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On the Brink: Averting a New Cold War Between Washington & Beijing

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Key Findings

- A tendency to frame the U.S.-China rivalry as a new ‘Cold War’ involves acute securitization that obscures the contest’s geo-economic basis.
- The differing psychologies and strategic cultures of the U.S. and Chinese foreign policy establishments shape how great power competition is conceived and operationalized.
- Adoption of a maximalist conception of national interests by Washington and Beijing is predictive of the extent to which each would ignore the other’s red lines and adopt a forward posture—hence increasing the risk of escalation and armed confrontation.
- The specter of technology rivalry is emblematic of the prevalence of a zero-sum strategic calculus and securitized great power relations where policymaking incentives are absolutist, riven with fear, and aimed at global hegemony.
- Mischaracterizing the Sino-American contest as one of exclusively security competition and casting it as an adversarial relationship is a real concern that increases the likelihood for conflict and blocks both engagement and strategic empathy.



Introduction

Great power competition has fast become the siren song of Sino-American relations with a cascading effect across every domain of bilateral engagement between Beijing and Washington, raising the prospects of escalation and outright military conflict. In such an adversarial context, even if full military confrontation between the world's two leading superpowers is avoided, the spectre of a 'new Cold War' looms large. American and Chinese leaders increasingly refer to one another as direct, almost existential threats that must be contained and deterred, talk of alliances and security blocs abounds, and the world confronts yet again the possibility of being divided in two camps based on an almost reptilian perception of 'friends' and 'enemies', if not a Manichean one of 'good' and 'evil'.

The crystallizing narrative of a coming Cold War between the United States and China promises to reshape the international system and entrench the open multipolar system that has briefly emerged into yet another bipolar construction. To better understand the current climate, IPD ran a three-months-long series of expert discussions assembling an interdisciplinary group of thought leaders to explore the current landscape of Sino-American relations and its future trends in order to provide a holistic, 360° view of what has been called the most pivotal relationship of the 21st century.

This investigation into the nature, genealogy, and future of the U.S.-China competition was guided by a need to identify the true forces that seemingly compel strategic rivalry between the two powers. To achieve a holistic and realistic perspective on the issue, this inquiry was informed as much by institutional, historical, ideational, and psychological analyses of 'mindsets' among

policymakers in Washington and Beijing as by the changing 'structure' of the international system.

In so doing, we seek here to advance a phenomenological account of the competition and take seriously the importance of prevailing 'perceptions' among elites and the public undergirding the state actions and policies that will shape the 'reality' of the competition. What is the essential domain of the Sino-American competition and to what extent could the sociology of scaremongering and threat inflation in these two complex societies coupling their different strategic cultures escalate the rivalry into one of antagonism and outright enmity? Moreover, as the world focuses almost exclusively on the emerging reality of the competition, is there room for cooperation and strategic empathy?

To establish the factors responsible for the deteriorating landscape of Sino-American relations, this white paper will:

First, examine the historical and ideational fault lines in American and Chinese strategic cultures and explore how ideals and norms among their respective elites influence their behavior, fray diplomacy, and escalate competition (both intensifying existing rivalries and expanding it into different domains).

Second, understand how the U.S and China conceptualize their vital national interests within the scope of the bilateral relationship and review their security concerns/needs in the multipolar international system, with particular attention to their assessments of each other's capabilities and hard power.

Third, evaluate the sphere of technology competition as a distinctive facet of Sino-American rivalry that illustrates how the psychology of dominance and perceptions of fear



have undermined appropriate policymaking.

The white paper aims to clarify the key drivers behind the U.S.-China rivalry and highlight the role of securitization in projecting the false reality of a new Cold War. The framework of great power politics needs to be grounded in an accurate, nuanced understanding of how different leading powers conceive their national interests and at times even distort it to fit the straitjacket of ideology, domestic politics, and endemic elite biases.

Moving forward, the framing of ‘great power competition’ will shape how Washington and Beijing could lessen antagonism, mitigate conflict, resolve disputes, and sustain engagement. **Strategic culture, geopolitical security, and the contest over technology** are three key domains that shed light on the narrative and reality of the competition and its evolution. Viewed in sum, all three of these dimensions are currently locked in the dangerous rhetoric and dynamic of escalation that puts security at the heart of the U.S.-China competition.

The prism of security that is often adopted in making sense of the rising tensions between the U.S. and China easily masks the geo-economic imperatives that underlie and precipitate competition in the first place.

Accordingly, one major finding of this report is that the prism of security that is often adopted in making sense of the rising tensions between the U.S. and China easily masks the geo-economic imperatives that underlie and precipitate competition in the first place. By misattributing the

core drivers of current great power competition (economic nationalism, multipolarity, and quest for technological dominance), foreign policy elites inevitably mischaracterize the nature of the rivalry, militarizing and securitizing Sino-American relations so that the economic rival is transubstantiated into the strategic and even the civilizational ‘Other’.

Through this process of ‘othering’, natural economic competition is transmuted into an adversarial relationship with existential, zero-sum implications. Hence, rampant over-securitization helps give rise to dangerous messianic narratives that help propel a new Cold War. In this light, it is important for policymakers and statesmen to be skeptical of pervasive securitization in strategic debates and to recast competition in healthier geo-economic terms.

As Chas Freeman¹ notes, “the operative contest between China and America is not between competing political ideals, but between the two countries’ abilities to exercise wealth and power, maintain domestic tranquility, and inspire emulation.” A disproportionate emphasis on security in Sino-American relations increases the risk of miscalculation and false application of militarized thinking and policies to all areas of potential disagreement—especially in formulating a new grand strategy befitting the 21st century.

Fear & Ideology in the U.S. & China’s Varying Strategic Cultures

The United States and China cover a massive geographic space and boast ample resources and wealth as well as a large population, making them ‘great powers’. Their histories, cultures, and (state) ideologies profoundly differ, animating

¹ Former Assistant Secretary of Defense for International Security Affairs. Former U.S. Ambassador to Saudi Arabia. Former U.S. Diplomat in China.



contrasting strategic cultures that alter their conceptions of geopolitics. What is more, while China has been a continental power for most of its history, America's strategic identity is tied to being a maritime power—and a truly global one since the end of the Second World War.

Most obviously, these differences impact and frame Washington's and Beijing's long-term strategic postures toward each other. The heir to a civilization that is thousands of years old, China has undergone many cycles of ascent and decline in its long history. Witnessing the flux of state power has made Beijing perhaps less impulsive and more circumspect, discreet, and strategically patient. In comparison, the United States is quite young and confident of its role in the world, substituting sheer optimism and will for its relative inexperience.

Coupling and complicating the above continuities and historical patterns are the contemporary domestic and political considerations. Nevertheless, as Doug Bandow² correctly notes, while both Chinese and American leaders play first to their "home field" and although politics has been a major catalyst in the growing tensions between Beijing and Washington, history—the legacy of colonialism in particular—still casts a large shadow over the relations of China with the West.

With the memory and pain of the 'Century of Humiliation'³ (1839-1949) still fresh for many Chinese, the People's Republic (PRC) seeks international recognition as a co-equal power to America and its allies—with its policies designed to recapture the former glory of the Chinese

civilization. This quest for international goodwill and status has produced an exceedingly pragmatic, if mercantilist, approach in Chinese foreign policy. But where Beijing once deemphasized the ideological challenge against Western-style liberal democracies that its political model presents for the sake of (active) inclusion in the liberal international order, it now appears more willing to stamp its own authority and vision upon that order, at least in the Asia-Pacific. At long last, as Bandow maintains, the PRC is realizing Mao Zedong's dream of having China standing upright on the global stage "as a very important economic and, increasingly, military power."

In contrast, Adam Webb⁴ contends that "China's rise is already embedded in a cosmopolitan order, just not necessarily a liberal one," arguing that while most Asian nations and much of the "Global South" lack any strong attachment to the liberal ideology that underwrites the so-called rules based international order, they, much like China, have rightly calculated that they can derive profit and secure their commercial interests within the extant order—thus having little incentive in dismantling it. Indeed, this overarching pragmatism and a rather agnostic foreign policy when compared to the moralism of the West could be viewed as a key reason behind Chinese successes in the developing world.

Moreover, having to routinely defend against physical threats both foreign and domestic, Chinese elites have inherited a pragmatist strategic culture fixated on stability and internal cohesion as opposed to millenarian expansionism. Douglas Macgregor⁵ observes that "China is more than a

2 Senior Fellow at the Cato Institute. He worked as special assistant to President Ronald Reagan and editor of the political magazine *Inquiry*.

3 Alison Adcock Kaufman, "The 'Century of Humiliation,' Then and Now: Chinese Perceptions of the International Order," *Pacific Focus* 25, no. 1 (April 2010).

4 American Co-Director, Hopkins-Nanjing Center. Resident Professor of Political Science at Johns Hopkins SAIS. Board member at the Simone Weil Center for Political Philosophy.

5 Retired U.S. Army Colonel, Senior Advisor to the Former U.S. Acting Secretary of Defense Christopher Miller. Senior Fellow with The American Conservative.



nation-state in the Westphalian sense—China is a civilization and it sees itself as a civilization and views its armed forces and its government as the guardian of this Chinese Confucian civilization” first and foremost. So while Chinese elites “regard themselves as the centerpiece of Asia,” Macgregor notes that China has already expanded to its civilizational limit and “there isn’t much evidence in Chinese history for expansion into other areas with the goal of conquering and Sinofying” the world.

In fact, centuries of foreign control over and intervention in China’s maritime space and coastal regions by both Japan and the West has entrenched China’s defensive posture at home and its immediate neighborhood, placing narrow national interests above lofty idealism. Even at the height of the Cold War, this learned commitment to realpolitik and pragmatism impacted Beijing’s relations with the Soviet Union and other members of the Communist Bloc, and in the end helped China come through the Cold War as a de facto winner.

A much more idealistic strategic culture steeped in moral superiority and universalist aspirations is entrenched in Washington, especially since WWII, with the U.S. viewing itself as the bastion of liberalism.⁶ Partly owing to the Cold War and its bipolar framing of conflict hardening a Manichean mentality, and partly due to the collapse of the USSR and the dawn of America’s unipolar moment emboldening American exceptionalism and hubris, a values-based foreign policy (at least in rhetoric) backed by the force of the U.S. military has become the standard American model.

Through this “armed ideology”, as Claes Ryn⁷ calls

6 Adam Quinn and Michael Cox, “For Better, for Worse: How America’s Foreign Policy Became Wedded to Liberal Universalism,” *Global Society* 21, no. 4 (October 2007).

7 Professor & Founding Director of the Center for the Study of Statesmanship at Catholic University.

it, U.S. policymakers habitually cast any challenge to U.S. global hegemony as an ideological conflict aiming at unraveling the liberal international order for which America and its allies stand. In this context, daring to achieve relative power parity with the U.S.—as any great power challenging American primacy in its own region would—is in a sense the original sin and interpreted as an existential threat that will inevitably undermine the Western way of life. This is not because the rising power would endanger vital American security interests in the continental United States and its neighboring geographic space (i.e., its regional security complex)⁸ but rather because its very ascent resists the global homogeneity liberalism ordains and affirms, instead, a pluralistic world both culturally and ideologically that could be raised as an alternative to the liberal-democratic Western order.

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It is for the reasons noted above and endemic to American strategic culture that while, in the wake of the Pax Americana, Beijing reorients itself towards relative power parity with Washington—which Bandow characterizes as fundamentally an “economic competition” and a race for influence and economic advantage but “not a security threat

8 Barry Buzan and Ole Wæver, *Regions and Powers: The Structure of International Security* (Cambridge: Cambridge University Press, 2003).



of the nature of the Soviet Union”—the United States, as ambassador Chas Freeman suggests, continues to define the challenge in absolutist terms, framing it as an all-or-nothing ideological struggle and using nostalgically the rhetoric of a ‘new Cold War’.

As Freeman candidly elaborates, “the notion that great power rivalry is the core function or feature of international relations is best understood as a distillation of American militarism”, cast a priori as a global pursuit rather than regional, and which also “provides a rationale for unbounded defense spending.”

Following a similar line of reasoning, Lawrence Wilkerson⁹ underscores the dubious incentive structures within Washington's foreign policy establishment that tends to engage in artificial threat inflation, arguing that the foreign policy establishment and its allies within the media “need a new threat we can hold out both ideologically and militarily.” While Wilkerson concedes the existence of parallel incentive structures that might complicate the civilian-military relationship under the PRC, he maintains that in China military expenditures are primarily used for domestic security and national defense, not for foreign intervention and international force projection. This difference in ‘offensive’ and ‘defensive’ outlook and orientation between Washington and Beijing is perhaps the key to understanding the dominant strains of strategic thinking in the two nations.

In times of domestic anxieties and rising quotidian insecurities, a certain lack of accountability could also exaggerate threat perceptions by producing a maximalist need for security and lowering tolerance for uncertainty and risk. Macgregor

suggests that among elites in Washington, “there is no real willingness yet to look internally at the United States and conclude that most of our problems are really of our own making”; facing mounting problems and dislocations (economic and otherwise), it is often easier to engage in a projection and “blame those problems on the Chinese.” Here, Macgregor points to a toxic dynamic in which, to cope with national insecurities that have complex causes that require fundamental introspection and perhaps systemic change, the U.S. elites and the public effectively gaslight themselves and commit to a ‘false flag’ against China paving the way for a securitized understanding of the Sino-American relationship much preferred by the defense establishment.

Freeman agrees that the founding of an “anti-authoritarian coalition” by Washington merely shifts blame for America’s domestic decline away from the myopia and incompetence of its own establishment as well as global trends such as globalization and rise of multinational corporations and onto foreign actors. The heightened hawkishness in Washington is ultimately not caused by Chinese behavior or aggression but by a process of misattribution. Freeman worries that this trend will produce “a combination of solipsism and mutual disdain,” where Chinese and American leaders “no longer listen to each other.”

While the “post-colonial stress disorder” of Western countries who want to maintain their hold on global governance has them worried about the future of the rules-based international order, Freeman suggests that China appears better adapted to the coming multipolar reality than is the United States. Doug Bandow, too, believes that U.S. grand strategy has become overly attached to a bipolar framing which it looks to impose on a world that is not at all dualistic, hence its penchant for missionary rhetoric that is suggestive of a ‘new

⁹ Retired United States Army Colonel and Former Chief of Staff to United States Secretary of State Colin Powell. Distinguished Adjunct Professor of Government & Public Policy at College of William and Mary.



Cold War’.

The over-securitization of the Sino-American relationship as a result of the prevailing climate of bellicosity in U.S. strategy toward China also obscures the geo-economic thrust of the great power rivalry between the two. In Bandow's view, an insistence on advancing security as the policy of first resort clouds the judgement of U.S. foreign policy elites and “takes away from the economic challenges” that Washington could be addressing in its place. Rather than collapsing every plank of the U.S.-China relationship under a national security umbrella, Bandow believes it would be more prudent to “take each issue on its own and try to deal with each challenge” separately as opposed to viewing the shifting balance of power in itself “as the end of the world.”

The over-securitization of the Sino-American relationship as a result of the prevailing climate of bellicosity in U.S. strategy toward China also obscures the geo-economic thrust of the great power rivalry between the two.

Claes Ryn reiterates this point by returning to the basics: “Simple realism makes one recognize there will always be great power tensions, but these can be managed differently.” Ryn notes that Classical Western and Chinese philosophy both hold a sobering view of human nature which recognizes that without cultivating virtue and restraint, human nature could easily be given to its basest appetites begetting conflict. Prudent realist statesmanship could achieve practical compromise (if not harmony) through mutual understanding amongst peoples, but this becomes

impossible if one or more parties forgo realism for an ideology that claims to speak for the entirety of humanity and indeed ‘progress’ itself. Hence warns Ryn that “the missionary power is by definition intolerant of those who object to it.”

Of course, the American tendency to act in a missionary and “neo-Jacobin”¹⁰ fashion—claiming to pursue moralistic ends for the betterment of humanity rather than securing its own national interests—could well produce a backlash in China, with the PRC concluding that the best defense against an expansionist, globalist power is a strong offense to keep the aggressor preoccupied. If the United States insists on totalizing every dispute, it may create the will in Beijing to retaliate by aggrandizing Chinese exceptionalism to match absolutist interpretations of American exceptionalism. Chinese nationalism could be stoked to be far more ambitious, hawkish, and even globalist if Beijing were to find itself confronting and inhabiting Washington’s ‘new Cold War’.

In the final analysis, the idea of a ‘new Cold War’ and similar formulations appear as dangerous anachronisms. So long as ‘the Blob’¹¹ remains stuck in false dialectics idealizing itself and ideologizing the reality of competition with China into yet another “securitization” resembling the Cold War, Washington is unlikely to refocus to put its own house in order, thus creating an opening for China to exploit in the long run. Heeding the reality of multipolarity and ceasing to see the rivalry from a militarist prism would allow the U.S. to capitalize on the rules-based system it has carefully orchestrated to rebuild and enrich itself and continue to be a leading power on the international stage. Nevertheless, such a strategic

10 Claes Ryn, *The New Jacobinism: America as Revolutionary State*, National Humanities Institute, 2nd edition, 2011.

11 Patrick Porter, “Why America’s Grand Strategy Has Not Changed: Power, Habit, and the U.S. Foreign Policy Establishment,” *International Security* 42, no. 04 (May 2018).



turn seems unlikely to occur at present given the present ideological fixations and maximalist approaches advanced by many in Washington's foreign policy establishment.

Comparative Conceptions of National Interest in the Era of Multipolarity

Given the decline of unipolarity and the rise of China ushering in a return to a multipolar international system centered on various civilizational/geographic regions of power, the security dilemma facing the U.S. is to determine its level of commitment and future expenditure in East Asia.

Washington must come to terms with the new reality in Asia and recognize that the status quo ante established since WWII is no longer. America must therefore realize that in the new operative environment in Asia, in which Beijing is a major player, imposing its will on China's neighborhood will come with substantial new costs and risks. China, meanwhile, needs to determine how much *it* is willing to risk in driving the U.S. out of Asia and affirming its sphere of influence in that region—effectively to become a regional hegemon in Asia while bringing the U.S. down to size as a regional or, at least, a hemispheric hegemon.

For the time being, China's strategic objectives appear more defensive and 'near abroad' than truly global in nature. Financial and trade expansion, evident in initiatives such as Belt and Road, is less the first step toward world domination than it is in ensuring the kind of sustainable growth on which PRC legitimacy domestically depends. However, this economic strategy is increasingly also tied to emerging geo-political realities to allow Beijing to become an alternative trading partner and hub for nations with poor relations with the U.S. that often find themselves excluded from the international economic system and under onerous

U.S. sanctions.¹²

Moreover, with China gaining more foothold and influence in 'renegade' states due to PRC's agnostic, laissez faire attitude towards the domestic affairs of other nations, the U.S. has responded by expanding and strengthening its alliance network on an explicitly defense-based footing. Washington has done this mainly by increasing the prominence of 'the Quad', a de facto security alliance between the U.S., Japan, Australia, and India, as well as through AUKUS, a trilateral security pact that emphasizes historical and cultural connections to the liberal order among the U.S., Australia, and the U.K.

The regional security complex in Asia could not be so simply understood in terms of global security dynamics involving great powers, but as a shift in regional power toward a China that exceeds any other 'peer competitor' in Asia.

Given the rising tide of regional integration in Asia that turns on less ideological grounds, Richard Hanania¹³ provocatively dismisses the Quad by calling attention to the fact that its Asian members hedge through active involvement in other regional arrangements. He suggests that the U.S. needs to dispel the belief that it holds power over the foreign policies of Asian states that are driven

12 Arta Moeini and Christopher Mott, "Economic Sanctions: A Failed Approach," The Institute for Peace & Diplomacy, September 16, 2021, <https://peacediplomacy.org/2021/09/16/economic-sanctions-a-failed-approach/>.

13 Research Fellow at Defense Priorities and President of the Center for the Study of Partisanship and Ideology (CSPI).



by their own respective interests. He also points out that midsize and small states in Asia do not view China's expanding military in the same way that Washington does. In his view, the regional security complex in Asia could not be so simply understood in terms of global security dynamics involving great powers, but as a shift in regional power toward a China that exceeds any other 'peer competitor' in Asia.

According to Hanania, not bound to global great power interests, Beijing's ambitions are limited in scope and therefore more feasible when compared to a United States that sets maximalist, internationalist goals, which make it often overcommitted to unilateralism and overstretched abroad.¹⁴

Lyle Goldstein¹⁵ notes that China is often quite open and transparent as to its security priorities. Reviewing naval research journals, Goldstein points out a Chinese awareness of U.S. and Japanese encirclement and the deployment of American forces to obstruct the critical sea passages it uses for transit. Goldstein brands the Indo-Pacific strategy of the Trump administration an exercise of "strategic primacy"—noting that American policymakers routinely miscalculate the odds of prevailing in a Taiwan confrontation and overestimate the capacity of India to contribute meaningfully to a U.S.-China confrontation. Further U.S. moves towards implementing a containment strategy, warns Goldstein, will likely create a security dilemma that Beijing will feel compelled to actively resist.¹⁶

14 Richard Hanania, "'Great Power Competition' as an Anachronism," *Defense Priorities*, November 2020.

15 Director of Asia Engagement at Defense Priorities and former Research Professor at the China Maritime Studies Institute of the U.S. Naval War College.

16 Lyle J. Goldstein, "The Indo-Pacific Strategy Is a Recipe for Disaster," *Lawfare*, February 18, 2021.

Similarly, Michael Swaine¹⁷ considers the state of affairs in Asia as an "unstable balance" that requires careful management lest it turn into a "real danger". He argues that the Chinese leadership has "always regarded the United States in one way or another as a potential threat" and has "sought to try to insulate themselves against that threat in a variety of ways, without alienating and provoking the United States to actually treat China as an enemy."

Given the uncertain balance of power in Asia and the heightening of the rivalries between Beijing and Washington, Swaine stresses the challenge of balancing between strategic deterrence around vital national interests and cooperation around common concerns. He cautions against securitizing every dimension of the relationship by imposing "a strategic calculus that is more zero-sum than positive-sum in nature," viewing it as a recipe for miscalculation, escalation, and crisis.

As alluded to by Goldstein, the current uncertainty in the Sino-American bilateral relationship seems driven by Washington. Beginning with the Obama administration's 'Pivot to Asia', the U.S. has gradually shifted its diplomatic and military focus from other theaters, such as the Middle East, to the Pacific and East Asian region. The realignment only intensified under Trump and appears to have hardened under the present Biden administration. Despite the rhetoric around "countering China" having become mainstream, the efficacy and success of this "pivot" appears largely suspect. U.S. policymakers have so far struggled to clearly articulate their policy toward China or to effectively define strategic ends and balance it against operational means.

17 Director of the East Asia Program at the Quincy Institute for Responsible Statecraft.



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Given this strategic vagueness, Paul Heer¹⁸ cautions against making undue comparisons between China and the Soviet Union. He rejects both the premise of an ideological conflict between Washington and Beijing and the effort to use ideology to justify ‘containment’. Heer adds further that Washington’s denials of it having adopted a containment policy against Beijing ring hollow to the Chinese leadership, given the clear shifts in the U.S. approach “going back to the rebalance and the pivot from the Obama administration” that are “reinforced in Beijing’s mind by what it sees as U.S. pressure for internal change.”

Additionally, America’s more offensive strategy towards Beijing depends, in large measure, on America’s Asian allies doing its bidding in the region to create a balancing front against China. Although Japan appears to be in lockstep with the Biden administration thus far, Heer suggests that the current situation might not endure as Tokyo’s perceptions of American staying power are likely to impact its strategic calculus as is its own interests in engaging Beijing.

The absence of strategic clarity and effective communication channels render the Taiwan dispute the most dangerous of the potential flashpoints between the two powers, even though the likelihood of a hot conflict over Taiwan in the near-term is not immediately clear. The situation

¹⁸ Distinguished Fellow at the Center for the National Interest and a Non-Resident Senior Fellow at the Chicago Council on Global Affairs.

underscores a critical problem with how the two powers communicate their red lines with each other and raises the risk that a diplomatic misunderstanding, rather than intentional hostile action, could escalate into war.

While Macgregor posits that the Chinese military doctrine is more defensive than offensive in regards to other great powers, Taiwan’s proximity to the Chinese mainland and the PRC’s historical redlines on an island it considers its own could turn it into a fuse for outright confrontation. Complicating matters further, the Chinese position on Taipei is increasingly perceived in the West as a major indicator of Chinese intent and inclination toward expansion. Ironically, persisting with the longstanding U.S. policy of “deliberate strategic ambiguity” toward Taiwan which recognizes the importance of the One China Policy to Beijing remains the best option in minimizing the risk of conflict in the Taiwan Strait.

As for the rest of Asia, most nations see their interests as regionally defined and will likely attempt to pursue strategic autonomy by balancing between Beijing and Washington. Compared to the U.S. conviction that its global great power interests must penetrate regional security dynamics, China appears better attuned to this regional orientation of mid-size and small states in the Asia-Pacific and is better positioned to capitalize on it by adopting a more flexible, case-by-case approach.

Although Beijing at times overreaches in its diplomacy and self-sabotages through imperious behavior related to maritime territorial disputes, it seems to more intuitively grasp that countries prioritize their own interests in their “adjacency” over global great power security dynamics with existential and manichaeian undertones.

The United States, meanwhile, often operates under an objective, absolutist paradigm of security that underwrites its global force



projection, oblivious to regional dynamics and historical patterns of state security interactions that seem to suggest a rather perspectivist and intersubjective definition of “security”. Not only does adopting such a totalistic prism routinely discount the agency and behavior of smaller powers in their home regions, it reinforces the institutional “securitization” of U.S. foreign policy—resurrecting a “global” security dynamic with great power interests, zero-sum games, and bipolar alliance systems reminiscent of the Cold War.

With the end of unipolarity and Pax Americana, the structural reality undergirding international security has shifted. While the reality of a multipolar world seems to be better understood today than perhaps any time since the First World War, America’s insistence on seeing the world as *one* universal system rather than multiple interacting orders or “systems” induces it to apply an outdated objectivist model of security to new dynamic realities, impeding a parallel paradigm shift in grand strategic thinking and locking in “primacy” as the favored approach among many American strategists.¹⁹

While there exist real rivalries and disagreements between Washington and Beijing, they are mostly not strategic and geopolitical but rather commercial and geoeconomic in nature.

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19 Adam Quinn, “The Great Illusion: Chimeras of Isolationism and Realism in Post-Iraq U.S. Foreign Policy,” *Politics & Policy* 35, no. 3 (September 2007).

between Washington and Beijing, they are mostly not strategic and geopolitical but rather commercial and geoeconomic in nature. The likely persistence of the U.S. disposition toward securitization and militarization of the competition could give China the upper hand over time, allowing it to expand its influence commercially, politically, and diplomatically around the world while Washington obsesses over Taiwan, perpetuates its expensive military spending, and struggles to convince its allies and its own people of its long term commitment and interests in Asia.

Technological Competition & Warped Priorities

The reality of the Sino-American competition and its geoeconomic drivers are best evident in the context of the two powers’ rivalries over technological superiority. In the technology and cyber domains, the securitization of policymaking and the resulting heightening of competition into a zero-sum game for global primacy between China and the U.S. converge.

Given the global nationalist reactions to the social and economic costs of unfettered globalization, there is waving support for the kind of economic interdependence that has defined Sino-American relations since the 1980s. Instead, the specter of techno-nationalism demands decoupling, supply chain resiliency, and indigenous innovation as fundamental to future dominance. Amid calls for technological and industrial leadership among their populations, elites in Washington and Beijing have identified economic security as a core pillar of their digital strategy and vital to the national interest.

Apropos of this new climate, Paul Triolo²⁰ warns against the mainstream tendency to exaggerate

20 Managing Director, Global Technology Policy, Eurasia Group.



Beijing's capacity for innovation, observing that in so doing the U.S. risks an overcorrection. He reckons that China is still heavily dependent on Western semiconductor technology even as it seeks self-reliance, noting that the presence of export controls and the "tech Cold War" are motivating China to double down in this area. Despite what some in Washington believe, Triolo argues that decoupling "will cut the revenue taps that supply the U.S. R&D and polarize decision-making in third-country markets that are forced to abide by supply chain and vendor restrictions." He suggests a better approach is to establish an international forum to set norms on technology policy and develop shared standards that would allay national security concerns.

In contrast, Rogier Creemers²¹ argues that there is a real need to stop underestimating Chinese innovation competency. He contends that the logic of China's technology agenda—such as its ambitions on artificial intelligence—is rooted in its developmentalist planning. It would be a mistake, he claims, to dismiss Beijing's long-term objectives in this area as China heavily invests toward their implementation. Creemers notes also that China's national planning in strengthening the regulatory framework of technology use is similarly aspirational and concrete, citing the 2016 Cybersecurity Law as among the most comprehensive of such measures emphasizing the importance of data localization and privacy concerns. Creemers argues, nevertheless, that for the EU to follow in the footsteps of the U.S. and aim at decoupling would be futile and costly, especially as Brussels and Washington have limited capacity to effectively change Beijing's policies.

Speaking on data protection and privacy issues, Steven Weber²² observes that most countries have

not yet identified a workable solution to governing data flows in a transnational economy. Doing so, he maintains, is what would "allow policymakers to logically govern other issues of localization, data-based technology companies, and cross-border technology investment." Facing a U.S. and China that are pace-setters of technological growth, Weber suggests advanced and emerging economies alike lack a sound vision of competing in the next generation economy. He calls for "managed interdependence" with 'healthy competition' between the U.S. and China. Weber concedes that while China has carefully laid the groundwork for indigenous innovation, it too will have to navigate the specter of increasing securitization.

Ultimately, it is unclear at the present juncture whether "co-dependence" or "decoupling" would be the more beneficial approach for the U.S. and China to pursue in the dynamic era of great power politics. What is even less clear is the effect of such government meddling on the private sector that will have to manage the additional red tapes.

There is also uncertainty as to the extent to which 'decoupling' could actually be realized and how this would affect other developing countries around which the global technology supply chain is built. All these uncertainties could potentially derail technological advances around the globe. Nevertheless, what is clear is that the system requires fundamental rethinking and reorganization given domestic trepidations over both unaccountable tech multinationals and the social and economic anxieties over unrestrained globalization.

Still, most would agree that the prospect of a technological Cold War is worrisome, especially considering how it could easily be leveraged as a justification for a strategic Cold War by

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the defense establishments in both China and the United States. What is more, as Weber points out, America's response to the reality of technological competition appears to be a "whole-of-government" approach which implies that Washington is preparing to increase the level of federal control over technology policy in the interests of securitization.

Nevertheless, the use of infrastructure planning to proliferate innovations such as 5G remains an essential part of development and modernization efforts in most countries, and policymakers in emerging markets may calculate that Chinese firms could deliver their domestic technology needs more cheaply and effectively than Western firms.

In fact, Creemers and Triolo strongly caution against overlooking Beijing's advantages in the regulatory space owing to its being a latecomer that offer it the flexibility to experiment with government regulation of the tech sector from a relative position of strength. To the extent that legislators in advanced economies are already contending with powerful tech monopolies that often have institutional backing and lobbying arms, Creemer argues that Beijing, partly because of the nature of its political system, is "the only game in town" in the regulatory frontier, occupying a "first-mover position the moment that it comes to global governance" over domestic and international tech conglomerates. As such, China has the potential to more than make up for its comparative late start.

Despite the rising tides of economic nationalism, given the strong level of interdependence within the tech sector, it would be premature to speculate about the likelihood of decoupling succeeding or failing. What can be postulated, however, is that China's current inability to meet its demands through domestic microchip production could be a temporary setback with the PRC having the

capacity to equal and potentially overtake the United States in this space over time. This, coupled with a greater ability to regulate its growing domestic companies when compared to the liberal West could position it to reach tech primacy. The extent to which Chinese technological dominance could enhance its geopolitical ambitions around the world remains unknown, however.

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The current global technological ecosystem indicates that defense-related decoupling around essential goods and services is a far more likely scenario than that of total decoupling that would extend to the consumer and civilian sectors. Hence, even with a decoupling that is driven by national security concerns, there will still be a significant operational space for third-party countries and the private sector. As such, these other actors will have to engage with both Washington and Beijing to conduct business, making cooperation possible—and perhaps necessary—in non-security sectors.

Conclusion

It is hard to deny that "competition" has come to define the relationship between the United States and China. Whether the reality of "competition"



will have a cascading effect turning the relationship into one of antagonism and outright hostility or whether the relationship could be managed as a *modus vivendi* that would affirm both “coexistence” and “competition” remains to be seen. Undoubtedly, the current state of Sino-American relations is characterized by a lot of uncertainty: in terms of defining the scope and the nature of the competition, understanding the objectives and perspectives of the other side, and practicing credible threat analysis and net assessment.

While neither country would benefit from an actual armed confrontation, the lack of properly defining the contested domain(s) has already created more instability and spiraled the rivalry into a zero-sum game.

First, reasonable strategic clarity, particularly on the U.S. stance regarding containment, is urgently needed to help avoid unnecessary escalation and even war in East Asia. Second, Washington and Beijing must clarify their red lines and strategic outlooks, practice strategic empathy, and agree on a framework for a diplomatic resolution of the Taiwan dispute. While neither country would benefit from an actual armed confrontation, the lack of properly defining the contested domain(s) has already created more instability and spiraled the rivalry into a zero-sum game that risks begetting a new Cold War, or perhaps even a hot one this time around.

Here, a curious gap emerges between the structural shift toward multipolarity in the international system and the prevailing bipolar framing of the

Sino-American relationship among the punditry class.

With the establishment in both countries continuing to define the terms of the rivalry, painting it as a *strategic* contest rather than a geo-economic one (that would perhaps hold them accountable for past mistakes) risks activating unhealthy, offensive, and absolutist conceptions of exceptionalism that would cast the relationship as a manichean existential struggle. This ideological, reified, and even missionary framing of the contest and its subsequent *securitization* distorts (spatial, geographical, and structural) reality and presents conflict as both necessary and inevitable. It, hence, serves as the principal justifier for “containment” and “denial” strategies.

The sphere of technology is one wherein the effects of rampant securitization and totalistic views of exceptionalism are already on display. While there are good and prudent reasons to reevaluate the fragile global supply chains and localize production in key strategic sectors—which includes certain parts of the technology and digital space—both for national security and to boost national economic competitiveness, debates around technology have become mostly centered on “tech mastery” portraying a bias towards zero-sum, all-or-nothing thinking, where *technology* serves as a stand-in for the old tropes of exceptionalism.

China already perceives itself besieged by an ever-expanding U.S. alliance system against which it has adopted—for the time being—a defensive posture. Further intensification of Cold War rhetoric will pressure Beijing (whose legitimacy increasingly depends on stoking nationalistic sentiment in its people) to respond with more aggressive measures along the Chinese cline of exceptionalism. As such, Beijing’s concerns about potential Cold War-style ‘containment’ are not entirely unfounded. Nevertheless, given the fact of multipolarity in



East Asia and with states in the region (esp. Japan, Korea, and Australia) walking a fine line between balancing and strategic autonomy, it is unlikely that the world could be once more divided into ideological blocs, à la that of Europe during the Cold War. Despite powerful actors in Washington that wish to impose the straitjacket of a Cold War model upon the world in general and China in particular, the multipolar world resists such a categorization, with the exceptional systemic reasons that led to the bipolar system post-WWII wholly absent.

Still, even the rhetorical use of the Cold War narrative begets more securitization and threat inflation between two nuclear powers that could portend dangerous escalation, undermining peace and stability in the region and beyond. Giving China the recognition it desires and treating it as America's equal while listening to and addressing China's legitimate concerns would go a long way toward defusing the current tense climate.

Moving forward, targeted engagement and smart diplomacy will be necessary to facilitate mutual understanding and clarify expectations in areas of contention and disagreement and to identify the few areas of shared interests (such as university exchanges and global tech governance) and common threats (such as pandemics, global pollution, and terrorism) where cooperation is possible and perhaps even necessary. Such prudent, sober statesmanship that is not given to blind idealism or dogma could establish a working framework for "competing coexistence" between the U.S. and China—one that is clear-eyed about the geo-economic challenge of China but does not securitize/militarize the rivalry, nor does it demonize Beijing as an existential threat.

The present course of U.S. policy towards East Asia is unsustainable: it leaves Washington overly involved and entangled, which—if America's heavy investments/interventions in the Middle

East over the decades are any indication— will in time lessen American influence in the region and spell doubts over U.S. reliability and staying power as a partner. Absent real provocation, almost no one believes that China could or even would want to expand over the Pacific, let alone threaten the continental United States. Even if the PRC were to develop a more hawkish strategic culture, considering spatial and geographical realities, the advent of multipolarity dynamizing regional security complexes, and the stopping power of water, there are natural limits to Chinese expansion.

The era of great power relations requires a better appreciation for realpolitik, prizing astute statecraft that recognizes the importance of necessity, latitude, and restraint. Promoting strategic autonomy for favored regional powers like Japan and allowing them the flexibility to deal with China as equals would lessen the burden on both American troops and the U.S. taxpayer. As such, America would do well to consider "offshore balancing" with a stronger focus on the *offshore* element, allowing it to lessen its footprint in Asia and remain safely out of sight while assuaging Chinese worries about "containment."

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