back?

RYAN HASS: That viewpoint is premised upon the assumption that China's governance model is attractive. I'm not convinced that it is attractive to many other countries in the world. If you look even at ethnic Chinese societies in Taiwan and Singapore, they're not enamored by a "China Model."

The "China Model" is the product of approximately 5,000 years of history, a unique governance tradition, and the hard work of 1.4 billion people. There's no other country in the world that shares those attributes. I associate more with Mira's articulation that China is using ideology much more defensively for preservation and regime survival, than it is affirmatively, in terms of trying to spread authoritarianism. But we should debate and really grapple with this question because it's an essential one.

RUSH DOSHI: I think Ryan makes an excellent point. A lot of countries aren't really interested in China's model, per se. However, to Tarun's point, they're very interested in some of China's surveillance capabilities. The question going forward is whether China is going be evangelical about its model, or simply a neutral exporter. I think it will be a combination of the two. For China, it'll be easier to work with certain authoritarian states when it wants resources or economic benefits, and most importantly when it wants to protect the Communist Party itself. So even if it isn't evangelical about authoritarianism, the implications could be to empower authoritarians and weaken democracy globally.

Part of the reason that Beijing cares about Taiwan isn't simply because of history and territory, but especially because of the ideological challenge. We know that China, historically, has denigrated India in its domestic propaganda for a similar reason. India, like China, is a civilizational great power with over 1 billion people and fast growth, so it presents a bit of an ideological challenge if it can maintain that growth while staying democratic. So Beijing often thinks ideologically, and we should understand how it does. For that reason, as David Shullman of the International Republican Institute and others have mentioned, for the Chinese Communist Party to be safe, to some degree it will externalize some portion of its values.

As to what role values should play in American strategic competition toward China with respect to our allies, it is not just a question of regime type. It is not simply a question of democracy versus authoritarianism. It's a question of the values specifically behind democracy in each state. If we are interested in competition with China and concerned by authoritarian influence, then sunlight is the best disinfectant. We need to focus on not only procedural democracy and its protections, but also, as Tarun mentioned, accountability and transparency. We want to make sure that whatever China is involved in—in different parts of Asia, Africa, or Latin America—that it is open and transparent. That's not always necessarily up to the United States, but the most important thing is transparency and a recognition that certain regime types tend to be more transparent than others.

TARUN CHHABRA: I am totally with Rush on the imperative of transparency and accountability. In the Maldives, Sri Lanka, Malaysia, Pakistan, these are cases that China is learning from. For them it's not just *The New York Times* that's a threat when it reveals corruption within the CCP; it's any independent press in all of these countries that reveals the ties between the CCP and the corrupt elites in those countries.

6. DON'T FORGET THE TRANSNATIONAL ISSUES

BRUCE JONES: I want to shift to the set of transnational issues, but particularly climate change. An inability to manage carbon emissions seems to me like at least as significant of a challenge as losing the Senkaku Islands; and we can't do that without China.

Some, including here at Brookings, criticized the Obama administration for leaning too far into cooperating with China. The argument was that cooperation entailed sacrificing pushback on other issues. Even if that were true, isn't it perfectly logical to say that climate change is a more profound threat to the American economy and to the American way of life than the losing the Senkakus?

RYAN HASS: In the case of pandemic disease response, in the case of nonproliferation, and in the case of climate change, basically any major transnational challenge the United States confronts, it's very hard to find a pathway to managing it in the absence of some modicum of cooperation and coordination with the Chinese.

RUSH DOSHI: There is some direct textual evidence from CCP sources that suggests that China had viewed in the past—maybe not in the present—global governance and transnational cooperation as an instrument of leverage. Beijing knew Americans cared more about it to some degree than they did, that perhaps we were willing to forego certain elements of security competition to secure elements of transnational cooperation. Now that's a very cynical way of looking at it. I'm sure that there's a way we can still find a *modus vivendi* on transnational cooperation. But it's also important to note that we have to bargain with that awareness in mind when it comes to this issue. We can't uniformly sacrifice certain key strategic interests on the altar of global governance—

BRUCE JONES: Why not?

RUSH DOSHI: Because in some cases they won't be reciprocated. Or in other cases because those concessions be taken as an instrument of leverage and the price will continue to go up. Tying global governance to strategic concessions actually makes global governance harder in the future.

BRUCE JONES: But doesn't it go to the fundamental question of which of our interests are higher? Let's assume we cannot maximize leverage on China on all fronts simultaneously. There is still a debate about on which altar are we sacrificing which objectives?

TARUN CHHABRA: I lean toward Rush's view on this in the sense that not only on climate change, but also on nonproliferation—including North Korea—we had a confluence of interests. The question is: Did China have incentives to play up its reticence and extract concessions? Was Beijing leveraging our commitment to get to a place where it probably would have met us anyway?

I think climate change is a case of evolution, where you saw Beijing shift due to domestic factors, including pollution. Our forthcoming series of papers on China's rising regional and global influence will look deeply at Beijing's thinking on these transnational issues because this is an important question going forward. But overall, I think we can be much less of an "ardent suitor" on transnational issues, especially where Beijing wants to claim the mantle of responsible global citizenship and not get pinned into trading off other interests.

Chinese President Xi Jinping delivers a speech during a high-level event in the Assembly Hall at the United Nations European headquarters in Geneva, Switzerland, January 18, 2017. REUTERS/Denis Balibouse

BRUCE JONES: It may well be that there are zones of confluence of interests that don't have to be entangled in competition. There were times when we and the Soviets came together in the U.N. Security Council, or elsewhere, to solve a problem that was in neither of our interests to see it get out of control.

Today, those problems are substantially larger and that space is substantially larger with the Chinese. To me, it goes to the distinction between recognizing China as a strategic competitor, on the one hand, and turning them into an enemy, on the other.

MIRA RAPP-HOOPER: To add to Bruce's point, the entire nonproliferation and arms control regime was essentially a great power arrangement between the United States and Soviet Union that evolved, after the Cuban Missile Crisis, when we both scared ourselves enough to realize that there had to be a better way to deal with this shared problem.

RUSH DOSHI: One of the key questions will be: Do we view U.S.-China cooperation and transnational issues as a zero-sum question? Or is it simply a question of bargaining? If it's bargaining, then what interest are we going to downplay, even temporarily, in order to get a bargain on some other transnational issue?

From that perspective, it doesn't make sense for the United States to announce upfront that climate change is the most important priority because it makes China's price higher.

TARUN CHHABRA: You've invested your prestige on the global stage in an issue and then unwittingly handed over a big cache of leverage.

RUSH DOSHI: Exactly. We should put ourselves in positions where our president doesn't have to look for progress on a transnational issue at the expense of the key security priority, so there should be no categorical principle up front that says we will consider trading concrete strategic concessions for Beijing's cooperation on other issues.

RYAN HASS: Policymaking is all about the art of timing, sequencing, and prioritization. You have to set priorities and then sequence actions to advance those priorities. If our national priority is to push back on China on all fronts at all times, and the achievement is simply the demonstration of willingness to confront China, then that's what we'll do. But we should be clear-eyed about the consequences of such an approach, both for its limitations in influencing Chinese behavior in our preferred direction, and for its liabilities in positioning the United States to solve problems that directly affect Americans.

BRUCE JONES: All of this is why it's a priority of Brookings to be hosting these conversations and cultivating the next generation of China scholars, as well as driving deep, empirical scholarship to spur informed, civil debate.

The need for this kind of scholarship is what's driving our new project, "Global China: Assessing China's Growing Role in the World," which we launched in May 2019 at an event with Senator Mark Warner (D-VA) to discuss the state of cutting-edge technological competition with China.[7]

We're seeking to generate new data and analysis to evaluate Chinese activities around the globe and their implications for American policy by drawing on regional and thematic expertise from scholars across the Foreign Policy program and the wider Brookings community. We're planning an unparalleled breadth of research to undertake an analytic assessment of China's expanding international influence. From new domains of strategic competition to key regions around the globe, we will have a wide range of content throughout 2019-2020 to provide both policymakers and the public with a new baseline for understanding a truly global China.

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