

## RISING TO THE CHALLENGE: NAVIGATING COMPETITION, AVOIDING CRISIS, AND ADVANCING US INTERESTS IN RELATIONS WITH CHINA

JOHN R. ALLEN, RYAN HASS, AND BRUCE JONES

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### **EXECUTIVE SUMMARY**

The Brookings – China Institutes of Contemporary International Relations (CICIR) Dialogue began in 2019 against the backdrop of the 40th anniversary of the establishment of U.S.-China diplomatic relations. By that time, it already had become clear that the previous framework for managing bilateral relations was fraying, and that a form of strategic rivalry was the new baseline reality of the relationship.

In the intervening two years, American policymakers and analysts have laid out two main alternative frameworks for the management of U.S.-China relations for the coming decades. One is a strategy of omni-directional containment, seeking to confront and constrain China — limiting China's expanding capacity in the military, technological, economic, developmental, normative, and multilateral spheres; undermining the legitimacy of its governance and economic models; and seeking to blunt China's diplomatic gains. Although there is a coherence to this approach, it also carries costs and risks. It could limit buy-in from key allies and partners, inhibit calibrated U.S.-China coordination on the provision of critical global public goods, and diminish the capacity of both major powers to manage tensions. As an alternative, some voices in the United States have argued for a return to a variation of the pre-Trump administration status quo, where an effort to secure cooperation on global issues like climate change is prioritized alongside efforts to expand access to the Chinese market. For any version of this more benign approach to be realistic, however, would require not simply a shift in American policy and perspective but a fundamental change in Chinese behavior, both external and internal. There is little evidence to suggest that China is prepared to embark on any major reorientation of its domestic and foreign policies in the near term.

To maximize its ability to influence how China pursues its interests, the United States will need to advance a strategy that is capable of securing both long-term allied participation and sustained support from the U.S. public and key political constituencies. Our conclusion is that a concept of *persistent competition leavened with calibrated cooperation* holds the greatest promise of sustaining support at home and with allies and partners.

A framework for managing the relationship in ensuing decades could start with the following principles:

 A recognition of strategic and persistent competition as the baseline of the relationship – avoiding undue disappointment by aiming for an unrealistic standard of amity and cooperation, but also resisting fatalistic assumptions that confrontation, enmity, and outright conflict are historically inevitable.

- Concurrent American investments in both the capacity to deter and to deal with differences diplomatically; renewed efforts around arms control, crisis management, and war avoidance – a policy of statecraft, backed by diplomacy, economic strategy, and force posture. This would have to be matched by similar, or even reciprocal investments by China in diplomacy.
- A concerted effort to inoculate critical global systems from debilitating U.S.-China competition a focus on forging calibrated, monitored coordination on critical global public goods like financial stability, pandemic disease control, and climate change mitigation. Much of this coordination likely will need to occur under the auspices of plurilateral or multinational groupings — in many instances, neither side will be receptive to aiding an initiative led by the other.

The following report lays out the elements such a framework that can help minimize risk of conflict, push both Beijing and Washington to recognize the merits of bounding and managing competition, and enable both sides to pursue calibrated coordination on shared challenges.

#### **INTRODUCTION**

The Brookings – China Institutes of Contemporary International Relations (CICIR) Dialogue began in 2019 against the backdrop of the 40th anniversary of the establishment of U.S.-China diplomatic relations. Both sides agreed to hold closed-door exchanges for two years with small delegations that would remain constant on both sides in order to create conditions most conducive to candor. At the time of the launch of the dialogue, it already had become clear that the previous framework for managing bilateral relations was fraying, and that a form of strategic rivalry was the new baseline reality of the relationship. Both sides expressed the view that to avoid outright conflict, new understandings about the nature of bilateral relations would be needed. In the period since the launch of the dialogue, the U.S.-China relationship has deteriorated further, making the task at hand even more urgent.

U.S. and Chinese participants held a range of views on the value and necessity of developing a new framework for the U.S.-China relationship. American participants generally were wary of any attempts to identify a phrase or slogan for explaining the nature of relations. Most U.S. participants did see value, though, in working to develop a way for American policymakers and citizens to situate how China relates to America's top objectives and to contextualize how developments involving China impact America's security and prosperity. The following report is informed by the inputs and recommendations of participants in the two-year dialogue, but the findings are the sole responsibility of its authors.

#### **THE BASELINE**

The modern U.S.-China relationship originally was propelled forward by common geostrategic purpose — limiting the Soviet Union's expansion of influence. Beginning with President Richard Nixon and Chairman Mao Zedong in 1972 and carrying forward through the end of the Cold War, both countries' leaders coordinated efforts to apply stress on the Soviet Union, weaken Soviet leadership of the communist bloc, and force Moscow to divert resources and focus from Europe to the Asian theater.

In the years following Nixon's 1972 visit to Beijing, both countries developed an implicit compact, more often understood by policymakers than codified in writing, to avoid entanglements in Asia. Both countries sought over the coming decades to manage ideological differences and avoid opening a new front in the Cold War that would sap the strength of both countries. There were occasional flare-ups of tensions, most notably following the Tiananmen Square tragedy in 1989, around Taiwan's first democratic election in 1996, and following the U.S. bombing of the Chinese Embassy in Belgrade in 1999 and a collision of U.S. and Chinese military aircraft near Hainan Island in 2001. By and large, though, the relationship traveled a path leading to deepening social, economic, academic, and scientific ties. Throughout this period, the United States maintained a significant lead in overall national power, broadly defined, even as China experienced a rapid rise in economic, technological, diplomatic, and military capabilities.

China increasingly presents itself as a great power and a contender for leadership in international affairs and is convinced the U.S. is in decline. In the U.S., China no longer is viewed as an occasional competitor and potential partner, but rather as America's most formidable challenger and potential adversary.

That period is over. China increasingly presents itself as a great power and a contender for leadership in international affairs and is convinced the U.S. is in decline. In the U.S., China no longer is viewed as an occasional competitor and potential partner, but rather as America's most formidable challenger and potential adversary. That perspective transcends partisan lines and is now broadly embraced across the United States.

The 2008 global financial crisis served as a major inflection point for this shift in the relationship. To many in Beijing, the crisis revealed the problems at the heart of the American model. In the years since, China has embraced an increasingly illiberal identity, combining tighter statist economy policy with intensifying domestic repression and external assertiveness. There have been growing concerns in the United States and elsewhere that China's own governance model, and the digital tools of surveillance it exports<sup>1</sup> to the highest bidder, are contributing to an erosion of liberal norms worldwide. Such concerns have been exacerbated by the rise of authoritarian leaders in Hungary, Turkey, and elsewhere — some of them, with Chinese technological and economic support. China's leaders have become more outspoken about the lessons that their governance model can offer others. This trend, in turn, has fed a perception of the U.S.-China rivalry becoming more ideologically driven and feeds the growing narrative in the West of a new Cold War.

Rather than seeking to tamp down this sharpening rivalry, both sides through their actions have intensified it. Beijing has demonstrated itself to be more tolerant of friction with the United States and others in pursuit of its ambitions. China's leaders present their country as acting defensively, seeking to preserve political stability, protect national sovereignty, and maintain economic security. They ascribe rising tensions in the U.S.-China relationship to an insecure America seeking to slow the pace of its relative decline by working to subvert China's rise. They see a shifting relative balance of power as a central driver of rising U.S.-China tensions. They dismiss American objections to Chinese repression in Xinjiang, Hong Kong, and elsewhere as attempts by the United States to weaponize human rights to challenge the legitimacy of the Chinese Communist Party and undermine China's international image. In the face of perceived American hostility, their prescription is to pursue security through strengthening control of society, reducing vulnerabilities to American pressure, increasing the rest of the world's dependence on access to China's domestic market for their own economic expansion, rapidly improving China's military capabilities, and entrenching China's statist economic model.

By contrast, many in the United States increasingly view China as an opportunistic and aggressive actor that is directing significant resources to revising elements of the regional and international order to better suit its preferences and values, often at America's expense. Beijing is also engaging in intense diplomatic, economic, and media pressure tactics against neighbors and select states in other regions. In recent years, there is a widening American consensus around the view that Beijing has been pursuing strategic advantage through the Belt and Road Initiative, establishing relative dominance over other claimants in the South China Sea, seeking to limit America's influence in Asian regional affairs, working to weaken U.S. alliance relationships in Asia, aggressively pursuing new standards in international bodies that would give advantages to Chinese companies in next generation technologies, weakening human rights norms within the United Nations, and establishing new multilateral bodies to dilute the role of existing Western-led bodies. Moreover, there is a widening U.S., and now European elite view, that China's reach extends directly and deeply into Europe with the intent of weakening the coherence of the European Union and the U.S. influence in the trans-Atlantic realm. What's more, China's pressure tactics have increasingly built an anti-China and even pro-West sentiment in India.<sup>2</sup>

All of these factors have contributed to the success of U.S. efforts to bolster deterrence and defense of the established order in Asia. Washington is using a network of alliances and defense partnerships — from the Quad (Australia, India, Japan, and the United States), to the newly established AUKUS trilateral security pact between the Australia, United Kingdom, and United States, to tighter naval coordination with Japan. China as a result faces a tightening web of security partnerships in Asia, designed to balance against its growing military clout.

# PATHWAYS FORWARD FOR THE RELATIONSHIP

In response, American policymakers and analysts have laid out two main alternative frameworks for the management of U.S.-China relations for the coming decades.

#### Compete on all fronts

The United States could engage in a form of omnidirectional containment, seeking to confront and constrain China in every major sphere of activity seeking to limit China's expanding capacity in the military, technological, economic, developmental, normative, and multilateral spheres, as well as seeking to blunt China's diplomatic gains. This approach lends itself to an ideological formulation, one which aims to generate opposition to the Chinese governance system, and to any and all efforts to either promote that system abroad or to make the international system more receptive to it. There is a coherence to this, and over time it may prove inevitable - but it carries two major risks. One risk is that this approach may alienate or at least limit buy-in from key allies and partners whose cooperation would be vital for success of such a strategy, particularly in Europe and Asia. Allies and partners in Asia generally share a strategic concern about China but do not subscribe to ideologicallyinfused threat perceptions and reject the notion of attempting to de-couple from China economically

— as evidenced by the recent completion of the Regional Comprehensive Economic Partnership (RCEP) trade agreement with the participation of all five of America's treaty allies in Asia. A further risk would come in the possibility that an overtly ideological framing of the relationship would inhibit necessary, calibrated U.S.-China coordination on the provision of critical global public goods — to deal with pandemic disease control, financial stability, and climate change, among other things. It would also risk eroding the prospects for targeted coordination in areas of overlapping interests, like halting Iran's nuclear weapons program and frustrating North Korea's expansion in nuclear capabilities. At its furthest extreme, such an approach could harden an all-encompassing zerosum view of the relationship, limiting the capacity of either side to manage differences and leading to increased risk of escalation and possibly conflict. The debilitating spectacle of Beijing and Washington engaging in nationalist blamesmanship instead of leading international efforts to tackle COVID-19 is an example of the baleful consequences of this approach.

#### Engage, cooperate, compete

By contrast, some progressive voices in the United States have argued that we should return to a variation of the pre-Trump administration status quo, where an effort to secure cooperation on global issues like climate change is prioritized, while expanded access to the Chinese market remains an objective of American strategy, along with continuing to compete with China. For any version of this to be realistic, however, would require not simply a shift in American policy and perspective but a fundamental change in Chinese behavior, both external and internal - especially around issues of repression. Given developments over the past several years, there is little realism to expecting such a scenario to emerge in the near-term. What's more, framing the objective of U.S.-China relations in terms of cooperation, or comanagement of global affairs, seems most likely simply to generate a feeling of under-delivery and disappointment, leading over time to a further ratcheting up of tensions in the relationship.

### THE NEED FOR AN ENDURING FRAMEWORK

Right now, there remains among core allies a degree of uncertainty about the central tenets of America's strategy and a sense that Washington remains torn between these two impulses (both of which are represented in the senior ranks of the Biden administration.) This is a problem.

Not out of amity, but rather because of an absence of tenable alternatives, both countries will need to find a new and enduring framework for managing the relationship.

As two major military and technological powers, both armed with nuclear weapons, who both sit at the center of the global economy and the global energy system, the United States and China each are capable of profoundly harming the other, but neither is capable of doing so without hurting itself in the process. Not out of amity, but rather because of an absence of tenable alternatives, both countries will need to find a new and enduring framework for managing the relationship.

This will require both countries to approach the other as a peer, strategic competitor. Reaching such a conclusion will not come easily or naturally to either side. Beijing harbors a deeply skeptical view of America's intentions and is prone to view the relationship in starkly zero-sum terms. American political leaders presently are divided over whether to view the relationship as a deep ideological and philosophical struggle that will produce a winner and a loser, or as a sharply competitive relationship where the United States will need to play a long game to seek to preserve advantages amidst coexistence.

To build consensus in the United States around viewing the relationship as characterized by persistent competition with a peer competitor, American leaders will need to find ways to reach beyond political point-scoring on China. An administration that views China as a competitive peer will have to be prepared to beat back attacks from a nationalist opposition that will seek advantage in accusing the administration of "accommodating" China. As long as the default posture of any political opposition is to accuse the administration in power of "accommodating China" for delivering anything short of the collapse of the Chinese Communist Party, the result will be partisan see-sawing on China. Not only would such a dynamic weaken America's ability to influence China's calculus, it also would hobble its ability to build buy-in from allies and partners for coordinated efforts to constrain or influence China's choices. Not only China, but also key American partners, could hedge against uncertainty about the durability of any given administration's approach by waiting them out.

To break out of such a cycle, the United States will need to settle on a policy posture on China that can sustain support from the U.S. public and key political constituencies. It also will need to be reflective of the China policy objectives of key American allies, whose investment in a joint approach would enhance the prospects of American policy continuity during U.S. presidential transitions, because incoming administrations would be reluctant to allow an appearance of abandoning allies on dealing with China.

#### A FRAMEWORK FOR NAVIGATING RIVALRY

Our conclusion is that a sustainable, bipartisan approach to China that can also leverage continued, deep cooperation with allies and partners in Asia and Europe, can be built around a concept of persistent competition, leavened with calibrated cooperation.

This starts with accepting that competition and rivalry resides at the core of the relationship. Shared acknowledgment between leaders and their advisors in Washington and Beijing of the competitive nature of the relationship would enable greater candor on how best to manage the relationship in a manner that prevents escalation to conflict. Adoption of this approach will require the United States to strengthen its diplomatic, military, and normative capacity, both to secure core American and allied interests and values within that competition, but also to limit undue escalation and work to prevent conflict. Of course, in the day-to-day of policymaking, it will be difficult for either side to always calibrate correctly; but this pattern of persistent competition leavened by targeted coordination could emerge over time to inform both strategy and rhetoric. It would cause U.S. policymakers, for example, to reject the seductive but illusory notion that cooperation on climate change could lessen competition in other domains, but it would also allow American policymakers to recognize the overwhelming case for active coordination on building global public health capacity to prepare for future pandemics, even in spite of deepening frustrations about China's lack of transparency over COVID-19.<sup>3</sup>

American political actors should operate through a recognition that the United States is still the stronger of the two partners, and still capable of shaping the terrain on which China will have to compete. That is especially true if the United States (a) has an enduring strategy, (b) builds that strategy in a manner that is likely to generate sustained contributions from key partners in Asia and Europe, and (c) and restores in its diplomacy and its development strategy a focus on responding to the real needs of countries in the developing world, whose support will also be important in several domains of competition.

Thus, a framework for managing the relationship in ensuing decades could start with the following principles:

- A recognition of strategic and persistent competition as the baseline of the relationship

   avoiding undue disappointment by aiming for an unrealistic standard of amity and cooperation, but also avoiding a deterioration into persistent confrontation, enmity, and outright conflict.
- Concurrent American investments in both the instruments of deterrence and the infrastructure of diplomatic crisis management; of arms control; and of war avoidance – a policy of statecraft, backed by diplomacy, economic strategy, and force posture. This would have to be matched by similar, or even reciprocal investments by China in diplomacy.

 A concerted effort to stabilize critical global systems from debilitating competition an effort to forge calibrated, monitored coordination on critical global public goods like financial stability, pandemic disease control, and climate change mitigation. Much of this coordination likely will need to occur under the auspices of plurilateral or multinational groupings — in many instances, neither side will be receptive to aiding an initiative led by the other.

## OPERATIONALIZING PERSISTENT COMPETITION AND CALIBRATED COOPERATION

In the near term, the following recommendations would help to establish a durable American policy framework that would strengthen the country's ability to protect its interests while also limiting risk of conflict.

- Avoid excessive expectations in the U.S.-China relationship, either good or bad. Neither romanticism about the past nor fatalism about the future is justified. Bilateral cooperation may provide some cushioning, but it will not offset the inherently competitive nature of the relationship resulting from clashing interests and ambitions. By the same token, there are no diplomatic laws of gravity or inescapable historical patterns that fate the relationship to conflict. Choices by both countries have led U.S.-China relations to the current moment, and different choices can move the relationship in a new direction.
- Acknowledge the role of politics in both countries. In the United States, a majority of the policy community and the public now view China as a long-term challenger. Given hardening skepticism of China on Capitol Hill, there will be political costs for any current or aspiring leader that promotes an accommodative posture toward China. In China, nationalist voices critical of the

United States and prone to view the U.S.-China relationship in sharply competitive terms appear to be ascendant, as shown both in Chinese media discourse and the statements of leading Chinese diplomats. with "wolf warrior diplomacy" serving as the most visible manifestation.<sup>4</sup> These trends in both countries limit space for either side to moderate its approach without a visible act by the other that provides justification for reducing tensions. To halt the downward trajectory of bilateral relations, both China and the United States will need to take coordinated reciprocal steps of roughly equal value to each side. Neither side can be expected to "fix" problems in the relationship on its own; both will need to exercise patience in rebuilding durability and ballast in the relationship.

- Recall America's competitive advantages. With benign borders, energy and food security, resilient political institutions, unmatched innovation potential, the world's reserve currency, a global alliance network, and an economy that remains more than 25% larger than China's, the United States has cause for confidence about its relative position in the relationship.<sup>5</sup> It also is not lost on China that nine of the world's 10 largest economies (in nominal terms) are democracies. America's strong relative position should enable it to maintain initiative in advancing an affirmative vision for its role in the world, as opposed to becoming backfooted into a posture of defensive reactiveness to China's efforts to expand its own influence.
- Strengthen bilateral crisis management capacity. The absence of reliable crisis management mechanisms is a mutual strategic vulnerability. As both sides move down the road of deploying Al-enabled military capabilities, the window for negotiation and human intervention in a crisis scenario will shrink. Washington and

Beijing should prioritize efforts to develop reliable mechanisms for preventing and, if necessary, managing crises. Without preestablished protocols on how both sides would communicate in moments of crisis, there is risk of runaway escalation, particularly in a technology-driven conflict environment.

- Avoid pushing China and Russia closer together. Relations between Beijing and Moscow are unprecedentedly close by historical standards.<sup>6</sup> This dynamic is likely to persist and may lead to further deepening of ties as long as Presidents Xi Jinping and Vladimir Putin remain in power, but it is unlikely to persist into perpetuity given divergences in interests between both powers. The United States will need to exercise discipline in avoiding providing pretext for Xi and Putin to move closer in ways that add stress to America's interests or those of its closest allies. Overt efforts by the United States to drive wedges between Beijing and Moscow are unlikely to succeed and likely to prove counterproductive. There may be moments when Washington can opportunistically engage one side or the other on areas of overlapping interests that highlight divergences of views between Beijing and Moscow, though, for example on access to Arctic waterways.<sup>7</sup>
- Strengthen coordination with democratic partners to constrain the spread of malign aspects of China's governance system. This will require the U.S. to work with other democratic partners to push back against Chinese attempts to exert extraterritorial law enforcement jurisdiction, particularly concerning dual nationality citizens. It will require bolstering international coordination against money laundering and boosting investments in strengthening independent media around the world, which serves as a key check on corruption and elite capture. It will require the development of country-

and company-neutral norms and rules around emerging technology issues, e.g., limits on government access to personal data, minimum security standards around 5G deployment, and standards for export and use of surveillance technologies. It will require coordinated pressure on China to unwind its repressive domestic practices, so that such concerns cannot be dismissed by Beijing solely as an "American concern." And it will require collective responses when China engages in economic coercion, hostage-taking, or similar measures as an instrument of its statecraft.

- View the U.S.-China relationship in a global context. The relationship no longer can be managed in a bilateral or even a regional context. Both countries are global actors with global interests. Whenever one side takes actions anywhere in the world, it impacts the other's interests. This necessitates that both sides now consider how their actions in every corner of the world will play into U.S.-China competition. Both sides must also proceed with awareness of the ripple effects of their competition upon other counties, regions, and institutions. Whether on tech standards, 5G build-out, or votes for leadership candidates in international organizations, countries increasingly are being squeezed in between Washington and Beijing.
- Invest in plurilateral and multilateral mechanisms. U.S. and Chinese diplomats should contribute to mechanisms that can help create "guardrails" in the relationship and prevent unwarranted and undue escalation. While both Washington and Beijing are skeptical of multilateral institutions that constrain their behavior, both would profit from the existence of third-party mechanisms that can provide impartial information, suggest roadmaps for deconfliction, and outline pathways for collaboration that neither side might trust if

emanating from the other. Such mechanisms might take the form of informal arrangements developed by constructive middle powers, or in some cases innovative uses of established institutions (just as the U.S. and the Soviet Union frequently made use of such tools during the Cold War to manage escalation dynamics or solve secondary problems that risked spilling into direct crises). The overarching mentality about plurilateral and multilateral cooperation of this type should be to develop an architecture that can help keep the relationship competitive, rather than confrontational or even conflictual.

- Stabilize the frameworks for managing global public goods. Both sides should set a goal of immunizing matters of global public health and safety from the vagaries of bilateral competition. Both the United States and China will suffer reputationally if they are perceived to be incapable of rising above their own bilateral competition to support collective efforts to address threats to humanity. Whether on global health, COVID-19 vaccine distribution, climate change, responses to financial shocks, nuclear security, or humanitarian crises, both countries need to resist impulses to seek to condition cooperation on concessions elsewhere in the bilateral relationship. Instead, they should seek to outcompete the other through the quality of their contributions. To the extent possible, technocratic experts should play leading roles in managing these issues within the bilateral relationship, in part to insulate them from political crosswinds. Frequently, leadership by third-parties (especially middle powers) may be important in establishing pathways that both Beijing and Washington can support.
- Seek to sustain subnational involvement in the relationship. In recent years, U.S. governors and mayors have become more active on international affairs, e.g.,

seeking to attract investment, coordinate on climate change mitigation, respond to natural disasters, and secure supplies of critical medical equipment during health emergencies. In both systems, subnational actors often also are rising leaders. Their greater involvement in U.S.-China relations could help focus discussion on tangible issues affecting their citizens and contribute to a more pragmatic and informed public awareness of risks and opportunities in the relationship.

- Invest in track-1.5 efforts to explore opportunities for managing crises and dealing with future challenges. Past similar efforts have proven effective in developing greater understanding of the goals and limits on each side's approaches to challenges in advance of official dialogues, thus enabling officials to hone on realistic options for responding to events (e.g., a North Korean nuclear test). Similar efforts may prove useful for avoiding miscommunication and missed opportunities, and for ripening options for improving bilateral crisis management mechanisms and developing norms around uses of emerging technologies in national security.
- Develop relationships between kev policymakers. The single common trait of every issue that has been managed effectively in the relationship over the past 50 years has been that it has been done between officials that have built relationships with each other. Solutions to challenges in the relationship rarely are reached in front of cameras at large events. They more often are the product of iterative negotiations behind closed doors between empowered officials, as well as the leaders themselves. Even during the Trump administration, the one agreement reached, on trade, was the output of a relationship that had been built between Treasury Secretary Steve Mnuchin, Trade Representative Robert

Lighthizer, and Vice Premier Liu He. The agency of leaders and their advisors matter significantly to the effective management of frictions in the relationship.

#### CONCLUSION

The framework described herein will not resolve inherent tensions in the relationship, some of which are zero-sum in nature and not conducive to negotiated solution. Rather, this piece seeks to provide an orientation for American policymakers and the public to think about how best to approach the U.S.-China relationship, recognizing that China is not going away and that both the United States and China will remain the two largest actors in the international system for the foreseeable future. Competition is inevitable; conflict is not.

Not every challenge within each country needs to be framed in the context of U.S.-China rivalry. Nor should every international issue be viewed as a pretext for zero-sum competition. Many global challenges will impact both the United States and China; both countries will either benefit or be harmed depending upon how they address these challenges. Because of this inescapable condition, both sides have a responsibility and an interest in strengthening international coordination.

Whichever governance system most effectively unlocks the potential of its people and delivers solutions to global challenges will enjoy the pull of power in the international system. Ultimately, prestige will be determined by performance.

At the same time, there will be an inherent tension in the relationship resulting from each side's respective histories, different governance systems, each side's interest in demonstrating the superiority of its model for serving the interests of its people, and some irreconcilable strategic ambitions, especially in the western Pacific. This will be a long-term competition. The challenges each country confronts differs due to geography, history, and the size and composition of respective populations. Whichever governance system most effectively unlocks the potential of its people and delivers solutions to global challenges will enjoy the pull of power in the international system. Ultimately, prestige will be determined by performance.

Chinese leaders have called for a "new model of great power relations," even while many of its leading thinkers recognize the limitations of that approach; and American leaders have rejected the formulation as untenable - costly for America's relationships with allies and accommodationist in a domestic political context. But to be sure, we are in a new era of great power competition, one where deep economic integration, knowledge production, and global supply chains co-exist with strategic competition in the military, political, technological, and normative domains. There will be an ongoing competition of ideas over the proper balance between individual liberties and social stability, and the role of human rights, rule of law, and democratic institutions for delivering effective governance. America's performance at home will go a long way toward determining its competitiveness on this front. The character of governments also will inform the manner in which new technologies are developed and deployed within their borders. Will governments have the vision and will to regulate emerging technologies to contribute to the betterment of humanity, or will they be employed to enhance surveillance and abet oppression?

Although all historical analogies contain imprecisions in certain respects, the closest modern parallel is the relationship that held between Germany and Britain in the 19th century – and led to the bloody horrors of the first half of the 20th century. The elements of a new framework presented here can help avoid debilitating conflict and encourage both Beijing and Washington to recognize the merits of bounding and managing the underlying strategic competition that now characterizes the relationship.

## RESPONSE TO CICIR PAPER "MUTUAL RESPECT, EQUALITY, MUTUAL BENEFIT, AND PEACEFUL COEXISTENCE: EXPLORING A NEW FRAMEWORK OF CHINA-US RELATIONS IN COMPLEXITY"

CICIR's paper makes clear the profound stakes for both sides in managing effectively this complex relationship. At a conceptual level, there is important overlap between the two papers. Both pieces arrive at the conclusions that (1) it is an open question whether the U.S. and China will be able to co-exist without resort to conflict, and (2) the outcome of this question will be informed by the strategic choices of both countries, and influenced by the actions of third parties. In other words, the future of the relationship will be driven by a dynamic interaction involving the United States and China, leaving open the possibility that enlightened decisions by leaders in both countries could enable a competitive coexistence. Given the prevailing pessimism in both countries about the future of the relationship, this overlap in analysis merits highlighting.

There also are several common recommendations in both papers. Each paper observes that controlling the COVID-19 pandemic and promoting global economic recovery should push the United States and China in a similar direction, along with efforts to combat climate change and address the nuclear challenge from Iran and nuclear nonproliferation more broadly. Both sides also call for sustaining subnational exchanges and strengthening think tank collaboration. CICIR's paper helpfully identifies specific areas for future bilateral coordination, including clean energy, low-carbon development, and increasing trade in green technologies. Both papers observe that domestic priorities will take precedence in both countries in the coming years. Both papers also agree that the two countries share an interest in preventing conflict with each other, including by investing in risk reduction and crisis management protocols.

At the same time, there are important distinctions betweenthetwopapers. The authors of the Brookings paper do not support the conclusion that friction in the relationship is a function of America's anxiety about the shrinking gap in relative national power between the United States and China, or that the United States is pursuing a "hegemonic strategy" to keep China in a subordinate and inferior position to the United States. Similarly, the Brookings authors disagree with the argument that the surest way to remove friction in the relationships is for the United States to stop "creating issues around" China's policies toward Hong Kong, Xinjiang, Tibet, and Taiwan. From our perspective, these issues touch American values at the heart of its national identity, as well as universal human rights standards. The United States has prioritized these issues in its relationship with China for decades, even when the differential in national power was much larger than it is today. It would be unrealistic to expect Washington to overlook its deep concerns on these issues now in pursuit of more stable relations with China.

At the same time, China's mounting pressure on America's friends such as Australia, India, Canada, the European Union, and Taiwan will continue to color perceptions in the United States of China and its intentions. It will compel American policymakers to prioritize efforts at shoring up support for friends and allies, even if doing so elevates tensions with Beijing.

Even in spite of these considerable challenges and significant disagreements, the U.S. and Chinese participants in this dialogue continue to believe it is important to continue exploring ways to manage more effectively U.S.-China competition. Given the impacts of the relationship on people in both countries and around the world, giving up is not an option.

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#### **ABOUT THE AUTHORS**

**John R. Allen** assumed the presidency of Brookings in November 2017, having most recently served as a distinguished fellow at the institution. Allen is a retired U.S. Marine Corps four-star general and former commander of the NATO International Security Assistance Force (ISAF) and U.S. Forces in Afghanistan. He is the co-author of the books *Turning Point: Policymaking in the Era of Artificial Intelligence* (2020) and *Future War and the Defence of Europe* (2021). After retiring from the Marine Corps, he served as senior advisor to the secretary of defense on Middle East security, during which he led the security dialogue for the Israeli/ Palestinian peace process, and then as special presidential envoy to the Global Coalition to Counter ISIL. Allen's first tour as a general officer was as the principal director of Asia-Pacific policy in the Office of the Secretary of Defense, a position he held for nearly three years during the George W. Bush Administration.

**Ryan Hass** is a senior fellow and the Michael H. Armacost Chair at Brookings, where he holds a joint appointment to the John L. Thornton China Center and the Center for East Asia Policy Studies. He is also the Chen-Fu and Cecilia Yen Koo Chair in Taiwan Studies. His current research focuses on enhancing policy development on the pressing political, economic, and security challenges facing the United States in East Asia. He is the author of *Stronger: Adapting America's China Strategy in an Age of Competitive Interdependence* (2021) and a co-editor of *Global China: Assessing China's Growing Role in the World* (2021). From 2013 to 2017, Hass served as the director for China, Taiwan and Mongolia at the National Security Council (NSC) staff. Prior to joining NSC, Hass served as a foreign service officer in U.S. Embassy Beijing, U.S. Embassy Seoul, and domestically in the State Department Office of Taiwan Coordination and Office of Korean Affairs.

**Bruce Jones** is director and a senior fellow in the Project on International Order and Strategy at Brookings. He is also a consulting professor at the Freeman Spogli Institute at Stanford University. His current research focus is on U.S. strategy, international order, and great power relations. His latest book is *To Rule the Waves: How Control of the World's Oceans Shapes the Fate of the Superpowers* (2021). Jones served in the United Nations' operation in Kosovo and was special assistant to the U.N. special coordinator for the Middle East peace process. He was also a senior advisor to Kofi Annan on U.N. reform and served as deputy research director to the U.N.'s High-level Panel on Threats, Challenges and Change, as well as lead scholar for the International Task Force on Global Public Goods.

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