

# TOWARD AN INCLUSIVE & BALANCED REGIONAL ORDER

A NEW U.S. STRATEGY IN EAST ASIA

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STATECRAFT

# Toward an Inclusive & Balanced Regional Order: A New U.S. Strategy in East Asia

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# Executive Summary

The world faces twin crises — a global pandemic and rising climate chaos — even as an epochal change in the balance of power unfolds in East Asia. In response to these trends, the United States has doubled down on efforts to contain a rising China and maintain its eroding military dominance in the region. Simultaneously, it has neglected economic engagement and diplomatic cooperation with East Asian nations, thereby undermining its ability to manage the Covid-19 pandemic and the climate change challenge. This failed approach is directly harming the interests of the American people.

*The United States today is on a course in East Asia that threatens the peace and prosperity of a region that is vital to a wide range of American interests.*

America needs a new strategy in East Asia — one that reflects the complexities of a region that desires stable relations with both Beijing and Washington, cannot be dominated by either power, and is moving toward higher levels of economic integration. The United States must foster an inclusive, stable order in East Asia that is designed to manage shared challenges such as climate change and pandemics, promote broad prosperity, and peacefully resolve disputes. It must rebalance U.S. engagement in East Asia toward deeper diplomatic and economic engagement and away from military dominance and political control.

This new U.S. strategy in East Asia entails 10 core components in three overarching areas:

## Reprioritize Diplomatic Engagement and Economic Integration

- **Shift toward inclusive regional diplomacy and cooperative security**

The United States should welcome positive relations between China and other Asian countries and promote inclusive multilateralism to coordinate action on shared interests and resolve disputes. The United States, its allies, China, and other East Asian nations should jointly develop a cooperative agenda for addressing issues of mutual concern, such as climate change, pandemics, financial instability, maritime insecurity, and proliferation of weapons of mass destruction.

- **Deepen regional economic engagement and promote global technological standards**

Washington should join the Comprehensive and Progressive Trans-Pacific Partnership and explore the possibility of joining the Regional Comprehensive Economic Partnership, while increasing domestic investments in infrastructure, education, and clean energy to ensure a fairer distribution of the national wealth gained from participation in these agreements. The United States should promote reforms to the World Trade Organization that expedite dispute resolution and more explicitly cover technology and investment issues.

- **Reinvigorate cooperation with China on pandemics, climate change, and trade**

The United States should restore and expand public health ties with China to address the Covid-19 pandemic and future disease outbreaks. Washington and Beijing should look for creative ways to go beyond the Paris Agreement in reducing carbon emissions. The United States must also pursue a more balanced economic strategy toward China. This strategy should seek to foster a cooperative trade relationship with Beijing while protecting key U.S. national security interests and defending against unfair economic practices.

## **Pursue a More Stable Military Balance with China and Peace on the Korean Peninsula**

- **Restructure U.S. alliances and force posture in East Asia around a defense strategy of denial rather than control**

America should not seek dominance or control in the waters and airspace of the western Pacific, and should instead work with allies to implement a smarter approach to balancing China's growing power, one centered on denying Chinese control over those same spaces. This new denial strategy should be built on the enhanced defense capabilities of allies in the region, working in tighter coordination with more dispersed U.S. forces playing a more supporting role to allied efforts. This will entail a significant reduction in forward U.S. ground troops and greater reliance on smaller surface ships, submarines, and more agile air forces.

- **Improve U.S.–China crisis management and mitigate tension in the Taiwan Strait**

Washington must couple deterrence of China with far more active diplomatic efforts to strengthen crisis-management mechanisms and confidence-building measures with Beijing, especially in the Taiwan Strait. The United States must unambiguously reaffirm its One China policy and seek to reduce the militarization of the Taiwan Strait as part of a more balanced policy of reassurance and deterrence.

- **Reduce military tensions at sea and encourage compromise in maritime disputes**

The United States should work with China and other countries to enhance the security of sea lanes against piracy, shipping congestion, and natural disasters, while protecting the marine environment. Washington should pursue several diplomatic agreements to stabilize the interactions of military and coast guard vessels in maritime East Asia. It should also support mutually agreeable and realistic compromises among claimants in the East and South China Sea disputes.

- **Undertake new, stabilizing initiatives on nuclear policy and bilateral arms control**

Washington should abandon plans to field low-yield tactical weapons and open up a frank dialogue with Beijing on how to increase strategic stability and reduce incentives to engage in an offensive/defensive arms race. It should also acknowledge that China has a credible nuclear deterrent, paving the way for the United States to embrace a no-first-use nuclear policy and modify its military operations in the region accordingly.



- **Pursue peace and phased denuclearization on the Korean Peninsula**

The United States must transition to a policy involving gradual, synchronized steps toward peace and the denuclearization of the Korean Peninsula. This must include security reassurances to North Korea as well as credible commitments to abide by agreements that are reached. Over the long term, Washington should support the emergence of a unified, nonnuclear Korean Peninsula free of foreign military forces.

## **Bolster U.S. Influence and Appeal through Reforms at Home and Abroad**

- **Implement a targeted approach to human rights promotion**

The United States should separate human rights concerns from geopolitical disputes and bolster multilateral efforts to preserve norms. It should also provide targeted support to repressed peoples and cultures through immigration policy, third-party diplomacy, law enforcement, reform to sanctions regimes and military aid, and humanitarian aid and cultural funding. It should also enter direct dialogues with repressive governments on priority issues.

- **Strengthen U.S. influence and appeal by enacting domestic reforms**

The United States must enact domestic reforms that will make it more competitive and enhance its influence abroad. America must work to build a more sustainable and equitable form of globalization, strengthen U.S. economic health, and improve its own human and civil rights protections, including for Asian Americans and visitors and immigrants from East Asia.

## About the Authors

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# America's Interests in East Asia and the Need for a New Strategy

East Asia comprises nearly 20 nations in Northeast and Southeast Asia and accounts for one-third of the Earth's population, a third of global GDP, and 38 percent of human carbon emissions. The security, safety, and prosperity of the American people depend upon an effective U.S. strategy in East Asia. This strategy must be anchored in a new U.S. commitment to diplomatic engagement and military restraint.

America's vital national interests in East Asia include:

1. Peace and stability, including the avoidance of major wars and arms races;
2. Cooperative action to combat the existential threats of climate change and pandemics;
3. Open shipping lanes and robust economic relations with countries in the region; and
4. Space for each country in the region to choose its own political order.

These interests are not unique to this region: They reflect America's vital national interests more generally. But these interests are particularly important in East Asia relative to most other regions of the world given America's deep economic integration with the region, the unique history of the U.S. military presence and Washington's alliances in the region, and key regional trends. Most notably, China's rise is changing the balance of power in East Asia, shifting the economic center of gravity toward China and eroding America's longstanding military primacy in the western Pacific.

In the face of these epochal changes, the United States is failing to make necessary adjustments to its strategy. In the diplomatic and economic spheres, America is alienating East Asian nations by asking them to choose sides in a so-called great-power competition between Washington and Beijing, even while its diplomatic and economic engagement in East Asia drifts. On the military side, the United States is doubling down on dominance, seeking to reestablish overwhelming control of the seas up to China's coasts. Some of the operational strategies that have been proposed to this end risk leading to early escalation in a conflict, including potential nuclear war. Nor is it clear that such strategies would succeed, as the changing nature of warfare in recent decades has made dominance prohibitively costly. More generally, America's broader, zero-sum approach toward China is driving a security dilemma with Beijing, confirming Beijing's worst fears about America's supposed intention to contain and weaken China. It is also endangering U.S. vital interests in mutually beneficial economic exchange and bilateral cooperation to combat climate change and pandemics.

At the same time, it would be a mistake to respond to these circumstances by completely withdrawing U.S. forces from the western Pacific or allowing China to establish an exclusive



sphere of influence in East Asia. Although the United States can significantly reduce its military presence in the Middle East and Europe without endangering vital U.S. interests, East Asia is a somewhat different story.<sup>1</sup> The countries in the region have complex relationships characterized not only by deep economic integration but also by historical animosities and unresolved maritime and territorial disputes.<sup>2</sup> America's deep military engagement in the region since the end of World War II and the Korean War has also made countries in the region, especially U.S. allies, heavily dependent on the U.S. military presence for preserving stability. Major U.S. military disengagement from East Asia, while possible and even desirable over the long term, would under current circumstances be likely to trigger arms races, nuclear proliferation, and possibly conflicts between the two Koreas, between Beijing and Taipei, and over disputes regarding maritime sovereignty issues. Not only would such conflict cause great suffering to the peoples of East Asia and risk dragging the United States into a war, it would also directly endanger many of America's other vital interests in the region — cooperation on climate change and pandemics, free flow of commerce, and robust trade and investment.

*To protect American interests in East Asia, the United States needs a transformed strategy that bolsters America's engagement in the region while rejecting an effort to restore all-aspects military dominance as an ill-advised dream.*

Moreover, China's rise as a military power raises legitimate concerns in the region, not least among U.S. allies, and poses some danger to U.S. interests. Short of the use of force, unbalanced Chinese military power could further embolden Beijing to coerce other nations through economic or diplomatic pressure, while weakening those nations' resolve to resist such coercion. Beijing could apply such coercion in ways that could interfere with U.S. interests and objectives in the region. Additionally, though China's capabilities and strategy today are generally not oriented toward conquest, its intentions could evolve over time. A more complete military disengagement from the region could hobble America's ability to reengage militarily in East Asia in time to respond to such an adverse development.

Rather, to protect American interests in East Asia, the United States needs a transformed strategy that bolsters America's engagement in the region while rejecting an effort to restore

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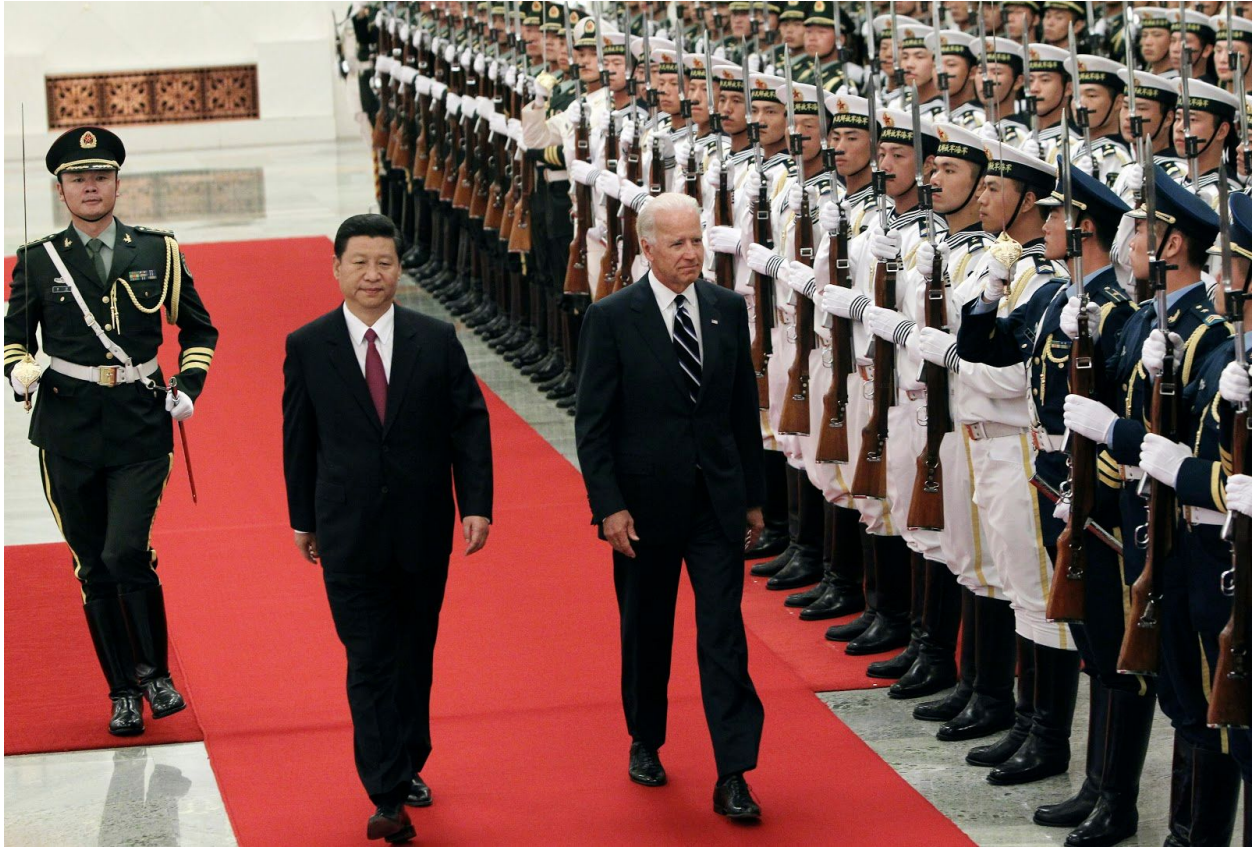
<sup>1</sup> Pillar, Paul R., Andrew Bacevich, Annette Sheline, and Trita Parsi. "A New U.S. Paradigm for the Middle East: Ending America's Misguided Policy of Domination." Quincy Institute for Responsible Statecraft. July 2020.

<https://quincyinst.org/2020/07/17/ending-americas-misguided-policy-of-middle-east-domination>; Barry R. Posen. "Europe Can Defend Itself." *Survival*, vol. 62, no. 6 (December 2020–January 2021). 7–34.

<https://www.iiss.org/blogs/survival-blog/2020/12/europe-can-defend-itself>; John Cookson. "Revisiting the U.S. Role in NATO 30 Years After German Reunification." *Defense Priorities*. October 2020.

<https://www.defensepriorities.org/explainers/revisiting-the-us-role-in-nato-30-years-after-german-reunification>.

<sup>2</sup> As Evan Sankey has argued, spheres of influence are not stabilizing when the countries within those areas do not want to be subject to said influence. Evan R. Sankey. "Reconsidering Spheres of Influence." *Survival*, vol. 62, no. 2 (April–May 2020). 37–47. <https://www.tandfonline.com/doi/abs/10.1080/00396338.2020.1739947>.



U.S. Vice President Joe Biden (R) and his Chinese counterpart Xi Jinping (C) review honour guards during a welcome ceremony at the Great Hall of the People in Beijing August 18, 2011. REUTERS/How Hwee Young/Pool.

all-aspects military dominance as an ill-advised dream. This strategy must rebalance America's policies to rely more on economic and diplomatic tools than military means. It should prioritize deepening economic and diplomatic engagement as the most effective defense against the paramount threats to U.S. national security — namely, climate change and pandemics.<sup>3</sup>

Shifting America's priorities in this way requires a strong but transformed military presence in Asia to maintain a balance of power with China and to help U.S. allies defend themselves from coercion or attack. But to do this more effectively and affordably, and in a way that prevents open-ended arms races and early escalation in a conflict, Washington should rethink its defense strategy and restructure its force posture in coordination with allies to focus on denying Chinese control of key air and sea spaces along the East Asia littoral, rather than seeking to reestablish U.S. control over those same spaces. This shift will entail a significant reduction in U.S. ground troops in East Asia, a greater reliance on submarines and small surface platforms rather than large aircraft carrier battle groups, and an emphasis on dispersed and agile air forces and long-range, standoff conventional missile capabilities instead of large numbers of tactical aircraft deployed in forward bases. It will also require allies to invest more in their own defense, adopt denial-oriented capabilities such as resilient coastal and air defense, and work in tighter coordination with dispersed U.S. forces playing a supporting role to allied efforts. The shift to

<sup>3</sup> Wertheim, Stephen. "The Price of Primacy: Why America Shouldn't Dominate the World." *Foreign Affairs*. March/April 2020. <https://www.foreignaffairs.com/articles/afghanistan/2020-02-10/price-primacy>; Bruce W. Jentleson. "Refocusing U.S. Grand Strategy on Pandemic and Environmental Mass Destruction." *The Washington Quarterly*, vol. 43, no. 3 (Fall 2020). 7–29. <https://www.tandfonline.com/doi/abs/10.1080/0163660X.2020.1813977>.

this new defense strategy of denial rather than control or dominance should begin now and should guide U.S. force posture in East Asia over the next 10 to 20 years. As time goes on, the United States should continue to evaluate the strategic environment in East Asia to determine whether or not further reductions in U.S. military presence in the region would be possible.

Washington also must recognize that both the United States and its allies have an interest in improving the tenor of relations with China and ultimately integrating Beijing into inclusive economic and cooperative security mechanisms. Accordingly, Washington should redirect its bilateral security alliances away from a singular focus on countering China or North Korea to a mixed set of goals encompassing not only denial-oriented deterrence but also threat-reduction and confidence-building measures. It should deepen its engagement in broader regional economic and political institutions and facilitate cooperative regional initiatives to deal with common security threats such as climate change and pandemics. Washington should also engage in direct negotiations with China and other involved parties to reduce military tension and arms races over Taiwan and maritime disputes. Finally, the United States should pursue the creation of a peace regime on the Korean Peninsula as an essential step toward the eventual denuclearization of one of East Asia's most sensitive security hotspots.

This new strategy, centered on robust diplomatic engagement and military restraint, is essential to protect America's interests in East Asia in an era of dramatic global transformation. The United States must commit to more responsible statecraft in East Asia rather than perpetuating its failed status quo approach if it is adequately to address the region's radically changing political, economic, and security environment.

# Three Key Trends in East Asia and U.S. Interests

The most consequential trends for U.S. interests in East Asia are (1) a shift in the regional balance of economic and military power, (2) associated increases in regional tensions, and (3) the growing intensity of transnational challenges.

## A Shifting Regional Balance of Power

There has been a significant shift in the distribution of economic and military power in East Asia over the past few decades, driven above all by China's emergence as a major power. This change is most obvious in the economic domain, where China has become the primary trading partner of most regional states and a major source of investment, loans, and technology exports across the region — a trend likely to continue after the Covid-19 pandemic.<sup>4</sup> Meanwhile, the United States has underperformed economically in East Asia for decades. America's failure to offer strong support to nations in the region after the 1998 East Asian financial crisis (especially relative to support provided by China) and the global financial crisis originating in the United States a decade later (again, especially relative to how well China weathered that storm) accelerated the reality and perception of America's relative economic decline in the region.<sup>5</sup> In the decade since that latter crisis, Washington has failed to participate in the region's growing economic integration, as reflected in its nonmembership in the recently completed Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and its opposition to the Asian Infrastructure Investment Bank. It has also failed to implement domestic economic policies that would strengthen U.S. competitiveness overseas.<sup>6</sup>

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<sup>4</sup> "China Global Investment Tracker." American Enterprise Institute and Heritage Foundation.

<https://www.aei.org/china-global-investment-tracker>; Kevin P. Gallagher and Rebecca Ray. "Scope and Findings: China's Overseas Development Finance Database." Boston University Global Development Policy Center. December 13, 2020.

<https://www.bu.edu/gdp/2020/12/13/scope-and-findings-chinas-overseas-development-finance-database>; Michael Sampson. "The Evolution of China's Regional Trade Agreements: Power Dynamics and the Future of the Asia-Pacific." *The Pacific Review*.

September 12, 2019. <https://www.tandfonline.com/doi/full/10.1080/09512748.2019.1660397>; "In a World Mired in Recession, China Manages a V-shaped Recovery." *The Economist*. October 24, 2020.

<https://www.economist.com/china/2020/10/24/in-a-world-mired-in-recession-china-manages-a-v-shaped-recovery>.

<sup>5</sup> Vaughn, Bruce, and Wayne M. Morrison. "China-Southeast Asia Relations: Trends, Issues, and Implications for the United States." *Congressional Research Service Report for Congress*. April 4, 2006. <https://fas.org/sqp/crs/row/RL32688.pdf>; Karishma Vaswani.

"Why Asia Turned to China During the Global Financial Crisis." BBC News. September 12, 2018.

<https://www.bbc.com/news/business-45493147>.

<sup>6</sup> Sheehan, Matt. "Trump's Trade War Isn't About Trade, It's About Technology." *Macro Polo*. April 3, 2018.

<https://macropolo.org/analysis/trumps-trade-war-isnt-about-trade-its-about-technology>; Evan Feigenbaum. "Why America No Longer Gets Asia." Carnegie Endowment for International Peace. January 4, 2016.

<https://carnegieendowment.org/2016/01/04/why-america-no-longer-gets-asia-pub-62441>.





Image 1: Data from UNCTADstat. For this graph, "East Asia" includes Brunei, Cambodia, Indonesia, Japan, North Korea, South Korea, Laos, Malaysia, Mongolia, Myanmar, Philippines, Singapore, Taiwan, Thailand, Timor-Leste, and Vietnam.

In the military arena, China has consolidated its ability to project power along its maritime periphery and beyond. Having spent about 2 percent of its rapidly growing GDP on defense for the past two decades,<sup>7</sup> China is now capable of credibly contesting the longstanding dominance of U.S. military forces in maritime East Asia. China's advanced missile capabilities, in particular, make it much riskier for the United States military to operate forward from large bases or surface platforms in the western Pacific. This shift in the military balance in Asia is partly a consequence of the changing nature of warfare and military technology in the past few decades, especially the development of asymmetric defensive capabilities such as precision-guided munitions, as well as the sheer "tyranny of distance" confronting U.S. forces operating in the western Pacific. Together, these factors have rendered American efforts to "rebalance" U.S. forces to the Indo-Pacific over the past decade ineffectual in preventing an erosion in relative U.S. military power, especially in the waters within the so-called first island chain extending from the Kuril Islands in the northeast along the Japanese home islands, Taiwan, the Philippines, and Borneo to the Strait of Malacca in the southwest.<sup>8</sup>

These various developments have contributed to a relative decline in American military and economic power and influence in East Asia. Moreover, although these trends may not follow a linear trajectory, there is little evidence to suggest that they are bound for a reversal. On the contrary, China's economic and military power in the region is likely to continue to grow at a significant rate despite demographic and resource constraints, even if the United States undertakes more significant efforts to shore up its position and influence in the region.

<sup>7</sup> This has translated to a tenfold increase in China's annual defense spending from \$26.1 billion in 1995 to \$266 billion in 2019 (constant 2018 dollars), according to the Stockholm International Peace Research Institute. "Data for All Countries, 1949–2019." SIPRI Military Expenditure Database. <https://www.sipri.org/databases/milex>. Accessed October 22, 2019.

<sup>8</sup> Heginbotham, Eric, et al. "The United States–China Military Scorecard." RAND Corporation. September 14, 2015. [https://www.rand.org/pubs/research\\_reports/RR392.html](https://www.rand.org/pubs/research_reports/RR392.html); Jon Harper. "Eagle vs. Dragon: How the U.S. and Chinese Navies Stack Up." *National Defense*. March 9, 2020. <https://www.nationaldefensemagazine.org/articles/2020/3/9/eagle-vs-dragon-how-the-us-and-chinese-navies-stack-up>.



At the same time, the region is not necessarily headed toward Chinese domination. Many other major powers in the region will retain significant power and influence. The United States continues to be an important economic partner for many East Asian nations despite its underperformance in this regard, and its military capabilities will remain formidable. In Northeast Asia, Japan is the world's third-largest economy. Tokyo has expanded its trade integration and economic investments in the Asia-Pacific region in recent years. Though Japan's military spending has remained limited as a share of its GDP and was about a fifth of China's in 2019, its defense forces — especially in the maritime domain — are advanced and capable, the constraints of its pacifist constitution notwithstanding. South Korea is another strategically and economically important partner of the United States. It is the world's twelfth-largest economy and ranks tenth globally in military spending. Russia, a nuclear superpower with one of the world's most advanced militaries and the eleventh-largest economy, is a resident power in East Asia. Moscow has also attempted to “pivot” attention more toward Asia in recent years, pursuing an increasingly close political-security relationship with Beijing and seeking opportunities to develop its Far East.<sup>9</sup>

Although Southeast Asian nations are less developed and militarily powerful, they will continue to exercise important independent influence in the region. On one hand, their military might remains limited. In 2018, the total defense spending of the 10 countries in the Association of Southeast Asian Nations was equivalent to about 15 percent of China's military budget.<sup>10</sup> On the other hand, several Southeast Asian economies are increasingly dynamic and productive, and ASEAN continues to play an important institutional role in the broader Asia-Pacific. In adjacent regions, India and Australia are also major economies — respectively the world's fifth- and fourteenth-largest<sup>11</sup> — with strong militaries and relatively favorable demographic outlooks. Each of these various nations and groupings will be influential actors in East Asia in coming decades.

## What China Is and Is Not

In response to these changes in the balance of power in East Asia, a growing chorus in Washington asserts that China's growing power and influence present an existential threat. Sometimes this perspective is grounded in concerns about the nature of China's political and economic system. Since the People's Republic of China is an authoritarian regime run by a Leninist party-state with a state capitalist economic model, its enhanced power is viewed as dangerous, as it could ostensibly allow Beijing to export or impose its system around the world. Its domestic authoritarianism is also seen by some as a risk factor for more aggressive

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<sup>9</sup> Sutter, Robert. “China–Russia Relations: Strategic Implications and U.S. Policy Options.” National Bureau of Asian Research Special Report no. 73. September 13, 2018.

<https://www.nbr.org/publication/china-russia-relations-strategic-implications-and-u-s-policy-options>; Richard J. Ellings and Robert Sutter, eds. *Axis of Authoritarians: Implications of China–Russia Cooperation*. National Bureau of Asian Research. 2018. <https://www.nbr.org/publication/axis-of-authoritarians-implications-of-china-russia-cooperation>.

<sup>10</sup> Total defense spending of ASEAN countries in 2018 was approximately \$41 billion. This estimate is based on data in the SIPRI Military Expenditure Database; data for Myanmar and Vietnam supplemented from “Military Expenditure — by Country.” Trading Economics. <https://tradingeconomics.com/country-list/military-expenditure>. Accessed October 22, 2020. Data for Laos in 2013, the most recent year available (in the SIPRI data) was \$22.7 million.

<sup>11</sup> Nominal GDP. In purchasing power parity terms, India is the third-largest economy after China and the United States, while Australia is the eighteenth-largest, according to World Bank data. [https://databank.worldbank.org/data/download/GDP\\_PPP.pdf](https://databank.worldbank.org/data/download/GDP_PPP.pdf).

behavior abroad. Other strategists downplay the PRC's ideology and regime type, instead perceiving China's threat to lie in its economic and military power and its potential for regional hegemony. They see China's raw power as an inherent threat to U.S. interests, since it could enable Beijing to consolidate sufficient control over resources not only to threaten U.S. allies and the U.S. presence in Asia, but possibly to launch a bid for global hegemony or attack the U.S. homeland.<sup>12</sup>

*While there is no doubt that China's rise as a major power poses significant challenges to U.S. interests, China does not constitute an existential threat to the global order or the United States.*

These perspectives on China exaggerate its power and the attractiveness of its system. They also neglect more nuanced assessments of China's actual behavior and the interests that motivate such behavior. While there is no doubt that China's rise as a major power poses significant challenges to U.S. interests, China does not constitute an existential threat to the global order or the United States.<sup>13</sup> Even the simple assumption that China is locked in a strategic competition with the United States can be misleading if not defined clearly. Although Beijing and Washington are certainly engaged in a deliberate competition for relative influence in a variety of areas, only two of these — advanced technologies and military capabilities — pose significant potential strategic ramifications. In no other area — whether political values, global norms, economic markets, or multilateral institutions — is the rivalry sufficiently consequential, broad-based, and zero-sum to amount to a competition of truly strategic proportions (in other words, of fundamental relevance to the relative position of either country in the global distribution of power). Indeed, in many of these areas, the incentives on both sides to pursue positive-sum outcomes clearly exist, thus mitigating the scope and depth of the competition.

Viewing the U.S.–China relationship solely through a lens of “strategic competition” or “strategic rivalry” is thus a recipe for poor strategy. Instead, effective U.S. strategy depends upon a subtler assessment of the threat China poses, as well as the potential opportunities it presents, in a range of areas — economic, technological, ideological, and military.<sup>14</sup>

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<sup>12</sup> Friedberg, Aaron L. “An Answer to Aggression: How to Push Back Against Beijing.” *Foreign Affairs*. September/October 2020. <https://www.foreignaffairs.com/articles/china/2020-08-11/ccp-answer-aggression>; John Mearsheimer. “Can China Rise Peacefully?” *The Tragedy of Great Power Politics*, updated ed. New York: Norton. 2014; Elbridge Colby and Robert D. Kaplan. “The Ideology Delusion: America's Competition with China Is Not about Doctrine.” *Foreign Affairs*. September 4, 2020. <https://www.foreignaffairs.com/articles/united-states/2020-09-04/ideology-delusion>.

<sup>13</sup> Swaine, Michael D., et al. “The Overreach of the China Hawks: Aggression Is the Wrong Response to Beijing.” *Foreign Affairs*. October 23, 2020. <https://www.foreignaffairs.com/articles/china/2020-10-23/overreach-china-hawks>; Paul Heer. “Understanding U.S.–China Strategic Competition.” *The National Interest*. October 20, 2020. <https://nationalinterest.org/feature/understanding-us-china-strategic-competition-171014>.

<sup>14</sup> Shiffrinson, Joshua R. Itzkowitz. “Neo-Primacy and the Pitfalls of U.S. Strategy toward China.” *The Washington Quarterly*, vol. 43, no. 4 (2021). 79–104. <https://www.tandfonline.com/doi/abs/10.1080/0163660X.2020.1849993>.

## China's Economic Power and Practices

Most prominently, China is a growing economic competitor of the United States. As the Chinese economy develops, it is moving up the value chain, producing goods and services that increasingly compete directly with those produced by some American companies.<sup>15</sup> Much of this growth is grounded in fair competition driven by the innovations of Chinese companies and savvy decisions by the Chinese government about how to direct and control the state's economic resources. However, some of China's economic growth has been grounded in economic practices that come at the expense of other countries, including the United States. The "forced" transfer and theft of intellectual property from more developed nations is one such case. This practice is in part due to historically lax enforcement of intellectual property protections for private companies operating in China. Yet at times the Chinese government has more actively abetted the transfer or theft of U.S. intellectual property, most notably through onerous joint-venture requirements for foreign companies wishing to invest in China, but also through direct theft and cyberhacking.<sup>16</sup> Beijing is also limiting foreign investment and trade in some ways that run contrary to the commitments it made when it joined the World Trade Organization. And on occasion, China has used economic threats and punishments to coerce other countries in disputes over sovereignty and security.

At the same time, the U.S.–China economic relationship is by no means solely competitive or zero-sum. On the contrary, the growth in China's economy has contributed dramatically to global growth and on balance served as a great boon to many countries, including the United States.<sup>17</sup> It has done so not only by lowering the cost of consumer goods and helping to limit inflation, but also by providing a growing market for U.S. exports, an invaluable source of human capital in the form of highly skilled Chinese immigrants studying and working in the United States, and synergistic inputs to the production networks of U.S.–based companies. These benefits dwarf the harm from China's unfair trade practices, which economist Lawrence Summers estimates have cost the United States no more than 0.1 percent of GDP per year.<sup>18</sup> Rather, stagnation in the real wages of American laborers over the past several decades is largely a function of technological change, automation, and poor U.S. domestic policy choices.

It is also important to view China's economic practices in historic context. Technology transfer from developed to developing nations has often been encouraged by international institutions, including those shaped principally by the United States, as a means of combating poverty and

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<sup>15</sup> Roberts, Anthea, Henrique Choer Moraes, and Victor Ferguson. "The United States-China Trade War Is a Competition for Technological Leadership." *Lawfare*. May 21, 2019.

<https://www.lawfareblog.com/us-china-trade-war-competition-technological-leadership>.

<sup>16</sup> For a discussion of the various estimates of the value of the intellectual property stolen by China, see Mark Cohen. "The 600 Billion Dollar China IP Echo Chamber." *China IPR*. May 12, 2019.

<https://chinaipr.com/2019/05/12/the-600-billion-dollar-china-ip-echo-chamber>.

<sup>17</sup> Zumbun, Josh, and Yuka Hayashi. "China Growth Limits Global Economic Damage From Pandemic, IMF Says." *The Wall Street Journal*. October 13, 2020.

<https://www.wsj.com/articles/imf-says-global-downturn-will-be-less-severe-than-estimated-in-june-11602592206>; Stephen Roach.

"Why China is Central to Global Growth." World Economic Forum. September 2, 2016.

<https://www.weforum.org/agenda/2016/09/why-china-is-central-to-global-growth>.

<sup>18</sup> Summers, Lawrence. "Can Anything Hold Back China's Economy?" December 5, 2018.

<http://larrysummers.com/2018/12/05/can-anything-hold-back-chinas-economy>.

facilitating economic growth in the developing world. Although China has now developed sufficiently that the United States should press it to relax its onerous joint-venture and technology-transfer requirements for U.S. and other foreign companies investing in China, many of those requirements were previously permissible under the terms of Beijing's WTO admission. They were not in any sense forced on American companies, which chose to accept those requirements to gain access to Chinese labor and markets.<sup>19</sup> In addition, U.S. corporations, at the urging of the American government, also engaged in intellectual property theft when America was at a similar stage to China today in its own economic development. The United States came to favor more vigorous domestic and international intellectual property protections over time, a common pattern as economies develop.<sup>20</sup> China appears to be following this trend, as its domestic intellectual property protections have improved in recent years.<sup>21</sup> In a similar vein, it is worth noting that the United States is sensitive to the potential security threats posed by Chinese technology companies because they are modeled in part on the practices of the U.S. government, notably the National Security Agency, which installs its own backdoors in hardware and software produced by U.S. companies.<sup>22</sup>

Finally, China's economy faces significant challenges. China's per capita GDP was still barely more than \$10,000 in 2019, less than a sixth that of the United States. China's annual GDP growth, while still a healthy 6.1 percent in 2019, has been slowing in recent years, and will likely continue to do so, particularly if Beijing does not press forward with reforms to inefficient state-owned enterprises and urban residency restrictions.<sup>23</sup> Chinese capital markets remain poorly integrated with others in the global economy, and the yuan is far from becoming a predominant global reserve currency despite China's efforts to internationalize it.<sup>24</sup> China does not attract the same level of human capital to its universities and companies from around the world as does the United States. China's demographic challenges, including an aging population and a shrinking labor force, are also likely to exert downward pressure on productivity in coming years. Thus, while the Chinese economy will likely surpass America's in nominal GDP terms in

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<sup>19</sup> Werner, Jake. "China Is Cheating at a Rigged Game." *Foreign Policy*. August 8, 2018. <https://foreignpolicy.com/2018/08/08/china-is-cheating-at-a-rigged-game>; Yukon Huang. "Did China Break the World Economic Order?" *The New York Times*. May 17, 2019. <https://www.nytimes.com/2019/05/17/opinion/trade-war-tech-china-united-states.html>.

<sup>20</sup> Surowiecki, James. "Spy Vs. Spy." *The New Yorker*. June 2, 2014. <https://www.newyorker.com/magazine/2014/06/09/spy-vs-spy-3>; Mike W. Peng, David Ahlstrom, Shaun M. Carraher, and Weilei (Stone) Shi. "History and the Debate Over Intellectual Property." *Management and Organization Review*, vol. 13, no. 1 (2017). 15–38. <https://www.cambridge.org/core/journals/management-and-organization-review/article/history-and-the-debate-over-intellectual-property/D11C95A6199EC9EF753BAE7A3F121C2B>.

<sup>21</sup> "2019 China Business Climate Survey Report." AmCham China. February 2019. <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/international-specialist/deloitte-amcham-2019-china-business-climate-survey-report-bilingual-190301.pdf>.

<sup>22</sup> Kerr, Dara. "NSA Reportedly Installing Spyware on U.S.-made Hardware." CNET. May 12, 2014. <https://www.cnet.com/news/nsa-reportedly-installing-spyware-on-us-made-hardware>.

<sup>23</sup> Huang, Yukon. "China's Economy Isn't Out of the Woods Yet. More Than Ever, Market Reforms Are Needed." *South China Morning Post*. October 29, 2020. <https://www.scmp.com/comment/opinion/article/3107334/chinas-economy-isnt-out-woods-yet-more-ever-market-reforms-are>. China's GDP growth in 2020 is likely to be significantly less than 6 percent due to the economic downturn associated with the Covid-19 pandemic, though its economy has largely recovered from its initial losses in the first quarter of 2020. "In a World Mired in Recession, China Manages a V-shaped Recovery." *Ibid*.

<sup>24</sup> Sullivan, Joseph W. "Don't Discount the Dollar Yet." *Foreign Policy*. August 21, 2020. <https://foreignpolicy.com/2020/08/21/dollar-global-reserve-currency-yuan-china>.

the next decade or so and become increasingly competitive in key technology areas, it is unlikely to supplant many U.S. economic advantages in the foreseeable future.

## China's Domestic Political System

China is engaged in an increased level of domestic repression that is anathema to democratic nations. Beginning in the latter years of Hu Jintao's chairmanship (2002–2012) and accelerating under Xi Jinping (2012–), the PRC party-state has consolidated its authoritarian control. This has entailed a deepening of control over the internet and media, including increased restrictions on foreign journalists operating in China.<sup>25</sup> The party-state apparatus has also implemented advanced artificial-intelligence technology to enable intrusive observation and tracking of its citizens' activities. Beijing has cracked down on dissent in Hong Kong with an expansive national security law that has limited civil liberties and potentially undermined political autonomy. It has also used real and imagined terrorist and "splittist" threats in an attempt to justify severe forms of repression against ethnic minorities and indigenous peoples in Xinjiang, Tibet, and Inner Mongolia, including mass internment of Uighur Muslims and efforts to eradicate expressions of Uighur culture not approved by the party-state.<sup>26</sup>

Despite these abhorrent authoritarian abuses, it is important to note that China remains a country and society in transition, with an extremely complex sociopolitical environment and a political future that remains unwritten.<sup>27</sup> Since the inauguration of China's opening and reform period in the late 1970s, hundreds of millions of Chinese people have risen out of poverty and can travel, choose their jobs, and aspire to ever higher living standards. And yet, much of this dramatic economic development has relied upon severe repression of worker rights and environmental exploitation.<sup>28</sup> In addition, numerous socioeconomic challenges loom on China's horizon, including a rapidly aging population with massive social welfare needs, high levels of income inequality, popular protests, and continued corruption. But in part due to the responsiveness of the Chinese regime to popular grievances and the scope and scale of China's economic development, Beijing almost certainly enjoys a considerable level of popular support among the ordinary Chinese population, a point often lost in U.S. policy discourse.<sup>29</sup>

<sup>25</sup> Some of these restrictions were in retaliation for the U.S. government's increased restrictions on Chinese government media outlets operating in America. Ken Moritsugu. "China to Expel American Reporters after U.S. Curbs Its Media." The Associated Press. March 18, 2020. <https://abcnews.go.com/US/wireStory/china-restrict-us-journalists-us-curbs-media-69645664>.

<sup>26</sup> Ramzy, Austin, and Chris Buckley. "The Xinjiang Papers — 'Absolutely No Mercy': Leaked Files Expose How China Organized Mass Detentions of Muslims." *The New York Times*. November 16, 2019.

<https://www.nytimes.com/interactive/2019/11/16/world/asia/china-xinjiang-documents.html>;

Sheena Chestnut Greitens, Myunghee Lee, and Emir Yazici. "Understanding China's 'Preventive Repression' in Xinjiang." Brookings Institution. March 4, 2020.

<https://www.brookings.edu/blog/order-from-chaos/2020/03/04/understanding-chinas-preventive-repression-in-xinjiang/>; "China Cuts Uighur Births with IUDs, Abortion, Sterilization." The Associated Press. June 29, 2020.

<https://apnews.com/article/269b3de1af34e17c1941a514f78d764c>.

<sup>27</sup> Li Fan. "It's True That Democracy in China Is in Retreat, But Don't Give up on It Now." *ChinaFile*. July 2, 2020.

<https://www.chinafile.com/reporting-opinion/viewpoint/its-true-democracy-china-retreat-dont-give-it-now>.

<sup>28</sup> Jake Werner. *Ibid*.

<sup>29</sup> Lalwani, Nikita, and Sam Winter-Levy. "Read This Book If You Want to Know What China's Citizens Really Think About Their Government." *Washington Post*. October 4, 2016.

<https://www.washingtonpost.com/news/monkey-cage/wp/2016/10/04/read-this-book-if-you-want-to-know-what-chinas-citizens-really-think-about-their-government/>; Maria Repnikova. "China's 'Responsive' Authoritarianism." *Washington Post*, <https://www.washingtonpost.com/news/theworldpost/wp/2018/11/27/china-authoritarian/>; Diana Fu and Greg Distelhorst.



At the same time, while hard to measure, many Chinese intellectuals and ordinary Chinese citizens likely oppose the authoritarian abuses of the CCP government and would favor more moderate policies domestically and toward other countries. Indeed, China contains an ever more cosmopolitan middle class, displaying extensive intellectual ferment beneath the surface. And many Chinese intellectuals express considerable dislike of Xi Jinping's foreign and domestic policies, with some speaking of growing concern over the increasingly negative image that China has acquired among many nations.<sup>30</sup> All this suggests that Xi is no Stalin or Mao in terms of his hold on power. The repressive and bullying elements of his domestic and foreign policies could backfire, reducing his power or even bringing him down. However, Washington's recent, blunt efforts to undermine China as a nation have likely strengthened Xi's domestic support by galvanizing nationalist sentiment in his favor. Indeed, while the view of many Americans toward China has worsened considerably in recent years, the same is true of Chinese views toward the United States.<sup>31</sup>

### **China's Approach to Global Governance**

In the sphere of global governance, China's authoritarian ideology and practices stand at odds with democratic norms and liberal conceptions of human rights. Beijing seeks to downplay the centrality of individual freedoms in international regimes governing matters such as internet governance and human rights. It places a strong emphasis on national sovereignty, opposing the expansion of international institutions' authority to interfere with the internal affairs of nations. Simultaneously, despite its strong emphasis on sovereignty, Beijing is increasingly seeking to influence foreign perceptions of China in ways that at times amount to interference in other states' political processes.<sup>32</sup> China is also pioneering and refining technologies and methods for monitoring and repressing dissent that other insecure, authoritarian regimes searching for more advanced methods to strengthen political controls are importing and emulating.

At the same time, in most areas of global order, China sees prevailing international regimes as largely conducive to its own interests. This is true in such diverse areas as trade and finance, nonproliferation of weapons of mass destruction, freedom of navigation, the peaceful resolution of disputes, and climate change. In all these areas, China has over time become increasingly supportive of most prevailing norms, especially when compared with its Maoist past. Although seeking to augment its influence within existing institutions, modify some norms within those

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"Grassroots Participation and Repression Under Hu Jintao and Xi Jinping." *The China Journal*, no. 79 (2017). <https://www.journals.uchicago.edu/doi/full/10.1086/694299>.

<sup>30</sup> Li, Cheng. "How China's Middle Class Views the Trade War." *Foreign Affairs*. September 10, 2018. <https://www.foreignaffairs.com/articles/china/2018-09-10/how-chinas-middle-class-views-trade-war>; Chris Buckley. "As China's Woes Mount, Xi Jinping Faces Rare Rebuke at Home." *The New York Times*. July 31, 2018. <https://www.nytimes.com/2018/07/31/world/asia/xi-jinping-internal-dissent.html>.

<sup>31</sup> Feng, Emily. "As U.S. Views of China Grow More Negative, Chinese Support for Their Government Rises." NPR. September 23, 2020. <https://www.npr.org/2020/09/23/913650298/as-u-s-views-of-china-grow-more-negative-chinese-support-for-their-government-rises>; "U.S. China Public Perceptions Opinion Survey." Committee of 100. September 2017. <https://www.committee100.org/wp-content/uploads/2017/01/C100-Public-Opinion-Survey-2017.pdf>.

<sup>32</sup> Doshi, Rush and Robert D. Williams. "Is China Interfering in American Politics." *Lawfare*. October 1, 2018. <https://www.lawfareblog.com/china-interfering-american-politics>.

regimes, or establish additional institutions to supplement existing ones, Beijing has not behaved as a wholesale revisionist power seeking to upend existing institutions.<sup>33</sup> Nor is China unique in selectively and self-servingly interpreting and implementing international law and global norms or in interfering in other states' political processes. Most major powers, including the United States, do the same.

Similarly, rather than seeking to export its political system overseas or actively undermine democracies, Beijing is focused on protecting its rule at home from external criticism.<sup>34</sup> Rather than actively spreading its so-called model of authoritarian, state-centered development, Chinese agencies and companies generally base investments in and loans to foreign countries on narrower economic considerations and not on coherent strategic or ideological rationales. Contrary to some narratives, China does not engage in a broad, systematic campaign of "debt-trap diplomacy," allegedly intended to draw countries into debt to dominate them politically and strategically. Instead, China's economic loans and investments in foreign countries are actively courted by recipient nations, which often have limited alternatives for development financing.<sup>35</sup>

## China's Security and Military Behavior

For the past three decades, China has been engaged in a sustained process of military modernization and growth. This buildup is intended in part to counter U.S. military capabilities in the western Pacific, especially those bearing on a potential conflict over Taiwan. For the most part, Beijing is building up its military for the same reason other major powers do: in case they need it to defend their vital interests. Even so, China's spending as a share of its GDP has averaged about 2 percent yearly over the past two decades, much less than that of the United States on an annual basis. As a result, China does not represent a direct, conventional military threat to the United States. For several decades, China has maintained a deterrent ability to strike the United States with nuclear weapons, but its nuclear arsenal is orders of magnitude smaller than America's: It maintains slightly more than 200 warheads, compared with the U.S. stockpile of nearly 4,000 active warheads.<sup>36</sup> And China fully understands that any nuclear attack

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<sup>33</sup> Johnston, Alastair Iain. "China in a World of Orders: Rethinking Compliance and Challenge in Beijing's International Relations." *International Security*, vol. 44, no. 2 (fall 2019). 9–60; Alastair Iain Johnston. "Is China a Status Quo Power?" *International Security*, vol. 27, no. 4 (spring 2003). 5–56; Fareed Zakaria. "The New China Scare." *Foreign Affairs*. December 6, 2019. <https://www.foreignaffairs.com/articles/china/2019-12-06/new-china-scare>;

<sup>34</sup> Weiss, Jessica Chen. "An Ideological Contest in U.S.–China Relations? Assessing China's Defense of Autocracy." *After Engagement: Dilemmas in U.S.–China Security Relations*. Avery Goldstein and Jacques deLisle, eds. Forthcoming. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3427181](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3427181); Wu Xinbo. "The China Challenge: Competitor or Order Transformer?" *The Washington Quarterly*, vol 43, no. 3 (fall 2020). 99–114.

<sup>35</sup> Jones, Lee, and Shahar Hameiri. "Debunking the Myth of 'Debt–Trap Diplomacy.'" Chatham House. August 19, 2020. <https://www.chathamhouse.org/2020/08/debunking-myth-debt-trap-diplomacy>; David Dollar. "Seven years into China's Belt and Road." Brookings Institution. October 1, 2020.

<https://www.brookings.edu/blog/order-from-chaos/2020/10/01/seven-years-into-chinas-belt-and-road>.

<sup>36</sup> China is modernizing its nuclear forces to make them more capable of surviving an initial attack and gradually increasing the size of its nuclear arsenal. The U.S. Defense Department estimates that China's arsenal will double in size over the next decade. Even with such increases, however, it will still be only a tenth the size of the U.S. nuclear stockpile. *Military and Security Developments Involving the People's Republic of China 2020: Annual Report to Congress*. Office of the Secretary of Defense. <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>.



An MH-60R Seahawk lifts off the flight deck of the USS Ronald Reagan (CVN 76) while conducting operations in the South China Sea, August 14, 2020. (U.S. Navy photo by Mass Communication Specialist 2nd Class Codie L. Soule)

on the United States would invite catastrophic retaliation. Moreover, although China is extending its ability to operate militarily further from its shores and enhancing its cyberattack capabilities, it is not building a globe-spanning, dominant military presence, nor does it have the conventional military capacity to defeat, much less destroy, the U.S. military in a full-scale conflict. While developing small expeditionary forces primarily to secure vital shipping lanes from the Middle East, China's military remains focused on the Asia-Pacific region.<sup>37</sup>

Within that region, China's growing military capabilities are oriented toward its contentious outstanding sovereignty disputes: first and foremost, what Beijing considers an unresolved civil war with the Republic of China government on Taiwan, and second, disputes over control of small, remote islands and overlapping claims to maritime jurisdiction in the South and East China Seas and an unsettled border dispute with India.<sup>38</sup> China's greatest comparative advantage vis-à-vis potential adversaries is in its Rocket Force, which comprises more than 1,000 short, medium, and intermediate-range conventional ballistic missiles, including sophisticated guided variants capable of targeting enemy surface ships. It has also acquired and developed advanced anti-aircraft and anti-ship cruise missiles. These asymmetric capabilities are central to China's ability to engage in anti-access/area-denial missions, preventing the United States or other potential adversaries from attacking or approaching China's coasts or nearby seas. In addition, the People's Liberation Army has deployed a growing number of increasingly advanced weapons platforms, such as stealth fighter jets, destroyers, and a couple of aircraft carriers.<sup>39</sup>

<sup>37</sup> Swaine, Michael D. "The PLA Navy's Strategic Transformation to the 'Far Seas': How Far, How Threatening, and What's to be Done?" Carnegie Endowment for International Peace. May 7, 2019. <https://carnegieendowment.org/2019/05/07/pla-navy-s-strategic-transformation-to-far-seas-how-far-how-threatening-and-what-s-to-be-done-pub-80588>.

<sup>38</sup> McDevitt, Michael. "Becoming a Great 'Maritime Power': A Chinese Dream." CNA Corporation. June 2016. [https://www.cna.org/cna\\_files/pdf/IRM-2016-U-013646.pdf](https://www.cna.org/cna_files/pdf/IRM-2016-U-013646.pdf).

<sup>39</sup> *Military and Security Developments Involving the People's Republic of China 2020: Annual Report to Congress*. Office of the Secretary of Defense. <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>.

In its maritime periphery, China has also deployed an increasingly robust Coast Guard and Maritime Militia in recent years. It uses these capabilities to perform maritime-law enforcement missions throughout the East and South China Seas. This activity includes operations in the contiguous zone and territorial waters of the Senkaku/Diaoyu Islands (which Beijing and Tokyo dispute and which are under Japan's administrative control), as well as the protection of Chinese fishing and oil-exploration vessels throughout the South China Sea. In the past six years, China has also strengthened its military presence on the small islands and reefs of the Paracel and Spratly Islands in the South China Sea, reclaiming land, building infrastructure such as runways and hangars, and enhancing point defense. China has also used these reclaimed land features to augment its maritime domain awareness and has occasionally deployed longer-range systems such as advanced surface-to-air missiles to the islands. China's operations in its maritime periphery, often referred to as "gray-zone operations," rarely entail the actual use of force, but they do increase pressure on other claimants and enable China to stage *faits accomplis*, enhancing its control without engaging in actual fighting.

Beyond these operations, China has been a relatively responsible military actor on the global stage, especially in comparison with other major powers. China's last significant conflict was its border war with Vietnam in 1979 and the ensuing decade of Sino-Vietnamese border and naval skirmishes. In the three decades since China and Vietnam normalized relations, China has killed foreign soldiers on only one occasion, its June 2020 border skirmish with India, which remained limited to hand-to-hand combat. Beijing also has not directly supported proxies or armed insurgents abroad since the early 1980s. Finally, China is not building up the type of capabilities it would need to engage in territorial conquest beyond Taiwan, whether in continental or maritime Asia, nor does its training or doctrine envision such missions.

## Increasing Tensions in Regional Disputes

The shifting balance of power in East Asia has coincided with domestic political developments in the region and rising resource competition to inflame several longstanding regional disputes and unresolved conflicts in recent years. Ongoing tensions originally stemming from the region's two unfinished wars — on the Korean Peninsula and across the Taiwan Strait — continue to pose serious risks of renewed military conflict. Tensions have also flared up periodically in the region in long-standing disputes over reefs and islands in the East and South China Seas and land and maritime boundaries. These dynamics have been exacerbated by assertive and nationalist actions on all sides and by China's rising power and increasing ability to enforce its claims. All these developments are increasing the risk of crises and conflict that could involve the United States and its allies. If not wisely managed by all parties, inadvertent crises or limited conflict could escalate to broader violence and war, including potentially a catastrophic nuclear conflict.<sup>40</sup>

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<sup>40</sup> "U.S.-China Military Conflict an 'Increasing Risk,'" Interview with Kevin Rudd. *Yomiuri Shimbun*. November 2, 2018. Asia Society Policy Institute, trans. and ed., <https://asiasociety.org/policy-institute/us-china-military-conflict-increasing-risk>; David Wertime. "Former Intel Officers: U.S. Must Update Its Thinking on Taiwan." *Politico China Watcher*. October 8, 2020. <https://www.politico.com/newsletters/politico-china-watcher/2020/10/08/former-intel-officers-were-thinking-about-taiwan-wrong-taipei-beijing-washington-conflict-490547>; Minnie Chan. "How Beijing's 'Red Lines' Over Taiwan Could Lead to War with U.S.." *South*

One of the most dangerous risks of war in East Asia is not driven primarily by China's rise, but rather by North Korea's commitment to building weapons of mass destruction. The United States and North Korea came to the brink of a crisis in 2017–18 amid Pyongyang's nuclear and missile tests and U.S. military maneuvers over and around the Korean Peninsula. Although the Trump administration's diplomatic outreach defused the immediate crisis, no progress has been made toward curbing North Korea's nuclear weapons and ballistic missile programs. The Korean Peninsula still remains in a state of war, with no peace treaty or mutual security assurances between Pyongyang and Washington to mitigate the potential for nuclear conflict.<sup>41</sup>

The other most likely source of major power war in East Asia is centered around the status of Taiwan. This issue has become more volatile in recent years as U.S.–China relations have deteriorated. Although the vast majority of people in Taiwan prefer maintaining the status quo in relations between Taiwan and the PRC, the share of people who favor moving toward eventual formal independence has grown,<sup>42</sup> influenced in part by the PRC's increased authoritarianism and its assertive encroachments on Hong Kong's autonomy. China has further alienated people in Taiwan by conducting increasingly frequent military operations in the Taiwan Strait, including fighter jet flights across the strait's median line, as a means of stridently pushing back against actions by Taipei and Washington that it perceives as retreating from the longstanding "One China" framework and thus as threats to its goal of cross–Strait political unification.

Under the Trump administration, the United States has also come to rely more on military signaling to convey its positions on Taiwan, conducting more regular U.S. Navy operations in the Taiwan Strait. It has coupled these military moves with unprecedented high-profile political visits and policy changes.<sup>43</sup> This approach has undermined America's One China policy and the associated complex, careful understandings that permitted normalization between China and the United States in 1979 and have since ensured stability.<sup>44</sup> Prominent American observers have even argued in favor of giving Taiwan a blanket guarantee of defense against a Chinese attack,<sup>45</sup> while others advocate treating Taiwan as a strategic asset that must be denied to

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*China Morning Post*. July 22, 2020.

<https://www.scmp.com/news/china/military/article/3094177/how-beijings-red-lines-over-taiwan-could-lead-war-us>; Talmadge, Caitlin. "Would China Go Nuclear? Assessing the Risk of Chinese Nuclear Escalation in a Conventional War with the United States." *International Security*, vol. 41, no. 4 (Spring 2017). 50–92. [https://www.mitpressjournals.org/doi/abs/10.1162/ISEC\\_a\\_00274](https://www.mitpressjournals.org/doi/abs/10.1162/ISEC_a_00274).

<sup>41</sup> The U.S. Department of the Army estimates that North Korea possesses 20 to 60 nuclear bombs, with capacity to produce six additional bombs each year. It also has 2,500 to 5,000 tons of chemical weapons, making it the third-largest possessor of chemical agents globally. See "North Korean Tactics." Department of the Army. July 2020. <https://fas.org/irp/doddir/army/atp7-100-2.pdf>.

<sup>42</sup> "Changes in the Unification–Independence Stances of Taiwanese as Tracked in Surveys by Election Study Center, NCCU (1994–2020.06)." July 3, 2020, <https://esc.nccu.edu.tw/PageDoc/Detail?fid=7805&id=6962>. The mid–2020 iteration of this long-term tracking survey found that 27.7% of Taiwanese respondents favored maintaining the status quo and moving toward independence, an increase of 15 percentage points from 2018. This surpassed for the first time the share of respondents (23.6%) who favored maintaining the status quo indefinitely and was nearly equal to the 28.7% of respondents who favored maintaining the status quo and deciding between unification and independence at a later date, the option that has long been most favored in the survey. The share of respondents who favored maintaining the status quo and moving toward unification was at an all-time low (5.1%) and for the first time was lower than the share of respondents who favored independence as soon as possible (7.4%).

<sup>43</sup> Barnes, Julian E. and Amy Qin. "State Dept. Moves to Ease Restrictions on Meeting With Taiwan Officials." *The New York Times*. January 9, 2021. <https://www.nytimes.com/2021/01/09/us/politics/state-dept-taiwan-united-states-china.html>.

<sup>44</sup> Under the One China policy, the United States recognizes the PRC as the sole legal government of China, acknowledges China's position that Taiwan is a part of China, and repudiates a policy of "two Chinas," or "one China, one Taiwan." See Bonnie S. Glaser and Michael Green. "What Is the U.S. 'One China' Policy, and Why Does it Matter?" CSIS Critical Questions. January 13, 2017. <https://www.csis.org/analysis/what-us-one-china-policy-and-why-does-it-matter>.

<sup>45</sup> Haass, Richard, and David Sacks. "American Support for Taiwan Must Be Unambiguous." *Foreign Affairs*. September 2, 2020. <https://www.foreignaffairs.com/articles/united-states/american-support-taiwan-must-be-unambiguous>.



Beijing.<sup>46</sup> Either of these approaches would effectively end the U.S. One China policy and would likely invite major retaliation from the PRC. To make matters worse, both Washington and Beijing continue to avoid any direct discussion of moves each could make to reduce these growing tensions.<sup>47</sup>

Apart from Korea and Taiwan, other sources of tension in the region derive chiefly from previously noted disputes over small, remote islands and land border segments. When tensions over these disputes sharpen, as they have frequently over the past decade, they are usually driven by the actions and reactions of all sides, not China alone. Many of China's most assertive actions — its consolidation of control over the Scarborough Shoal in 2012, its commencement of regular patrols in waters around the Senkaku Islands in 2012, its land reclamation in the Spratly Islands from 2013 to 2015, its encroachments on the Line of Actual Control between India and China in 2020 — though in some cases disproportionate, were taken in response to prior moves by other claimants.<sup>48</sup>

Over the past two or three decades, there have also been a number of standoffs between U.S. and Chinese vessels and aircraft in the East and South China Seas. These have resulted from China's objections to U.S. surveillance and reconnaissance operations near China's coasts and naval bases, U.S. naval transits through the Taiwan Strait, and U.S. freedom of navigation operations in the waters surrounding disputed island territories. China has not interfered with commercial shipping in these areas and shows no inclination to do so except in the context of a potential war over Taiwan. Moreover, China is itself increasingly dependent upon freedom of navigation for its own military and marine research vessels in other states' waters, ranging from straits between Japanese and Philippine islands to Arctic waterways. However, it does object to frequent, close-in U.S. operations in sensitive areas along its coasts. This represents the core of the dispute between the United States and China over freedom of navigation.<sup>49</sup>

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<sup>46</sup> Friedberg, Aaron L. "An Answer to Aggression: How to Push Back Against Beijing." *Foreign Affairs*. September/October 2020. <https://www.foreignaffairs.com/articles/china/2020-08-11/ccp-answer-aggression>.

<sup>47</sup> China regards the Taiwan issue as a purely internal affair in which the United States should not be involved, while the United States has repeatedly assured Taiwan that it would not consult the PRC about arms sales to Taipei, play a mediating role in the cross-strait conflict, or pressure Taipei to negotiate with Beijing. These are among the "Six Assurances," which were originally communicated to Taiwan by the United States during the Reagan administration shortly after the signing of the 1982 Sino-U.S. Joint Communiqué. See Bonnie S. Glaser and Michael Green, *Ibid.* See also David R. Stilwell. "The United States, Taiwan, and the World: Partners for Peace and Prosperity." Remarks at the Heritage Foundation. August 31, 2020. <https://www.state.gov/The-United-States-Taiwan-and-the-World-Partners-for-Peace-and-Prosperity>.

<sup>48</sup> Fravel, M. Taylor. "Threading the Needle: The South China Sea Disputes and U.S.-China Relations." In Robert Ross and Øystein Tsunjo, eds. *Strategic Adjustment and the Rise of China: Power and Politics in East Asia*. Cornell University Press. 2017. <http://taylorfravel.com/documents/research/fravel.2017.threading.the.needle.pdf>; M. Taylor Fravel. "Explaining China's Escalation over the Senkaku (Diaoyu) Islands." *Global Summitry*, vol. 2, no. 1 (2016). <https://academic.oup.com/globalsummitry/article/2/1/24/2355365>; "Case 3: Scarborough Shoal Standoff (2012)" and "Case 4: Senkaku Islands Nationalization Crisis (2012)." In Michael Green, Kathleen Hicks, Zack Cooper, John Schaus, and Jake Douglas. *Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence*. Center for Strategic and International Studies. May 2017. [https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/170505\\_GreenM\\_CounteringCoercionAsia\\_Web.pdf](https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/170505_GreenM_CounteringCoercionAsia_Web.pdf).

<sup>49</sup> Odell, Rachel Esplin. "China's Legal Interpretations of Military Activities at Sea." In Mare Interpretatum: *Continuity and Evolution in States' Interpretations of the Law of the Sea*. Ph.D. diss., Massachusetts Institute of Technology. September 2020.

## Growing Intensity of Transnational Challenges

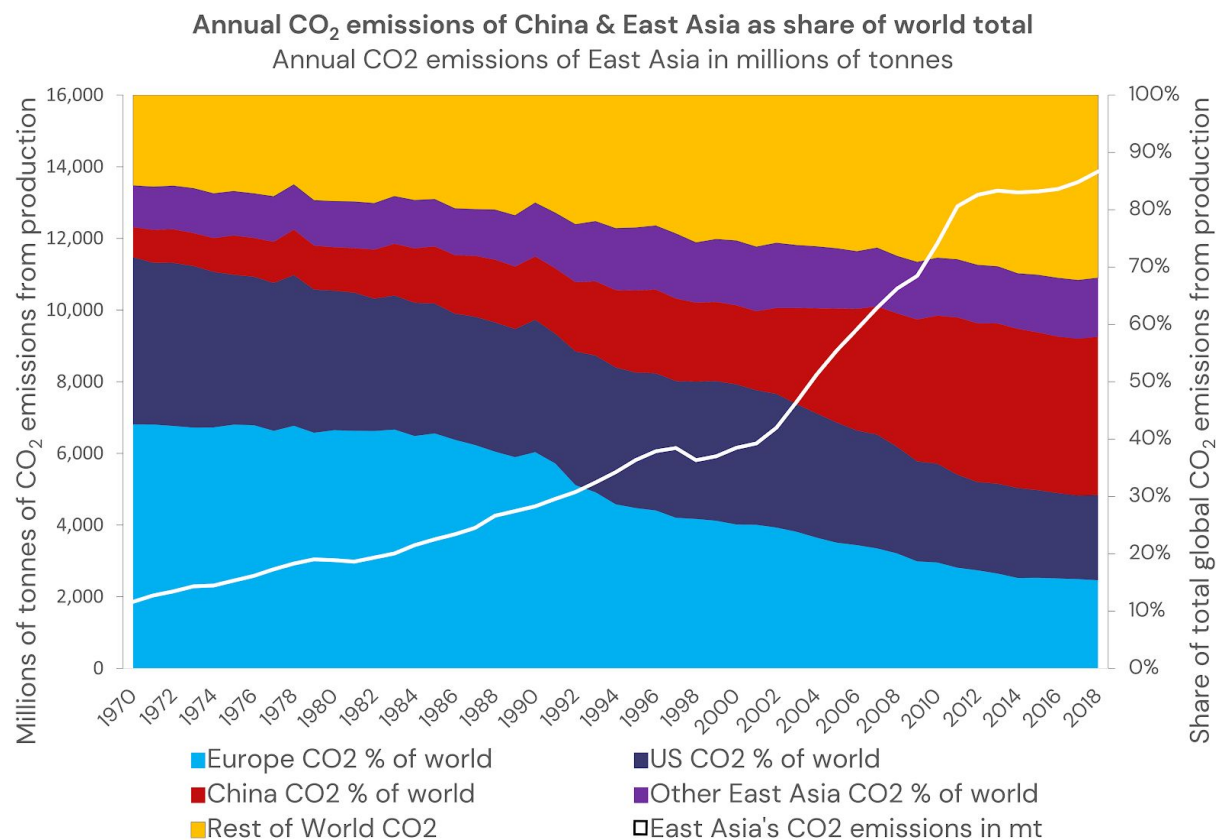


Image 2: Data from Our World in Data, <https://github.com/owid/co2-data>. For this graph, "Other East Asia" includes Brunei, Cambodia, Indonesia, Japan, North Korea, South Korea, Laos, Malaysia, Mongolia, Myanmar, Philippines, Singapore, Taiwan, Thailand, Timor-Leste, and Vietnam.\* The line depicting tonnes of annual CO<sub>2</sub> emissions from East Asia also includes China (including the mainland, Hong Kong, and Macau).

Finally, although discussion of security in East Asia often focuses on the shifting balance of power, unresolved conflicts, and outstanding sovereignty disputes, it is also important to broaden the aperture to consider other dangers to overall U.S. security interests. In particular, while escalated conflicts over North Korea or Taiwan would pose severe risks to the United States, the clearest and most immediate dangers to U.S. interests in Asia and beyond stem from transnational threats that accompany economic and technological development and increased global flows of capital, people, and data.

Most notably, human activity is driving climate change worldwide, while also heightening the risk of global pandemics. Given the region's economic and demographic weight, these trends are particularly significant in East Asia. Although America's cumulative historic carbon emissions remain roughly twice as large as China's, and its annual carbon emissions per capita are still 2.2 times higher, China's total annual carbon emissions surpassed those of the United

Historical cumulative CO<sub>2</sub> emissions of China & the rest of East Asia as share of world total

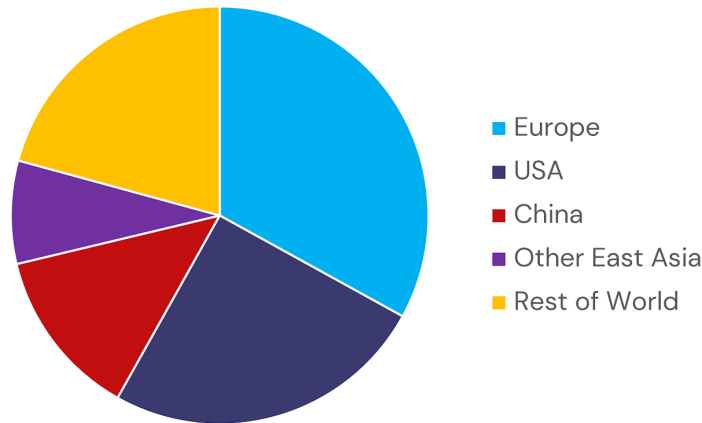


Image 3: Data from Our World in Data, <https://github.com/owid/co2-data>. For this graph, "Other East Asia" includes Brunei, Cambodia, Indonesia, Japan, North Korea, South Korea, Laos, Malaysia, Mongolia, Myanmar, Philippines, Singapore, Taiwan, Thailand, Timor-Leste, and Vietnam." China includes the mainland, Hong Kong, and Macau.

States in 2006 and were nearly twice America's in 2018.<sup>50</sup> Annual CO<sub>2</sub> emissions in Russia and Japan are also significant, ranking fourth and fifth highest globally. China's carbon emissions are likely to continue to grow over the next decade, though Beijing recently pledged to become carbon neutral by 2060.<sup>51</sup> Japan has also recently pledged to be carbon neutral by 2050, a significant commitment from the world's fifth-largest emitter of greenhouse gases.<sup>52</sup> To limit future global carbon emissions, the developing nations of Southeast Asia also need less carbon-intensive economic drivers, as does India, where emissions are the world's third-highest and continue to grow. In a similar vein, the large and dense populations of East Asia mean that pandemics and infectious disease are likely to be a recurring challenge in the region, as exemplified by the 2019 coronavirus outbreak and earlier outbreaks of SARS and avian flu.<sup>53</sup>

Meanwhile, the information technology revolution is challenging existing political and social systems. The dual-use applications of new technologies in artificial intelligence and communications infrastructure, as well as the supply-chain interconnectedness and dependencies highlighted by shortages amid the Covid-19 pandemic, have heightened many nations' sense of anxiety and vulnerability. Technological competition, especially China's emergence as a major technology innovator, is also leading to a more pronounced backlash in developed economies against China's theft and required transfers of intellectual property. Concerns about cybersecurity and data privacy, particularly the growing ability of governments and nonstate actors to harvest and exploit large quantities of data about individuals and civil

<sup>50</sup> For data on countries' cumulative historic carbon emissions, see <https://ourworldindata.org/contributed-most-global-co2>. For data on countries' annual carbon emissions and per-capita carbon emissions, see <http://energyatlas.iea.org/#/tellmap/1378539487>.

<sup>51</sup> Myers, Steven Lee. "China's Pledge to Be Carbon Neutral by 2060: What It Means." *The New York Times*. September 23, 2020. <https://www.nytimes.com/2020/09/23/world/asia/china-climate-change.html>.

<sup>52</sup> Dooley, Ben, Makiko Inoue, and Hikari Hida. "Japan's New Leader Sets Ambitious Goal of Carbon Neutrality by 2050." *The New York Times*. October 26, 2020. <https://www.nytimes.com/2020/10/26/business/japan-carbon-neutral.html>.

<sup>53</sup> Hornby, Peter W., Dirk Pfeiffer, and Hitoshi Oshitani. "Prospects for Emerging Infections in East and Southeast Asia 10 Years after Severe Acute Respiratory Syndrome." *Emerging Infectious Diseases*. vol. 19, no. 6 (June 2013): 853-860. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3713834>.

society organizations, are also provoking debate as to appropriate domestic and international standards for internet governance.<sup>54</sup> Amidst these trends, some countries are imposing stricter national controls on supply chains, foreign investment, and online expression and commerce.

*The clearest and most immediate dangers to U.S. interests in Asia and beyond stem from transnational threats that accompany economic and technological development and increased global flows of capital, people, and data.*

Likewise, persistent or growing income inequality in many nations, due in large part to the failure of countries to couple free trade with adequate support for domestic adaptation to trade-related disruptions, has also weakened support for globalization. This trend is especially true in developed nations such as the United States.<sup>55</sup> Uneven economic development throughout East Asia has also led some nations to become highly dependent on outside loans from China and elsewhere, in some cases stoking nationalist resentment and suspicion. The threat of global financial crises, due in part to relatively recent, largely unregulated forms of shareholder capitalism, also continues to present a significant transnational risk.<sup>56</sup> Similarly, marine resource scarcity, mass migration and refugee crises, drug trafficking, human trafficking, terrorism, wildlife poaching, transnational crime, and WMD proliferation have also become increasingly complex challenges in recent decades.<sup>57</sup>

Regional institutions in East Asia have a mixed record in their ability to facilitate robust management and mitigation of these challenges. In the areas of climate change and pandemics, regional institutions have facilitated capacity-building and information-sharing. However, these institutions have not gone so far as to develop regional carbon markets, nor have they served as a primary means for managing the Covid-19 outbreak in 2020 or mitigating

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<sup>54</sup> Whalen, Jeanne. "China Hawks Encounter Powerful Opponent: U.S. Companies." *Washington Post*. October 12, 2020. <https://www.washingtonpost.com/technology/2020/10/12/us-companies-oppose-china-trade-ban/>;

Evan Feigenbaum. "In Asia, Disruptive Technonationalism Returns." Carnegie Endowment for International Peace. November 13, 2019. <https://carnegieendowment.org/2019/11/13/in-asia-disruptive-technonationalism-returns-pub-80331>; Elsa B. Kania.

"Battlefield Singularity: Artificial Intelligence, Military Revolution, and China's Future Military Power." Center for a New American Security. November 28, 2017. <https://www.cnas.org/publications/reports/battlefield-singularity-artificial-intelligence-military-revolution-and-chinas-future-military-power>.

<sup>55</sup> Rodrik, Dani. "Populism and the Economics of Globalization." Working Paper 23559. National Bureau of Economic Research. July 2017. <http://www.nber.org/papers/w23559>; Laura Silver, Shannon Schumacher, and Mara Mordecai. "In U.S. and U.K., Globalization Leaves Some Feeling 'Left Behind' or 'Swept Up,'" Pew Research Center. October 5, 2020.

<https://www.pewresearch.org/2020/10/05/in-u-s-and-uk-globalization-leaves-some-feeling-left-behind-or-swept-up>.

<sup>56</sup> Kirshner, Jonathan, ed. *American Power After the Financial Crisis*. Cornell. 2018; Gautam Mukunda. "The Social and Political Costs of the Financial Crisis, 10 Years Later" *Harvard Business Review*. September 25, 2018.

<https://hbr.org/2018/09/the-social-and-political-costs-of-the-financial-crisis-10-years-later>; "The World Has Not Learned the Lessons of the Financial Crisis." *The Economist*. September 6, 2018.

<https://www.economist.com/leaders/2018/09/06/the-world-has-not-learned-the-lessons-of-the-financial-crisis>.

<sup>57</sup> "Increasing Transnational Crime and Conflict Threaten Lives around the Globe." World Bank. November 29, 2019.

<https://www.worldbank.org/en/news/feature/2019/11/29/increasing-transnational-crime-and-conflict-threaten-lives-around-the-globe>; Peter Katel. "Transnational Crime: Is Cross-border Criminality Getting Worse?" *CQ Researcher*, vol. 24, no. 30. August 29, 2014. <https://library.cqpress.com/cqresearcher/document.php?id=cqresrre2014082900>.

the economic shock of the pandemic.<sup>58</sup> In the economic sphere more generally, longstanding aspirations for a broadly inclusive, APEC-centered Free Trade Area of the Asia–Pacific have continued to languish, but smaller multilateral trade agreements such as the two recently completed regional partnership accords, have to some extent filled the breach.<sup>59</sup> However, as earlier noted the United States is not a party to either of those arrangements, as Donald Trump withdrew from the Trans–Pacific Partnership (the predecessor to the Comprehensive and Progressive Agreement for Trans–Pacific Partnership) upon entering office in early 2017.<sup>60</sup>

In the security sphere, East Asian regional institutions such as the East Asia Summit, the ASEAN Regional Forum, and the Six–Party Talks on North Korea have had a decidedly mixed record of success in addressing critical issues such as WMD proliferation, maritime security, and climate change and arguably no success whatsoever in moderating the expanding security competition between Beijing and Washington. Indeed, this increasingly hostile rivalry is overshadowing multilateral efforts to deal with any security challenges other than the “softest” security issues, such as international crime and small-scale threats to commerce from pirates.<sup>61</sup> Finally, due in large part to the wide diversity of governance models among Asian nations, East Asian regional institutions have thus far advanced little meaningful cooperation in the areas of human rights, internet governance, and democratic reform.

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<sup>58</sup> Stavins, Robert N., and Robert C. Stowe, eds. “International Cooperation in East Asia to Address Climate Change.” Harvard Project on Climate Agreements. February 2018. <https://www.belfercenter.org/sites/default/files/files/publication/harvard-project-east-asia.pdf>; Anish Kumar Roy. “Addressing Pandemic Preparedness in ASEAN: The Ways Forward.” In Mely Caballero–Anthony, ed. *Pandemic Preparedness in Asia*. Singapore. S. Rajaratnam School of International Studies. 2009. 128–132. <https://www.jstor.org/stable/resrep05905.24>; Frederick Kliem. “Regionalism and Covid–19: How EU–ASEAN Inter-regionalism Can Strengthen Pandemic Management.” Singapore. S. Rajaratnam School of International Studies. August 2020. <https://think-asia.org/handle/11540/12463>; Fukunari Kimura et al. “Pandemic (Covid–19) Policy, Regional Cooperation and the Emerging Global Production Network.” *Asian Economic Journal*, vol. 34. June 2020. 3–27. <https://onlinelibrary.wiley.com/doi/10.1111/asej.12198>.

<sup>59</sup> These regional trade agreements have taken place in the context of the World Trade Organization’s failure to adapt to changes in trade and technology and its hobbling by the shifting international politics of trade. See Joshua P. Meltzer. “A WTO Reform Agenda: Data flows and international regulatory cooperation.” Working Paper 130. Brookings Institution. September 2019. [https://www.brookings.edu/wp-content/uploads/2019/09/WTO-Reform-Agenda\\_final.pdf](https://www.brookings.edu/wp-content/uploads/2019/09/WTO-Reform-Agenda_final.pdf). See also APEC Policy Support Unit.

“Taking Forward the Lima Declaration on the Free Trade Area of the Asia–Pacific – Study on Tariffs.” Asia Pacific Economic Cooperation Secretariat. November 2019. <https://www.apec.org/Publications/2019/11/Study-on-Tariffs>.

<sup>60</sup> O’Neil, Shannon. “Free Trade Is Expanding, Just Not With the U.S.” Council on Foreign Relations. October 8, 2019. <https://www.cfr.org/blog/free-trade-expanding-just-not-us>.

<sup>61</sup> Wacker, Gudron. “Security Cooperation in East Asia: Structures, Trends, and Limitations.” SWP Research Paper. May 2015. [https://www.swp-berlin.org/fileadmin/contents/products/research\\_papers/2015\\_RP04\\_wkr.pdf](https://www.swp-berlin.org/fileadmin/contents/products/research_papers/2015_RP04_wkr.pdf).



# The Failures of U.S. Strategy in East Asia in the 21st Century

America's strategy in East Asia in recent decades has failed to adjust appropriately to the three above-noted trends in the region. The United States has instead doubled down on a military-oriented approach that heightens the risk of conflict while failing adequately to promote America's more comprehensive ecological, economic, and political interests in the region. This folly has accelerated over the past decade, becoming particularly acute during the Trump administration.

## The George W. Bush Administration's Status Quo Approach

East Asia was not a priority for the United States in the first decade of the 21st century. Although the Defense Department under Secretary Donald Rumsfeld initially sought to elevate the region as the focus of U.S. efforts to maintain military dominance,<sup>62</sup> the terror attacks on September 11, 2001, shifted the George W. Bush administration's global priorities dramatically. As a result, the Bush administration ended up pursuing a mixed security strategy toward East Asia, while neglecting robust diplomatic engagement in regional institutions.

In the security sphere, Bush abandoned the 1994 Agreed Framework with North Korea soon after entering office. In his first State of the Union speech, delivered in January 2002, Bush labeled North Korea one of three nations in an "axis of evil," along with Iraq and Iran.<sup>63</sup> The Bush administration eventually entered diplomatic negotiations to prevent North Korea's development of nuclear weapons through what were called the Six-Party Talks. This effort, which also involved South Korea, China, Japan, and Russia in talks with the North, had some success but ultimately failed in its aims. Despite its initially adversarial stance toward China, the Bush administration pursued a more cooperative relationship with Beijing after 9/11 to create diplomatic space for America to focus on waging the "global war on terror," as the Bush White House termed the effort. Washington's focus on the wars in Afghanistan and Iraq precluded the significant military buildup to counter China's military modernization that some in the Pentagon desired. While the United States remained wedded to the goal of maintaining military dominance in East Asia under the Bush administration, its force posture in the region was largely on autopilot.

While pursuing a status quo approach militarily, the United States sought accommodation with China in the economic and institutional dimensions of the relationship. Bush administration officials prioritized incorporating Beijing into the global trading system after China formally

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<sup>62</sup> Kettle, Martin. "U.S. Told to Make China Its No 1 Enemy." *The Guardian*. March 24, 2001. <https://www.theguardian.com/world/2001/mar/24/china.usa>.

<sup>63</sup> Matray, James I. "The Failure of the Bush Administration's North Korea Policy: A Critical Analysis." *International Journal of Korean Studies*, vol. 17, no. 1 (spring 2013). 140–177. [https://ciaotest.cc.columbia.edu/journals/ijoks/v17i1/f\\_0029410\\_23860.pdf](https://ciaotest.cc.columbia.edu/journals/ijoks/v17i1/f_0029410_23860.pdf).

joined the WTO in late 2001. The Treasury and Commerce Departments established regular economic dialogues with their Chinese counterparts in an effort to monitor and negotiate the terms of China's burgeoning trade and financial ties with the United States and within the global economic system. At times Washington sought to retaliate against Beijing for perceived recalcitrance in honoring its commitments, but the overall tenor of the economic relationship remained pragmatic rather than punitive.

This pragmatic approach was also reflected in the Bush administration's efforts to enhance cooperation with Beijing in the areas of counterproliferation, counterterrorism, and public health.<sup>64</sup> In addition, despite limited U.S. engagement in many regional institutions, such as the East Asia Summit, the Bush administration reached bilateral trade agreements with Australia, Singapore, and South Korea. It also joined negotiations with several other nations in the Asia-Pacific region over an expanded version of the Trans-Pacific Strategic Economic Partnership Agreement, an existing trade pact among Brunei, Chile, New Zealand, and Singapore; this expanded agreement would become known simply as the Trans-Pacific Partnership. At the same time, while deepening economic engagement with both China and other countries in Asia in this period, Bush officials failed to couple this trade expansion with significant trade adjustment assistance or domestic investments, thereby sowing the seeds of a domestic backlash against trade in the coming years.

## The Obama Administration's Pivot to Asia

When Barack Obama took office in 2009, his administration sought to redress what it diagnosed as the Bush administration's neglect of the Asia-Pacific region. Senior administration officials focused their early foreign travel on visits to Asia, seeking to reassure countries in the region that the gradual U.S. military drawdown in the Middle East and the effects of the global financial crisis would not signal a broader and disruptive American withdrawal from the world. These efforts were also intended to reassure Asian nations that the United States would remain a reliable security guarantor and economic partner in the region in the face of China's rapidly rising power. The Obama administration joined or elevated its participation in various regional fora, such as the East Asia Summit, and continued efforts begun in the Bush administration to conclude new bilateral and multilateral economic agreements, finalizing the trade deal with South Korea and negotiating an expanded Trans-Pacific Partnership agreement. At the same time, the administration also sought to deepen its diplomatic engagement with Beijing on many issues, such as climate change and trade.<sup>65</sup> However, initial efforts to establish strong and cooperative relations with China foundered on the shoals of internal dissension within Obama's team about the proper approach to China and what U.S. officials perceived as inadequate

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<sup>64</sup> Swaine, Michael D. *America's Challenge: Engaging a Rising China in the Twenty-First Century*. Carnegie Endowment for International Peace. 2011.

<sup>65</sup> Lieberthal, Kenneth G. "The American Pivot to Asia." Brookings Institution. December 21, 2011. <https://www.brookings.edu/articles/the-american-pivot-to-asia/>; "Fact Sheet: Advancing the Rebalance to Asia and the Pacific." The White House. November 16, 2015. <https://obamawhitehouse.archives.gov/the-press-office/2015/11/16/fact-sheet-advancing-rebalance-asia-and-pacific>.

reciprocation by Chinese officials of Washington's diplomatic outreach — for example, at the Copenhagen climate negotiations in December 2009.<sup>66</sup>

Soon thereafter, the administration's Asia-Pacific strategy assumed a harder edge toward Beijing. U.S. officials began interfering more actively in South China Sea disputes in response to increased tensions in the region. This shift was epitomized by a diplomatic offensive led by Hillary Clinton at the ASEAN Regional Forum in mid-2010, where the United States rallied 12 countries to issue similar statements on the South China Sea in a thinly veiled swipe at Beijing.<sup>67</sup> Then, in late 2011, the Obama administration rebranded its strategy as a "pivot" to the Asia-Pacific region.<sup>68</sup> This sent a discordant, even hostile message to Beijing by signaling that the new U.S. approach to Asia was primarily intended to counter and contain China, economically and militarily. The Pentagon announced increases in military capabilities specifically designed to neutralize China's offshore capabilities, accompanied by a rollout of the Air-Sea Battle concept, a preemptive, offensive military doctrine centered on joint air and naval operations entailing deep strikes against targets on China's mainland early in a conflict to disable its communication and targeting infrastructure.<sup>69</sup> U.S. officials also actively discouraged Chinese-initiated economic institutions such as the Asian Infrastructure Investment Bank and sought to promote the TPP, then still in negotiation, by asserting that it would counterbalance Chinese economic dominance in the region, thus reinforcing zero-sum thinking.<sup>70</sup> At the same time, U.S. cooperation with China continued in some areas: The two sides collaborated in negotiations over the Paris Agreement and on global public health questions and, in 2014 and 2015, reached agreements on safety in air and maritime encounters and cybersecurity.<sup>71</sup>

More fundamentally, U.S. strategy under the Obama administration failed to address the largely irreversible shift in power that had already taken place in the region. Washington's answer to

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<sup>66</sup> Bader, Jeffrey. *Obama and China's Rise: An Insider's Account of America's Asia Strategy*. Washington. Brookings Institution Press. 2013.

<sup>67</sup> Clinton, Hillary Rodham. "Remarks at Press Availability." National Convention Center, Hanoi, Vietnam. July 23, 2010. <https://2009-2017.state.gov/secretary/20092013clinton/rm/2010/07/145095.htm>.

<sup>68</sup> Clinton, Hillary. "America's Pacific Century." *Foreign Policy*. October 11, 2011. <https://foreignpolicy.com/2011/10/11/americas-pacific-century>.

<sup>69</sup> Greenert, Jonathan W., and Norton A. Schwartz. "Air-Sea Battle." *The American Interest*. February 20, 2012. <https://www.the-american-interest.com/2012/02/20/air-sea-battle/>; "Air-Sea Battle: Service Collaboration to Address Anti-Access and Area Denial Challenges." Air-Sea Battle Office. May 2013. <https://archive.defense.gov/pubs/ASB-ConceptImplementation-Summary-May-2013.pdf>.

<sup>70</sup> Statement by the President on the Trans-Pacific Partnership. October 5, 2015. <https://obamawhitehouse.archives.gov/the-press-office/2015/10/05/statement-president-trans-pacific-partnership>; Jane Perlez. "U.S. Opposing China's Answer to World Bank." *The New York Times*. October 9, 2014. <https://www.nytimes.com/2014/10/10/world/asia/chinas-plan-for-regional-development-bank-runs-into-us-opposition.html>.

<sup>71</sup> The White House Office of the Press Secretary. "Fact Sheet: U.S.-China Cooperation on Climate Change." September 3, 2016. <https://obamawhitehouse.archives.gov/the-press-office/2016/09/03/fact-sheet-us-china-cooperation-climate-change-0>; Susan Rice. "Stopping Ebola (2014)." In Evan Feigenbaum, ed. *Six Crises: How the U.S. and China Coordinated Despite Strategic Rivalry*. Carnegie Endowment for International Peace. 2020. <https://carnegieendowment.org/programs/asia/six-crises>; Memorandum of Understanding between the Department of Defense of the United States of America and the Ministry of National Defense of the People's Republic of China Regarding the Rules of Behavior for Safety of Air and Maritime Encounters. Washington, November 9, 2014. Beijing, November 10, 2014. [https://archive.defense.gov/pubs/141112\\_MemorandumOfUnderstandingRegardingRules.pdf](https://archive.defense.gov/pubs/141112_MemorandumOfUnderstandingRegardingRules.pdf); Supplement to the Memorandum of Understanding on the Rules of Behavior for Safety of Air and Maritime Encounters between the Department of Defense of the United States of America and the Ministry of National Defense of the People's Republic of China. Beijing, September 15, 2015. Washington, September 18, 2015. [https://china.usc.edu/sites/default/files/article/attachments/US-CHINA\\_AIR\\_ENCOUNTERS\\_ANNEX\\_SEP\\_2015.pdf](https://china.usc.edu/sites/default/files/article/attachments/US-CHINA_AIR_ENCOUNTERS_ANNEX_SEP_2015.pdf); The White House Office of the Press Secretary. Fact Sheet: President Xi Jinping's State Visit to the United States. September 25, 2015. <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/fact-sheet-president-xi-jinpings-state-visit-united-states>.

this shift seemed to be to modestly increase its diplomatic and economic engagement in the region, though in a way that was primarily competitive or exclusive vis-à-vis Beijing, while marginally increasing its military presence in the region in an attempt to ensure its continued dominance. However, countries in the region, including U.S. allies, had concerns about the substance and the sustainability of the pivot. Some countries were concerned it was too confrontational toward Beijing, and many countries thought it was less attentive to their particular priorities than to Washington's anti-China agenda.<sup>72</sup> As a result, the pivot never generated a strong groundswell of support or confidence in the region. Moreover, U.S. policies by and large reinforced the PRC's suspicions that an economically weakened but still powerful United States would steadily increase its efforts to limit the expansion of China's influence. At the same time, many in China nevertheless continued to recognize the importance of maintaining stable relations with the United States, despite growing tensions.<sup>73</sup>

## The Trump Administration's Embrace of "Great Power Competition"

The trends in Washington's attitudes toward Beijing that began during the Obama administration have accelerated during Donald Trump's four years in office, producing a dramatically more hostile and ideological outlook. This perspective, shared by many Republicans and Democrats alike, centers U.S. security strategy on intensifying great-power competition – to some extent with Russia but primarily with China, given the latter's rapidly increasing strength and influence.<sup>74</sup> This new attitude toward China characterizes Washington's past policy of engagement and hedging toward Beijing as in most respects a failure for neither liberalizing or democratizing China nor preventing the PRC from becoming more aggressive and adversarial toward the West.<sup>75</sup> Indeed, from this perspective those past policies naively contributed to the emergence of China as an economically and militarily powerful, predatory state bent on establishing a more authoritarian global order and displacing the United States as the new global hegemon.<sup>76</sup> This perspective deems China to be an existential threat to democracies and other nations worldwide and to the U.S.-led international system. East Asia is seen primarily as the main staging ground for an overall U.S. effort to counter and undermine China's regional and global designs.<sup>77</sup>

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<sup>72</sup> Sanger, David E. "Despite Obama's Moves, Asian Nations Skeptical of U.S. Commitment." *The New York Times*. May 23, 2016. <https://www.nytimes.com/2016/05/24/world/asia/vietnam-arms-embargo-obama.html>.

<sup>73</sup> Gewirtz, Julian. "The Chinese Reassessment of Interdependence." *China Leadership Monitor*. June 1, 2020. <https://www.prcleader.org/gewirtz>.

<sup>74</sup> Trump, Donald J. "National Security Strategy of the United States of America." December 2017. <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>; Jim Mattis. "Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military's Competitive Edge." U.S. Department of Defense. <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

<sup>75</sup> Campbell, Kurt M., and Ely Ratner. "The China Reckoning: How Beijing Defied American Expectations." *Foreign Affairs*. March/April 2018. <https://www.foreignaffairs.com/articles/china/2018-02-13/china-reckoning>.

<sup>76</sup> Romney, Mitt. "America is awakening to China. This is a clarion call to seize the moment." *Washington Post*. April 23, 2020. [https://www.washingtonpost.com/opinions/global-opinions/mitt-romney-covid-19-has-exposed-chinas-utter-dishonesty/2020/04/23/30859476-8569-11ea-ae26-989cfce1c7c7\\_story.html](https://www.washingtonpost.com/opinions/global-opinions/mitt-romney-covid-19-has-exposed-chinas-utter-dishonesty/2020/04/23/30859476-8569-11ea-ae26-989cfce1c7c7_story.html).

<sup>77</sup> Akita Hiroyuki and Eri Sugiura. "Pompeo Aims to 'Institutionalize' Quad Ties to Counter China." *Nikkei Asia*. October 6, 2020. <https://asia.nikkei.com/Editor-s-Picks/Interview/Pompeo-aims-to-institutionalize-Quad-ties-to-counter-China>.

## *The Trump administration's strategy toward China and East Asia has not succeeded even on its own terms.*

The Trump administration has expressed the most extreme version of this ideological viewpoint. Though Donald Trump himself has been more interested in waging a trade war than an ideological contest with China, officials in his administration, Secretary of State Mike Pompeo most vociferously, have argued that a fundamentally revisionist and highly aggressive Chinese Communist Party is attempting to spread its repressive form of governance across the globe, thereby threatening the future of the “free world.”<sup>78</sup> From this perspective, there is little point in cooperating with such a regime in any meaningful way. The implication is that Beijing should be contained and will only respond to superior levels of forceful pushback, and that the PRC must eventually be radically transformed or overthrown.<sup>79</sup> The key elements of such pushback adopted by the Trump administration have included the use of bluntly coercive trade tactics to force China to make far-reaching economic concessions, cancellation of most bilateral dialogues, reduction of joint scientific and public health ties, tight restrictions on Chinese companies operating in the United States, reduction of a wide range of societal contacts with the Chinese people, increased military operations in waters and airspace near China, undermining of America's longstanding One China policy on Taiwan, a more confrontational approach to Beijing in the South China Sea, and a variety of political and diplomatic efforts to undermine the PRC party-state regime.<sup>80</sup> Trump administration officials and their allies in Congress have also called for significant increases in defense spending to retain military dominance over China and even greater technological and economic decoupling of China from the United States and its allies.<sup>81</sup>

In the broader East Asian region, the Trump administration has accelerated efforts begun in the Obama years to enlist other nations in what amounts to an anti-China containment network. This effort has centered around a coalition of four major democracies – the United States,

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<sup>78</sup> Pompeo, Michael R. “Communist China and the Free World's Future.” Speech delivered at the Richard Nixon Presidential Library and Museum. July 23, 2020. <https://www.state.gov/communist-china-and-the-free-worlds-future>; Patrick O'Brien. “The Chinese Communist Party's Ideology and Global Ambitions.” The White House. June 26, 2020. <https://www.whitehouse.gov/briefings-statements/chinese-communist-partys-ideology-global-ambitions>; Christopher Wray. “The Threat Posed by the Chinese Government and the Chinese Communist Party to the Economic and National Security of the United States.” July 7, 2020. <https://www.fbi.gov/news/speeches/the-threat-posed-by-the-chinese-government-and-the-chinese-communist-party-to-the-economic-and-national-security-of-the-united-states>; William P. Barr. “Attorney General William P. Barr Delivers Remarks on China Policy,” Gerald R. Ford Presidential Museum, July 16, 2020. <https://www.justice.gov/opa/speech/attorney-general-william-p-barr-delivers-remarks-china-policy-gerald-r-ford-presidential>.

<sup>79</sup> Freidberg, Aaron L. “An Answer to Aggression: How to Push Back Against Beijing.” *Foreign Affairs*. August 11, 2020. <https://www.foreignaffairs.com/articles/china/2020-08-11/ccp-answer-aggression>; Gordon G. Chang. “Mike Pompeo Just Declared America's New China Policy: Regime Change.” *The National Interest*. July 25, 2020. <https://nationalinterest.org/feature/mike-pompeo-just-declared-america-s-new-china-policy-regime-change-165639>.

<sup>80</sup> Odell, Rachel Esplin. “How to Manufacture a ‘New Cold War’ with China.” *Responsible Statecraft*. August 26, 2020. <https://responsiblestatecraft.org/2020/08/26/how-to-manufacture-a-new-cold-war-with-china>.

<sup>81</sup> Secretary of Defense Remarks at CSBA on the NDS and Future Defense Modernization Priorities. October 6, 2020. <https://www.defense.gov/Newsroom/Transcripts/Transcript/Article/2374866/secretary-of-defense-remarks-at-csba-on-the-nds-and-future-defense-modernization>; Michael T. McCaul, et. al. “China Task Force Report.” U.S. House of Representatives. September 2020. <https://www.scribd.com/document/478104010/China-Task-Force-Report>.



Japan, Australia, and India, known as the Quad — and the notion of a “Free and Open Indo-Pacific,” or FOIP. This concept, originally developed and promoted before Trump came to office by Shinzo Abe during his years as Japan’s premier, aims to promote freedom of navigation, the rule of law, freedom from coercion, respect for sovereignty, private enterprise, open markets, and the freedom and independence of all states.<sup>82</sup> While this concept is ostensibly inclusive of all Asian nations, including China, the Trump administration has appropriated it as a device for pulling other Asian countries together in an effort to contain Beijing and place collective pressure on it to conform to FOIP principles. At the same time, Trump has applied pressure on South Korea and Japan to pay a larger share of the costs incurred by U.S. forces stationed on bases in their countries, threatening to pull troops from South Korea as a way to extract concessions for burden sharing.<sup>83</sup> He has spurned participation in regional economic agreements such as the TPP, as well as broader global trade institutions centered around the WTO. American economic engagement in the region has remained lackluster, aside from the relatively meager BUILD Act, which the Trump administration framed as a zero-sum effort to counter China’s Belt and Road Initiative.<sup>84</sup> Finally, on the issue of North Korea’s nuclear program, Trump initially adopted a highly confrontational stance before shifting to summit diplomacy backed by little serious commitment to realistic negotiation.

The Trump administration’s strategy toward China and East Asia has not succeeded even on its own terms.<sup>85</sup> The trade deficit with China remains as large as ever, while the overall U.S. trade deficit is \$120 billion larger than it was in 2016, a 16 percent increase.<sup>86</sup> Trade talks with China have produced few benefits for the American worker, if any, while the trade war is estimated to have cost America more than 300,000 jobs and 0.3 percent in GDP growth.<sup>87</sup> Tariffs on virtually all Chinese imports into the United States are costing American taxpayers tens of billions of dollars in increased prices and government subsidies to farmers and other workers hit hardest

<sup>82</sup> Rossiter, Ash. “The ‘Free and Open Indo-Pacific’ Strategy and Japan’s Emerging Security Posture.” *Rising Powers Quarterly*. vol. 3, no. 2 (Aug. 2018). 113–131.

<https://risingpowersproject.com/quarterly/the-free-and-open-indo-pacific-strategy-and-japans-emerging-security-posture>.

U.S. Department of State. “A Free and Open Indo-Pacific: Advancing a Shared Vision.” November 4, 2019.

<https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>; “Statement by the President on a Free and Open Indo-Pacific” The White House. November 18, 2018.

<https://www.whitehouse.gov/briefings-statements/president-trumps-administration-advancing-free-open-indo-pacific-investments-partnerships-economics-security-governance>.

<sup>83</sup> Seligman, Lara and Robbie Gramer. “Trump Asks Tokyo to Quadruple Payments for U.S. Troops in Japan.” *Foreign Policy*.

November 15, 2019. <https://foreignpolicy.com/2019/11/15/trump-asks-tokyo-quadruple-payments-us-troops-japan>; Michael Gordon and Gordon Lubold. “Trump Administration Weighs Troop Cut in South Korea.” *Wall Street Journal*. July 17, 2020.

<https://www.wsj.com/articles/trump-administration-weighs-troop-cut-in-south-korea-11595005050>.

<sup>84</sup> Remarks by Vice-President Pence on the Administration’s Policy Toward China. Hudson Institute. October 4, 2018.

<https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-administrations-policy-toward-china>.

<sup>85</sup> Zakaria, Fareed. “The New China Scare.” *Foreign Affairs*. December 6, 2019.

<https://www.foreignaffairs.com/articles/china/2019-12-06/new-china-scare>; Robert B. Zoellick. “Trump Is Losing His New ‘Cold War’ with China.” *Washington Post*. October 7, 2020.

<https://www.washingtonpost.com/opinions/2020/10/07/trump-is-losing-his-new-cold-war-with-china>.

<sup>86</sup> The U.S. trade deficit with China in 2019 (\$345.2 billion) was almost precisely the same as in 2016 (\$346.8 billion), and it was even larger in 2017 and 2018. U.S. Census Bureau. “Trade in Goods with China.”

<https://www.census.gov/foreign-trade/balance/c5700.html>; U.S. Census Bureau. “Trade in Goods with World, Seasonally Adjusted.”

<https://www.census.gov/foreign-trade/balance/c0004.html>.

<sup>87</sup> Layne, Rachel. “Trump Trade War with China Has Cost 300,000 U.S. Jobs, Moody’s Estimates.” CBS News. September 12, 2019.

<https://www.cbsnews.com/news/trumps-trade-war-squashed-an-estimated-300000-jobs-so-far-moodys-estimates>. Since many of the tariffs associated with the trade war remain in place even after the Phase I trade deal, this number of foregone jobs has likely continued to increase over the past year.



President Trump listens as Chinese Vice Premier Liu He delivers remarks prior the signing ceremony of the U.S. China Phase One Trade Agreement Wednesday, Jan. 15, 2020, in the East Room of the White House. (Official White House Photo by Shealah Craighead).

by China's retaliatory actions.<sup>88</sup> Reduction of bilateral public health contacts prevented the United States from gaining critical early information on the Covid-19 outbreak and crippled the ability of the two sides to cooperate in managing the pandemic.<sup>89</sup> Washington's confrontation of Beijing over Taiwan and maritime disputes in the South China Sea has not produced concessions from China but has instead caused Beijing to double down on its position in those disputes.<sup>90</sup>

The FOIP concept and the Quad have failed to produce a coordinated set of effective policies toward China with America's democratic friends in Asia. On the contrary, many Asian nations have distanced themselves from the overt anti-China elements of the Trump administration's

<sup>88</sup> McGregor, Grady. "Trump Claims at Debate That China Is Paying for Farm Subsidies. In Fact, U.S. Taxpayers Are Footing the Bill." *Fortune*. October 23, 2020. <https://fortune.com/2020/10/23/trump-debate-china-farm-subsidies-pays>.

<sup>89</sup> Seligsohn, Deborah. "The U.S.-China Collaboration on Health Collapsed under Trump. This Is the Cost." *Washington Post*. February 28, 2020.

<https://www.washingtonpost.com/opinions/2020/02/28/us-china-collaboration-health-collapsed-under-trump-this-is-cost/>; Peter Beinart. "Trump's Break With China Has Deadly Consequences" *The Atlantic*. March 28, 2020.

<https://www.theatlantic.com/ideas/archive/2020/03/breaking-china-exactly-wrong-answer/608911>.

<sup>90</sup> Myers, Steven Lee. "China Sends Warning to Taiwan and U.S. With Big Show of Air Power." *The New York Times*. October 5, 2020. <https://www.nytimes.com/2020/09/18/world/asia/us-taiwan-china-jets.html>; "South China Sea Watch: China Holds Drills Amid New Tensions." *The Associated Press*. September 27, 2020.

<https://apnews.com/article/beijing-south-china-sea-territorial-disputes-asia-east-asia-8a1ca6abd6197b5b05506c7e288ff562>.

approach to Asia, rejecting them as too ideological and confrontational.<sup>91</sup> Finally, the shift from extreme pressure to episodic engagement with Kim Jong Un has failed either to begin an earnest effort to denuclearize the Korean Peninsula or to enhance stability on the peninsula.<sup>92</sup>

## The Biden Administration's Likely Approach

At this writing, it is an open question what approach the administration of President-elect Joe Biden will adopt toward East Asia, particularly China and North Korea. Biden and his top advisors apparently seek to moderate the Trump approach to China somewhat. They advocate a more multilateral stance toward East Asia that prioritizes strong relations with allies and does not force them to adopt a confrontational posture toward Beijing. They favor a somewhat less hostile and more cooperative stance toward China, involving a revival of bilateral dialogues with Beijing to discuss respective interests and red lines as well as areas of cooperation. Jake Sullivan, Biden's pick for national security adviser, has written in favor of a more dispersed and cost-efficient U.S. military posture in Asia that increases reliance on asymmetric capabilities as better means for deterring potential Chinese aggression while also reducing the risk of accidents and crises.<sup>93</sup> Biden and his allies also support a targeted set of economic policies toward China to replace the Trump administration's ineffective and costly tariff-based approach. And they recognize the need for Washington to make significant reforms and investments in the economic and technology spheres to boost America's international competitiveness.<sup>94</sup>

Many of these proposed changes are long overdue and, if actually implemented, will help promote U.S. interests in East Asia. However, they do not go far enough to stabilize the U.S.–China relationship, strengthen America, and make East Asia more secure and prosperous. There are also competing impulses within Biden's team and broader Democratic circles that could undermine even this mixed approach of "competition without catastrophe."<sup>95</sup> Many leading Democrats echo the ideological approach of Trump-era Republicans, stressing that it poses a systemic, existential threat to the United States and the West. They emphasize the supposed broad-based strategic rivalry with China, rather than transnational threats such as

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<sup>91</sup> Hirano Ko. "Don't Pursue Strike Capability or NATO-like Asia, Scholars Tell Suga." *Japan Today*. September 23, 2020. <https://www.japantimes.co.jp/news/2020/09/22/national/strike-capability-asia-scholars-yoshihide-suga>; Lee Hsien Loong "The Endangered Asian Century: America, China, and the Perils of Confrontation." *Foreign Affairs*. July/August 2020. <https://www.foreignaffairs.com/articles/asia/2020-06-04/lee-hsien-loong-endangered-asian-century>; Dino Patti Djalal. "Why Trump's Anti-China Policy Falls on Deaf Ears in Southeast Asia." *The Diplomat*. October 15, 2020. <https://thediplomat.com/2020/10/why-trumps-anti-china-policy-falls-on-deaf-ears-in-southeast-asia>.

<sup>92</sup> Lee, Jessica J. "North Korean Military Parade Offers a Sober Reminder of the Original 'Forever War.'" *Responsible Statecraft*. October 12, 2020. <https://responsiblestatecraft.org/2020/10/12/north-korean-military-parade-original-forever-war>.

<sup>93</sup> Campbell, Kurt M., and Jake Sullivan. "Competition Without Catastrophe: How America Can Both Challenge and Coexist With China." *Foreign Affairs*. September/October 2019. <https://www.foreignaffairs.com/articles/china/competition-with-china-without-catastrophe>.

<sup>94</sup> Biden, Joseph R., Jr. "Why America Must Lead Again: Rescuing U.S. Foreign Policy After Trump." *Foreign Affairs*. January 23, 2020. <https://www.foreignaffairs.com/articles/united-states/2020-01-23/why-america-must-lead-again>; Jennifer Harris and Jake Sullivan. "America Needs a New Economic Philosophy. Foreign Policy Experts Can Help." *Foreign Policy*. February 7, 2020. <https://foreignpolicy.com/2020/02/07/america-needs-a-new-economic-philosophy-foreign-policy-experts-can-help>.

<sup>95</sup> Kurt M. Campbell and Jake Sullivan. *Ibid*; Rachel Esplin Odell. "Biden's sensible China strategy." *Responsible Statecraft*. March 5, 2020. <https://responsiblestatecraft.org/2020/03/05/bidens-sensible-china-strategy>.

climate change and pandemics, as the primary foreign policy challenge of the 21st century.<sup>96</sup> Some leading Democratic defense strategists favor a continuing commitment to U.S. military dominance in the western Pacific and even deeper U.S. entanglement in the South China Sea disputes.<sup>97</sup> Congressional Democrats' plans to revitalize the U.S. economy to make it more competitive overseas and vis-à-vis China are simultaneously insufficiently bold and framed in the familiar zero-sum terms.<sup>98</sup> Many Democrats have also shown insufficient awareness of the contradiction between their aspirations for domestic revival and their continued support for exorbitant Pentagon budgets.<sup>99</sup> Finally, Democrats in Congress and on the presidential campaign trail were too eager to out-hawk Trump on North Korea by attacking his willingness to negotiate with Pyongyang.

These attitudes reflect and perpetuate America's longstanding tendency to inflate threats posed by foreign powers due to an outsized sense of vulnerability. As part of a "great power competition" mindset, they put at risk the innovation and broad prosperity that can come from robust global trade and financial integration when coupled with strong domestic economic policy. Such a perspective also risks directly exacerbating climate chaos and pandemics by intensifying carbon-intensive military operations, crowding out green infrastructure investment with military spending, driving China's dependence on dirty domestic coal, and reducing international scientific collaboration.<sup>100</sup> What is more, it impairs the international community's ability to cooperate effectively against transnational threats by turning multilateral institutions into venues of jockeying for influence rather than joint problem-solving.

Amid Washington's drift toward hostile competition with China and confrontation with North Korea, Republicans and Democrats alike, including many in the incoming Biden administration, have done too little critical and creative thinking about how to reshape U.S. strategy in East Asia for a new era. They have devoted insufficient attention to the thorny question of how realistically to restructure U.S. and allied forces in East Asia to address the loss of U.S. regional military primacy and changes in the nature of warfare in a way that does not risk instability and an

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<sup>96</sup> Edmonson, Catie. "Senate Democrats Present \$350 Billion Strategy to Counter China." *The New York Times*. September 17, 2020. <https://www.nytimes.com/2020/09/17/us/politics/democrats-china-strategy.html>; "Speaker Pelosi Remarks at Munich Security Conference." Press Release. February 14, 2020. <https://www.speaker.gov/newsroom/21420-1>. In a piece coauthored with Republican-leaning strategist Hal Brands, Jake Sullivan also embraced this great power rivalry mindset. See Hal Brands and Jake Sullivan. "China Has Two Paths to Global Domination." *Foreign Policy*. May 22, 2020. <https://foreignpolicy.com/2020/05/22/china-superpower-two-paths-global-domination-cold-war>; Ethan Paul. "The Dangerous Idealism of Competing with China." *Responsible Statecraft*. June 4, 2020, <https://responsiblestatecraft.org/2020/06/04/the-dangerous-idealism-of-competing-with-china>.

<sup>97</sup> Flournoy, Michèle. "How to Prevent a War in Asia." *Foreign Affairs*. June 18, 2020. <https://www.foreignaffairs.com/articles/united-states/2020-06-18/how-prevent-war-asia>; Ely Ratner. "Course Correction: How to Stop China's Maritime Advance." *Foreign Affairs*. July/August 2017. <https://www.foreignaffairs.com/articles/2017-06-13/course-correction>. For a critique of this strategic mindset, see Andrew Bacevich. "The China Conundrum: Deterrence as Dominance." *The American Prospect*. September 15, 2020. <https://prospect.org/world/china-conundrum-deterrence-as-dominance>.

<sup>98</sup> Catie Edmonson. *Ibid.*

<sup>99</sup> Negin, Elliott. "It's Time to Rein in Inflated Military Budgets." *Scientific American*. September 14, 2020. <https://www.scientificamerican.com/article/its-time-to-rein-in-inflated-military-budgets>.

<sup>100</sup> Peltier, Heidi. "The Environmental Costs of U.S. Militarization toward China." *Greening U.S. – China Relations: A Symposium*. Quincy Institute for Responsible Statecraft. September 18, 2020. <https://quincyinst.org/2020/09/18/the-environmental-costs-of-u-s-militarization-toward-china>; Nicholas Mulder. "Sanctions Are No Climate Fix." *Greening U.S. – China Relations: A Symposium*. Quincy Institute for Responsible Statecraft. September 18, 2020. <https://quincyinst.org/2020/09/18/sanctions-are-no-climate-fix>.

escalation toward war with China.<sup>101</sup> Nor have they thought creatively about how to restructure U.S. alliances and political relationships in East Asia to encourage more inclusive, positive-sum forms of regional engagement based on common interests — such as environmental conservation, public health, and maritime security — rather than a zero-sum security rivalry with Beijing. They have also been too reluctant to take proactive initiatives to break the current diplomatic stalemate with North Korea, such as ending the Korean War or accepting a more gradual approach to denuclearization. This failure to embrace more responsible statecraft is setting America on a course that, if continued, will undermine the peace and prosperity of America, Asia, and the world.

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<sup>101</sup> Odell, Rachel Esplin. "Biden Would Probably Continue Course Toward Conflict With China." *RealClearWorld*. October 22, 2020. [https://www.realclearworld.com/articles/2020/10/22/biden\\_would\\_probably\\_continue\\_course\\_toward\\_conflict\\_with\\_china\\_581721.html](https://www.realclearworld.com/articles/2020/10/22/biden_would_probably_continue_course_toward_conflict_with_china_581721.html); Michael D. Swaine with Wenyan Deng and Aube Rey Lescure. *Creating a Stable Asia: An Agenda for a U.S.-China Balance of Power*. Carnegie Endowment for International Peace. 2016. <https://carnegieendowment.org/2016/10/26/creating-stable-asia-agenda-for-u.s.-china-balance-of-power-pub-64943>.



# A New Strategy for a More Complex Reality

America needs a new strategy in East Asia — one that reflects the complexities of a region that desires stable relations with both Beijing and Washington, can no longer be dominated by either power, and is moving toward higher levels of economic integration. The United States must foster an inclusive, stable order in East Asia designed to manage shared, top-priority challenges such as climate change and pandemics, promote broad prosperity, and peacefully resolve disputes. Accordingly, America must rebalance its engagement in East Asia toward deeper diplomatic and economic engagement and away from military dominance and political control. This deepened engagement in the region should build on existing institutions, including trade agreements such as the CPTPP and RCEP and ASEAN-centered institutions. In addition, Washington should seek to transform its security alliances in East Asia to encompass not solely a China-focused military deterrence mission, but also cooperative security initiatives that include China and other Asian nations. Some initiatives should be jointly led by the United States and China, in consultation with U.S. allies and other nations in the region, as a signal to the region that the two sides are committed to working together to promote peace, stability, and prosperity in Asia.

*America must rebalance its engagement in East Asia toward deeper diplomatic and economic engagement and away from military dominance and political control.*

At the same time, to respond to China's growing power and influence and changes in the nature of warfare, the United States should adopt a smarter approach to balancing Chinese military power. As part of this approach, Washington should seek to restructure U.S. alliances in Asia around a defense strategy of deterrence by denial rather than all-aspects dominance. It should work closely with allies to enhance their ability to defend themselves and bolster their resilience to economic coercion and undue political influence. Confident allies and less escalatory, denial-oriented allied force postures will provide the foundational security on which more inclusive cooperative security mechanisms might be explored and built. Simultaneously, to create a stabler balance of power and mitigate the potential for military conflict and arms racing, Washington should also adopt a more proactive approach to diplomacy regarding regional hotspots in the Korean Peninsula, the Taiwan Strait, and the South China Sea and regarding stability in the U.S.–China nuclear balance.

Finally, in order to enhance its influence in East Asia and beyond, the United States should adopt a more effective approach to human rights promotion, while enacting domestic reforms that will make its economy more competitive and its political system more attractive.

These three overarching areas of strategic focus are divided into 10 core components and analyzed further below.

## Reprioritize Diplomatic Engagement and Economic Integration

### **Shift Toward Inclusive Regional Diplomacy and Cooperative Security**

The United States should promote direct diplomacy between China and other Asian countries and inclusive multilateralism as a means to coordinate action on shared interests and resolve disputes. In this process, the United States should welcome and encourage rapprochement between China and its neighbors, including American allies. The core of this effort should involve the development of a cooperative agenda with U.S. allies, China, and other East Asian nations for addressing security and development issues of mutual concern, such as climate change, pandemics, financial instability, maritime security and safety, and WMD nonproliferation. None of these issues can be effectively addressed on a unilateral, bilateral, or minilateral basis, nor solely by coalitions of democracies or U.S. allies. They cannot be optimally managed through punitive or coercive strategies. Instead, they require inclusive, multilateral initiatives based on nonpolitical cooperation among governmental and nongovernmental experts and in some cases subnational entities such as local governments. Such an approach to regional security, enlisting China in support of positive-sum objectives, is more likely to succeed in promoting U.S. interests than one that seeks to exclude and isolate Beijing.

These efforts should be built on three institutional foundations. First, the United States should deepen its engagement in existing regional institutions such as the East Asia Summit and other ASEAN-centered fora, supporting them in expanding their existing cooperative security efforts. Second, the United States should seek to transform its security alliances in East Asia to encompass not solely a China-focused military-deterrence mission, but also cooperative security initiatives that include China and other relevant partners. These initiatives should be developed to mitigate specific types of regional arms racing, address varied transnational security threats, and develop credible confidence-building measures such as commitments on the nonuse of force.<sup>102</sup> Third, to catalyze much deeper regional collaboration, the United States, in consultation with its allies, should work with Beijing to jointly sponsor a series of East Asian conferences on transnational security and development concerns. These conferences would be used to develop cooperative regional action plans for coordinating within regional institutions and with larger international regimes on these issues.

To succeed in these efforts, the United States must change its attitude toward international diplomacy, exhibiting greater willingness to work alongside other nations rather than dictating to them.<sup>103</sup> Such genuinely collaborative efforts should aim to identify common denominators and credible confidence-building measures based on positive, mutually beneficial objectives.

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<sup>102</sup> Such efforts could build upon progress and relationships built in inclusive East Asian minilateral institutions such as the Trilateral Cooperation Secretariat involving China, Japan, and South Korea.

<sup>103</sup> James Goldgeier and Bruce W. Jentleson. "The United States Is Not Entitled to Lead the World." *Foreign Affairs*. September 25, 2020. <https://www.foreignaffairs.com/articles/world/2020-09-25/united-states-not-entitled-lead-world>.

Washington also must make unprecedented investments in its overall diplomatic capacities, through dramatically increased funding of the State Department and diplomatic and analytical personnel in other U.S. agencies.<sup>104</sup> The White House should also restore the State Department's role as the leading foreign policy agency in East Asia, rather than the U.S. military. Finally, it should end the longstanding practice of placing political donors in top diplomatic positions, instead appointing individuals with proven skill in diplomatic negotiations and knowledge of the nation where they will be serving, as well as of East Asia more broadly – its histories, its cultures, its political traditions, and ideally its languages.

### **Deepen Regional Economic Engagement and Promote Global Technological Standards**

As part of its renewed investment in regional diplomacy, the United States should also reengage in regional economic agreements and institutions. In so doing, it must adopt policies that strike a mutually acceptable balance between beneficial free trade and investment among all nations on one hand and government-guided industrial policies and national-security interests on the other, while protecting workers' rights and the environment. In concrete terms, Washington should seek to join the recently completed CPTPP, successor of the Trans-Pacific Partnership, and explore the possibility of joining the Regional Comprehensive Economic Partnership, or RCEP. However, the U.S. Congress must link participation in such agreements to major new and continuing domestic investments in infrastructure, education, and clean energy to ensure a fairer distribution of the national wealth that will be gained from these trade agreements.

In addition, the United States must recommit to facilitating the negotiation of global economic and technological standards. It should lead in promoting reforms to the WTO to expedite the dispute-resolution process and to align the organization's standards with 21st century trade agreements that more explicitly cover technology and investment issues, including those related to 5G telecommunications infrastructure and internet services. Such broad-based multilateral agreements and mechanisms are the most effective methods for raising regulatory standards, as they employ positive incentives for states to improve their domestic practices and rules, while increasing the costs of unfair behavior by any nation, including China. At the same time, in certain areas such as data privacy and internet governance, the United States may need first to pursue agreements among smaller groups of like-minded nations to establish norms that promote U.S. values and interests.

Ultimately, U.S. efforts in this area must recognize that all nations confront major policy choices in all of these areas, most of which cannot be reduced to Sino-U.S. differences or differences between authoritarian and democratic nations. Many democracies hold very different views toward cybersecurity and technology issues, some prioritizing national autonomy and sovereignty more than others. Moreover, many challenges to global technological norms do not derive from the actions of nation-states alone. Multinational corporate actors, such as Google

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<sup>104</sup> Burns, William J., and Linda Thomas-Greenfield. "The Transformation of Diplomacy: How to Save the State Department." *Foreign Affairs*. November/December 2020. <https://www.foreignaffairs.com/articles/united-states/2020-09-23/diplomacy-transformation>; Joaquin Castro. "How to Bring American Diplomacy Back From the Brink." *Foreign Affairs*. October 28, 2020. <https://www.foreignaffairs.com/articles/2020-10-28/how-bring-american-diplomacy-back-brink>.

and Amazon, also present major challenges to developing more robust and coordinated technological standards. Indeed, the United States lags its European peers in adopting strong data privacy and internet governance standards. Crafting a domestic regulatory regime that protects privacy and security while preserving innovation must be a preliminary priority for Washington before it can exercise genuine leadership on these issues internationally.

### **Reinvigorate Cooperation with China on Pandemics, Climate Change, and Trade**

While enhancing its regional and global diplomacy and economic engagement, Washington should also reinvigorate its bilateral cooperation with Beijing. First and foremost, the United States should restore and expand its public health ties with China to address the Covid-19 pandemic as well as future disease outbreaks. Washington should coordinate with Beijing to redeploy experts from the Centers for Disease Control and Prevention and the National Institutes of Health to Chinese cities and increase bilateral information exchange and coordination. The United States should also partner with China and other countries to help hard-hit developing nations recover from the pandemic and to bolster future pandemic preparedness.<sup>105</sup>

Equally important, the United States and China should jointly lead in finding creative ways for the world to go beyond the Paris Agreement in reducing carbon emissions. As the world's two largest carbon emitters, they are uniquely positioned to mobilize international action. Their collaboration is essential if the world is to make the transformational progress needed to confront the pressing threat of climate change.<sup>106</sup> One important form of such collaborative effort is to coordinate domestic targets and standards, as in the area of clean transportation.<sup>107</sup> The United States and China also must lead efforts to help the developing world adapt to climate change. They should jointly invest in affordable deep decarbonization technologies that can help the developing world pursue less carbon-intensive growth.<sup>108</sup>

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<sup>105</sup> Constructive ideas for such cooperation were proposed in a letter signed by 104 members of the U.S. House of Representatives and endorsed by the Quincy Institute, which was sent to Secretary of State Pompeo and Secretary of Health and Human Services Alex Azar. "Over 100 House Democrats Call on Trump Administration to Reverse its Dangerous Opposition to Global Health Cooperation." Press Release from the Office of Congressman Brad Sherman. October 14, 2020, <https://sherman.house.gov/media-center/press-releases/over-100-house-democrats-call-on-trump-administration-to-reverse-its>; John Hudson. "Democrats Decry Trump's Coronavirus Response and Lay Out Plan for International Cooperation." *Washington Post*. October 14, 2020.

[https://www.washingtonpost.com/national-security/democrats-decry-trumps-coronavirus-response-and-lay-out-plan-for-international-cooperation/2020/10/13/b1b7420e-0d8d-11eb-bfcf-b1893e2c51b4\\_story.html](https://www.washingtonpost.com/national-security/democrats-decry-trumps-coronavirus-response-and-lay-out-plan-for-international-cooperation/2020/10/13/b1b7420e-0d8d-11eb-bfcf-b1893e2c51b4_story.html).

<sup>106</sup> Nahm, Jonas. "Why We Can't Solve the Climate Crisis without China." *Greening U.S. – China Relations: A Symposium*. Quincy Institute for Responsible Statecraft. September 18, 2020.

<https://quincyinst.org/2020/09/18/why-we-cant-solve-the-climate-crisis-without-china>.

<sup>107</sup> Finamore, Barbara. "Why America and China Must Cooperate on Clean Transportation." *Greening U.S. – China Relations: A Symposium*. Quincy Institute for Responsible Statecraft. September 18, 2020.

<https://quincyinst.org/2020/09/18/why-america-and-china-must-cooperate-on-clean-transportation>.

<sup>108</sup> Lewis, Joanna. "A Renewed Agenda for Green Technology and Development." *Greening U.S. – China Relations: A Symposium*. Quincy Institute for Responsible Statecraft. September 18, 2020. <https://quincyinst.org/2020/09/18/a-renewed-agenda-for-green-technology-and-development>.

*The United States and China should jointly lead in finding creative ways for the world to go beyond the Paris Agreement in reducing carbon emissions. As the world's two largest carbon emitters, they are uniquely positioned to mobilize international action.*

The United States must also pursue a more pragmatic and balanced economic strategy toward China. This strategy should seek to foster a cooperative bilateral trade, investment, and technology relationship with Beijing, while protecting key U.S. national security interests and defending the interests of U.S. companies, workers, and consumers against unfair economic practices. The United States must recognize the continued value of economic and technological ties with China, develop reciprocal approaches to investment (ideally via a bilateral investment treaty), and encourage continued Sino–U.S. cooperation in critical technology areas such as clean energy.<sup>109</sup> U.S. policy should not be dictated by an exaggerated emphasis on bilateral trade balances or exchange rates, especially since these are no longer among the central economic challenges China poses.<sup>110</sup>

In bilateral trade negotiations, the United States should seek a strong but realistic phase two trade deal that lifts the self-defeating Trump-era tariffs in exchange for commitments by China to curb its economic practices that directly disadvantage American companies. In order to secure a realistic deal, U.S. negotiators must acknowledge that they lack leverage to force China to fundamentally alter its development model in the short term. However, as David Dollar argues, they likely can persuade Beijing to move closer to some developed nation standards on issues such as intellectual property rights protection, investment controls, and nontariff barriers, by appealing to China's own self-interest in ensuring sustainable economic growth as its economy becomes more advanced.<sup>111</sup>

Moving forward, Washington should use sanctions and tariffs narrowly as a last resort, instead relying primarily on the dispute-settlement mechanisms of a reformed and strengthened WTO.

To address genuine data privacy or national security concerns, the U.S. Congress should adopt strong standards that apply to all companies, whether American, Chinese, or otherwise. Washington should also limit Chinese investment in a narrow subset of sensitive technologies, such as national security and 5G communications infrastructure, and reduce dependence on

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<sup>109</sup> Rodrik, Dani, and Stephen Walt. "Constructing A New Global Order: A Project Framing Document." September 2020. [https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/new\\_global\\_order.pdf](https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/new_global_order.pdf).

<sup>110</sup> Dollar, David. "Forging an Alternative Economic Strategy for Dealing with China." In Ryan Hass, Ryan McElveen, and Robert D. Williams, eds. *The Future of U.S. Policy toward China: Recommendations for the Biden administration*. John L. Thornton China Center at Brookings and Yale Law School Paul Tsai China Center. November 2020. 73–76. [https://www.brookings.edu/wp-content/uploads/2020/11/FP\\_20201210\\_us\\_china\\_monograph.pdf](https://www.brookings.edu/wp-content/uploads/2020/11/FP_20201210_us_china_monograph.pdf). As Dollar notes, China's exchange rate has appreciated by 35 percent since 2007 and its current account surplus has shrunk from 10 percent to under 1 percent of GDP.

<sup>111</sup> David Dollar. *Ibid.*





Chinese President Xi Jinping (2nd L) meets with U.S. Vice President Joe Biden (2nd R) inside the Great Hall of the People in Beijing, December 4, 2013. REUTERS/Lintao Zhang/Pool.

Chinese suppliers in sensitive supply chains.<sup>112</sup> This last task is particularly challenging, given the growing number of potential dual-use technologies and the complexity of supply chains, but these challenges are not insurmountable. Such limited disentanglement will limit the mutual vulnerability felt by each side, thereby promoting stability while preventing the harm of a broader decoupling.<sup>113</sup>

More generally, the United States should certainly work with allies and partners in Asia and elsewhere to address unacceptable Chinese practices and put in place effective technology and cybersecurity protections. Ultimately, however, the successful handling of trade, investment, technology, and cybersecurity disputes with China will depend to a great extent on strengthening the regional and global regimes relevant to these areas, as discussed above. Washington and Beijing, with the encouragement of other nations, need to recognize this broader context and the urgent need for developing common standards and ways to enforce

<sup>112</sup> "Smart Competition: Adapting U.S. Strategy toward China at 40 Years." Testimony of Samm Sacks before the House Foreign Affairs Committee. May 8, 2019.

<https://docs.house.gov/meetings/FA/FA00/20190508/109457/HHRG-116-FA00-Wstate-SacksS-20190508.pdf>

Samm Sacks. "Banning TikTok Is a Terrible Idea." *SupChina*. July 16, 2020.

<https://supchina.com/2020/07/16/banning-tiktok-is-a-terrible-idea/>; Ginesh Sitaraman. "A Grand Strategy of Resilience: American Power in the Age of Fragility." *Foreign Affairs*. August 11, 2020.

<https://www.foreignaffairs.com/articles/united-states/2020-08-11/grand-strategy-resilience>.

<sup>113</sup> Working Group on Science and Technology in U.S.–China Relations, Peter Cowhey, chair. "Meeting the China Challenge: A New American Strategy for Technology Competition." University of California at San Diego School of Global Policy and Strategy. November 16, 2020. [https://china.ucsd.edu/files/meeting-the-china-challenge\\_2020\\_report.pdf](https://china.ucsd.edu/files/meeting-the-china-challenge_2020_report.pdf); Lorand Laskai and Samm Sacks. "The Right Way to Protect America's Innovation Advantage: Getting Smart About the Chinese Threat." *Foreign Affairs*. October 23, 2018. <https://www.foreignaffairs.com/articles/2018-10-23/right-way-protect-americas-innovation-advantage>.

them. A simplistic and largely unattainable effort to decouple the two nations in these areas must be replaced by a recognition of the need more effectively to regulate, maintain, and expand global and regional economic, investment, technology innovation and cyber systems, rather than to curtail and fragment them.

## Pursue a More Stable Military Balance with China and Peace on the Korean Peninsula

### Restructure U.S. Alliances and Force Posture in East Asia Around a Defense Strategy of Denial Rather than Control

Even while transforming U.S. alliances into mechanisms for collective security, the United States should also seek to tighten its military coordination with U.S. allies and restructure its alliances around a more defense denial-oriented military strategy. Through such a strategy, the United States should not seek to exercise dominance or control in the waters and airspace of the western Pacific but should instead work with allies to implement a smarter approach to balancing China's growing power centered on denying Chinese control over those same spaces. Under this strategy, the United States and its allies should seek to counter potential Chinese aggression by employing some of the same anti-access/area-denial strategies and asymmetric capabilities that China has developed. By enhancing coastal and air defenses, in particular, they can take advantage of regional geography and render such aggression too costly and difficult for Beijing to undertake.<sup>114</sup>

As part of this effort, the United States should restructure its force posture in the region to play to its comparative advantages in the U.S.–China military balance. It should significantly reduce the number of U.S. ground troops deployed in East Asia. It should also reduce its reliance on forward-operating large aircraft carrier battle groups and forward-basing of large numbers of tactical aircraft, given their vulnerability to Chinese missiles, while shifting focus to submarines, smaller surface ships, and long-range, stand-off conventional weapon delivery systems. The U.S. military should also prioritize increased dispersal of its air and naval basing in the region across a broader area with more strategic depth and agility, rather than maintaining forces

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<sup>114</sup> This strategy shares many features with proposals by other defense analysts in recent years. See Eugene Gholz, Benjamin Friedman, and Enea Gjoza. "Defensive Defense: A Better Way to Protect U.S. Allies in Asia." *The Washington Quarterly*, vol. 42, no. 4 (Winter 2020). 171–189. <https://www.tandfonline.com/doi/full/10.1080/0163660X.2019.1693103>; Van Jackson. "Defense Strategy for a Post–Trump World." *War on the Rocks*. January 15, 2020. <https://warontherocks.com/2020/01/defense-strategy-for-a-post-trump-world/>; Eric Heginbotham and Richard Samuels. "Active Denial: Redesigning Japan's Response to China's Military Challenge." *International Security*, vol. 42, no. 4 (Spring 2018). 128–169. <https://dspace.mit.edu/handle/1721.1/118651>; Michael Beckley. "The Emerging Military Balance in East Asia: How China's Neighbors Can Check China's Naval Expansion." *International Security*, vol. 42, no. 2 (Fall 2017). 78–119. [https://www.mitpressjournals.org/doi/pdfplus/10.1162/ISEC\\_a\\_00294](https://www.mitpressjournals.org/doi/pdfplus/10.1162/ISEC_a_00294); Eric Heginbotham and Jacob Heim. "Deterring without Dominance: Discouraging Chinese Adventurism under Austerity." *The Washington Quarterly*, vol. 38, no. 1 (Spring 2015). 185–199. <https://www.tandfonline.com/doi/full/10.1080/0163660X.2015.1038189>; Michael Swaine, Mike Mochizuki, Rachel Esplin Odell, et al. "Implications and Possible Alliance Responses." In *China's Military and the U.S.–Japan Alliance: A Strategic Net Assessment*. Washington: Carnegie Endowment for International Peace. 2013. [https://carnegieendowment.org/files/net\\_assessment\\_full.pdf](https://carnegieendowment.org/files/net_assessment_full.pdf).

highly concentrated in forward locations.<sup>115</sup> In addition, this new denial strategy should be built on enhancing the defense capabilities of allies in the region, working in tighter coordination with more dispersed U.S. forces playing a more supporting role to allied efforts.<sup>116</sup> The shift to this strategy should begin now and should guide the U.S. force posture in East Asia for the medium term — over the next 10 to 20 years. Once this shift has been implemented, the United States can evaluate the strategic environment in East Asia to determine whether or not a further reduction in U.S. military presence in the region would be possible. A more significant U.S. military drawdown over the long term would be contingent on China's behavior and the broader security environment.

The United States and its allies will have to carefully coordinate how to make this transformation to a denial-oriented strategy without risking instability. Many Asian nations have the economic capacity to increase their military capabilities. But it is crucial that they do so in a way that enhances stability rather than exacerbates insecurity among their neighbors. If not managed properly, these significant changes could provoke anxiety among neighboring nations and trigger an arms race, either with China or between other Asian nations, such as South Korea and Japan, possibly spurring them to develop nuclear weapons.

At the same time, the United States should accept and affirm that each of its bilateral alliance relationships in East Asia is unique and that each of its allies has different defense priorities and interests. For example, the U.S.–South Korea alliance is intended primarily to maintain peace on the Korean Peninsula by deterring North Korean aggression, not to confront or contain Beijing. The United States should hold to this alliance's limited purpose rather than repurposing it as part of a broader military network intended primarily to deter or contain China. South Korea also already invests much more in its military than most other U.S. allies in East Asia and is more prepared to assume greater responsibility for its own defense. The United States should thus reduce its ground forces in South Korea in consultation with Seoul and in the context of progress toward peace with Pyongyang.

Japan and Australia are more appropriate partners for a U.S. denial force posture aimed at maintaining a stable balance of power with China. Tokyo in particular needs to invest more in its own defense, while restructuring its defense forces in ways that better utilize defense dollars. Despite some modest increases during Shinzo Abe's premiership, Japan's defense spending has remained under 1 percent of GDP in recent decades. Moreover, Tokyo has focused its recent

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<sup>115</sup> The U.S. military is already developing operational concepts to this end, such as the Agile Combat Employment concept pioneered by the U.S. Air Force and the Distributed Maritime Operations and Expeditionary Advanced Basing Operations envisioned by the Navy and Marine Corps. However, these concepts have yet to be reflected in acquisitions and force posture decisions, and they are rarely coupled with an acknowledgment of the trade-offs that might be required to implement these strategies in a way that is cost-effective and not destabilizing. Valerie Insinna. "The U.S. Air Force Has Unconventional Plans to Win a War in the Asia-Pacific." *Defense News*. February 10, 2020. <https://www.defensenews.com/digital-show-dailies/singapore-airshow/2020/02/11/the-us-air-force-has-unconventional-plans-to-win-a-war-in-the-asia-pacific/>; Kevin Eyer and Steve McJessey. "Operationalizing Distributed Maritime Operations." Center for International Maritime Security. March 5, 2019. <http://cimsec.org/operationalizing-distributed-maritime-operations/39831>; "Expeditionary Advanced Base Operations." U.S. Marine Corps Concepts and Programs. <https://www.candp.marines.mil/Concepts/Subordinate-Operating-Concepts/Expeditionary-Advanced-Base-Operations>.

<sup>116</sup> The Quincy Institute is beginning a major project to develop a detailed analysis of what such a defense strategy and force posture would look like in more concrete terms, what its budgetary implications would be, and how the United States could navigate the diplomatic and political challenges involved in implementing such a strategy.

investments in relatively destabilizing and inefficient capabilities, such as long-range strike and offensive amphibious systems, rather than the dispersal, resilience, and coastal and air defense capabilities that are central to a denial strategy.<sup>117</sup> Washington needs to consider more seriously how it can incentivize Tokyo to restructure its defense forces and increase its investments in more defensive, short-range capabilities that will not provoke arms racing in China or South Korea. This should entail frank conversations with Tokyo about how the alliance needs to tighten its coordination and shift its division of labor, with Japan strengthening its responsibility for home island and offshore defense and the United States providing support with submarine-launched and long-range, stand-off air-launched weapons, supplemented with additional air and naval forces surged forward in later stages of a conflict.

With Canberra, meanwhile, Washington should prioritize enhancing U.S. access to Australian ports and bases and interoperability with Australian infrastructure and key weapons systems. The United States should redeploy some of its forward air and naval forces from Japan to Australia. It should also press Canberra to strengthen and improve the dispersal and hardening of its own military capabilities and infrastructure in order to make them more resilient and difficult targets for missile barrages.

Other allies and partners are likely to play a less central but still important role in this denial defense strategy. For example, access arrangements for staging, refueling, and reloading aircraft and naval ships in a conflict would be useful in the Philippines, Singapore, Thailand, and Indonesia. For its part, the Philippines is likely to continue to adopt an alternately hot, cold, and lukewarm military relationship with the United States. While Washington should maintain its alliance with Manila, support improvements to Philippine defense infrastructure, and secure arrangements for reliable access to Philippine bases and ports, permanent forward basing of ground troops or aircraft in the Philippines is not a feasible or desirable objective. Moreover, Washington should welcome stable and cooperative relations between Manila and Beijing, rather than encouraging antagonism between the two nations in an effort to frighten Manila into opening itself to expanded U.S. basing. Such an approach would put the cart of U.S. military access before the horse of regional peace and stability.

### **Improve U.S.–China Crisis Management and Mitigate Tension in the Taiwan Strait**

As Washington restructures its defense posture in Asia around a denial-oriented strategy, it will also be important for the United States to build, in consultation with its allies, a less escalatory, more stable balance of military power with China. Such a balance requires far more active diplomatic efforts to strengthen civilian and military crisis-avoidance and crisis-management mechanisms between the United States and China and among other key nations. It also requires efforts to negotiate mutual agreements with China and other parties to reduce the volatility of specific disputes, such as those involving Taiwan and the South China Sea, that could provoke a military confrontation between China and its neighbors and with the United States.

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<sup>117</sup> Eric Heginbotham and Richard Samuels. *Ibid*; Jeffrey W. Hornung. "Is Japan's Interest in Strike Capabilities a Good Idea?" *War on the Rocks*. July 17, 2020. <https://warontherocks.com/2020/07/is-japans-interest-in-strike-capabilities-a-good-idea>.



At present Taiwan is the most likely source of conflict between the United States and China. To better manage the risk of conflict, the United States must pursue a more balanced policy of reassurance and deterrence, while also laying the groundwork for negotiations on paths toward reduced militarization of the Taiwan Strait. Although, as noted above, China has intensified its military operations in the Taiwan Strait in recent years and months, American policymakers must recognize that U.S. military operations in the Taiwan Strait and prominent political signals of stronger support for a more independent Taipei provide an impetus for Beijing to expand its own military and politically coercive operations against Taiwan in response. This dynamic perversely weakens the relative position of Taiwan by provoking China to double down on its position lest it show weakness in defending what it deems to be its core interests. It also increases the risk of military crises and war, whether through inadvertent escalation or by providing Beijing with a pretext or trigger for aggression. Such an outcome would have devastating humanitarian consequences for Taiwan, above all, while destabilizing the region and threatening the global economy. It could also lead to direct U.S.–China conflict, which could escalate to nuclear war.

In the short term, Washington should reduce its military operations in the Taiwan Strait and continue to eschew joint military exercises with Taipei. The State Department should reinstate the longstanding guidelines governing U.S. relations with Taiwan that Secretary Pompeo abrogated in his final days in office. Senior U.S. policymakers should explicitly reaffirm America’s longstanding commitment to its One China policy and a peaceful, mutually acceptable resolution of differences between Taipei and Beijing through eventual cross–Strait negotiations, not coercion. Nothing will precipitate a highly dangerous confrontation between Beijing and Washington — with Taipei caught in the middle — more than further U.S. movement away from its One China policy toward treating the island as an independent nation and a strategic asset for the United States in its competition with Beijing. Washington should also caution Taipei against the further unilateral erosion of its own de facto One China policy as reflected in the Republic of China constitution. Taiwan’s security and prosperity are best served by policies intended to restart and improve cross–Strait dialogues and contacts within the larger context of improved Sino–U.S. relations.

At the same time, the United States should continue to support Taiwan in developing a “porcupine strategy” for deterring China through investments in coastal defense and abilities to survive a Chinese assault for a prolonged period. Although Taiwan has some need for symmetric warfare capabilities like fighter jets and surface ships to protect its interests during peacetime, such assets will likely be of limited use to Taiwan in a conflict given their vulnerability to PLA missiles. Thus, the focus of Washington’s security support for Taipei should not be big-ticket sales of fighter jets that primarily serve to support U.S. defense companies’ production lines. Sales of some defensive systems, such as the Harpoon anti-ship missiles and mobile artillery launchers recently sold to Taiwan, are appropriate as they are more rationally suited to Taiwan’s defense needs. But Washington’s primary emphasis should shift toward supporting Taiwan as it strengthens its own defense industry in ways that will enhance its ability to defend against PRC aggression, even if it is cut off from outside support through a Chinese



blockade. Taiwan needs to stockpile short-range coastal defense missiles, mines, artillery, and ammunition, as well as the materials and technology needed to manufacture more of them. Taiwan's military also needs to focus its doctrines, concepts, and training on building coastal defense, resilience, mobility, and urban- and irregular-warfare capabilities.<sup>118</sup> Leading defense strategists and officials in Taiwan, including the recently retired head of Taiwan's military, Admiral Lee Hsi-ming, are already advocating such measures.<sup>119</sup> In order to incentivize Taipei to implement them, Washington should consider conditioning future arms sales to Taiwan on significant progress in these areas.

Beyond the military sector, Washington should also bolster economic, scientific, and people-to-people exchanges and pursue a bilateral investment agreement with Taipei.<sup>120</sup> It should support Taipei's observer status and participation in international organizations that do not require statehood as a condition of membership and that deal with important transnational challenges, such as the World Health Organization.<sup>121</sup> And Washington should develop more creative contingency plans for how to use nonmilitary tools such as diplomatic and economic sanctions to influence China's calculations in a potential conflict over Taiwan.<sup>122</sup>

Looking ahead to the longer term, however, the United States must be realistic and recognize that economic and military trends do not favor Taiwan in the cross-Strait balance of power. Over time, this shifting balance could make Beijing increasingly willing to take risks or exploit opportunities in response to what it perceives as provocations by Taipei or Washington. This growing structural instability in the Taiwan Strait will likely increase the probability of crisis escalation and catastrophic war. It is thus dangerous for the United States to be sanguine about sustained or spiraling military tensions in the Taiwan Strait, or to assume that existing U.S. policies designed to maintain some semblance of stability across the Taiwan Strait until the two sides decide, on their own, to resolve the issue can be sustained indefinitely. Washington should instead begin to lay the groundwork for negotiating agreements with Beijing, in consultation with Taipei, on mutual military restraint and confidence-building in the Taiwan Strait.

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<sup>118</sup> Mazarr, Michael J. "Toward a New Theory of Power Projection." *War on the Rocks*. April 15, 2020. <https://warontherocks.com/2020/04/toward-a-new-theory-of-power-projection>; William S. Murray. "Revisiting Taiwan's Defense Strategy." *Naval War College Review*. vol. 61, no. 3 (Summer 2008). <https://digital-commons.usnwc.edu/cgi/viewcontent.cgi?article=1814&context=nwc-review>; James R. Holmes. "Taiwan Needs a Maoist Military." *Foreign Policy*. October 17, 2019. <https://foreignpolicy.com/2019/10/17/taiwan-maoist-military-china-navy-south-china-sea>.

<sup>119</sup> Lee Yimou, David Lague, and Ben Blanchard. "China Launches 'Gray-Zone' Warfare to Subdue Taiwan." Reuters. December 10, 2020. <https://www.reuters.com/investigates/special-report/hongkong-taiwan-military>.

<sup>120</sup> Hass, Ryan. "Searching for the Soul of U.S.-Taiwan Relations." *Taipei Times*. January 28, 2019. <https://www.taipeitimes.com/News/editorials/archives/2019/01/28/2003708771>.

<sup>121</sup> Glaser, Bonnie S., Richard C. Bush, and Michael J. Green. "Toward a Stronger U.S.-Taiwan Relationship." Report of the CSIS Task Force on U.S. Policy Toward Taiwan. October 2020. [https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/201021\\_Glaser\\_TaskForce\\_Toward\\_A\\_Stronger\\_USTaiwan\\_Relationship\\_0.pdf](https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/201021_Glaser_TaskForce_Toward_A_Stronger_USTaiwan_Relationship_0.pdf). 25–28, 35–36.

<sup>122</sup> Mazarr, Michael J. "A Guarantee Won't Solve the Problem." *Foreign Affairs*. September 24, 2020. <https://www.foreignaffairs.com/articles/united-states/2020-09-24/dire-straits>; Michael J. Mazarr. "Toward a New Theory of Power Projection." *Ibid.*

## Reduce Military Tensions at Sea and Encourage Compromise in Maritime Disputes

Military crises between the United States and China could also arise in the waters and airspace of the East and South China Seas, where military and coast guard vessels from both countries often operate in close proximity to one another. In order to lower the risk of such crises, while also promoting U.S. interests in maritime stability and open shipping lanes, Washington needs to change its strategic mindset toward those waters. Many American strategists have long exaggerated the threat China poses to freedom of navigation. They misleadingly frame Beijing's objections to U.S. military operations near disputed islands and surveillance near China's coasts and China's interference with fishing or oil extraction in waters where its jurisdictional claims overlap with those of neighboring countries as broader threats to commercial and military navigation. Such distortions in turn motivate an over-militarized, zero-sum U.S. strategy toward maritime security in East Asia that raises the risk of collisions and crises and prevents mutually beneficial cooperation. Instead, Washington should adopt a strategy that builds on shared interests with China and other countries in the region to enhance the security of sea lanes against piracy, congested shipping lanes, and natural disasters, while protecting the marine environment.

The United States should begin to implement this positive-sum strategy by negotiating several diplomatic agreements with China and other countries in the region to reduce the risk of military crises in the waters and airspace of the western Pacific. Complete demilitarization of the South China Sea is unrealistic — China's only naval base near deep water is located on Hainan Island in the South China Sea, and it views those waters as “near seas” (*jinhai*) that are a linchpin for its national security and economic survival. Likewise, other countries that surround the South China Sea also have vital interests in maintaining military and coast guard presences in those waters. And given the strategic and commercial significance of the sea lines of communication that transit the South China Sea, the United States, Japan, and other major powers beyond the immediate region also have an interest in conducting normal military navigation and operations there. Instead of complete demilitarization, then, the goal should be to develop more stable patterns of interactions among all military and coast guard vessels in the region.

Such an effort should begin in talks between the United States and China, given the frequency and intensity of the two sides' military and coast guard operations in maritime East Asia. First, the United States should pursue an agreement with China on safety in bilateral encounters at sea involving coast guard vessels to accompany past bilateral agreements regarding naval and air force encounters. Then, the two sides should enter more in-depth negotiations about military navigation and surveillance in the East and South China Seas. As part of those talks, Washington should express willingness to reduce its freedom of navigation operations near China's coasts and close-in U.S. surveillance operations near Chinese naval bases in exchange for a commitment from Beijing that it will not interfere with military navigation in key straits and sea lines of communication. China is increasingly likely to accept such a deal, since it recognizes the need for freedom of navigation for its own naval forces, which are now operating

more frequently in waters farther from its own shores.<sup>123</sup> Even without such talks, the United States should reduce its military operations near disputed islands and reefs in the South China Sea, recognizing that they distort the original norm-building purpose of the U.S. Freedom of Navigation Program in favor of geopolitical jockeying,<sup>124</sup> dilute the utility of U.S. military signaling through their ubiquity, undermine the potential for compromise in the disputes, and heighten risks of U.S. military involvement in destabilizing crises.

Beyond the bilateral relationship with China, the United States should also propose negotiations over a new regional agreement on the rules governing foreign military activities in exclusive economic zones. International law in this area is notoriously ambiguous, and many countries in the region, including U.S. allies, adopt attitudes toward this issue that differ from the U.S. position. This lack of clarity sows seeds for miscalculation and crises. To jumpstart this diplomatic effort, countries in the region could take the cue of past nongovernmental Track II work conducted by the EEZ Group 21, a group of experts from several countries in the region — including Japan, the United States, China, South Korea, Indonesia, the Philippines, Vietnam, Australia, India, and Russia — who issued a set of recommendations for compromise norms on navigation and overflight in 2005 and 2013.<sup>125</sup>

Finally, in the longstanding disputes among several East Asian nations over small islands and reefs and maritime resources in the East and South China Seas, Washington should support peaceful negotiation among the claimants and mutually agreeable and realistic compromises. In particular, the United States should welcome progress toward a binding ASEAN–China code of conduct for the South China Sea, encouraging all claimants to clearly reaffirm that they will not use force to eject other claimants from any occupied features, among other confidence-building measures. Washington should also welcome efforts by China and other claimant states to develop provisional measures for joint development and environmental conservation, without prejudice to sovereignty claims. In this context, the United States should be open to whatever mutually acceptable compromise claimants in the disputes are able to reach, even if it involves creative solutions that depart somewhat from the tribunal award in the 2016 *Philippines v. China*

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<sup>123</sup> The United States and Soviet Union similarly converged on a shared set of understandings regarding military activities at sea during the Cold War as the Soviet Navy grew and its relations with the U.S. Navy became more routinized. Rachel Esplin Odell. *Mare Interpretatum: Continuity and Evolution in States' Interpretations of the Law of the Sea*. Ph.D. diss., Massachusetts Institute of Technology. September 2020.

<sup>124</sup> The Freedom of Navigation Program was established as a means for the United States to object to other states' claims to maritime jurisdiction that the United States deems to be excessive, thereby indicating deliberate nonrecognition of those claims and seeking to prevent the emergence of customary international law favoring more expansive coastal state jurisdiction. The need for operational assertions, as opposed to diplomatic objections, to express nonacquiescence in a claim is itself debatable. But in recent years, U.S. freedom-of-navigation operations in the South China Sea have exceeded even that objective through their frequency and instead come to be used as a means of asserting American military presence in the region and siding with other countries in the South China Sea dispute.

<sup>125</sup> "Guidelines for Navigation and Overflight in the Exclusive Economic Zone." EEZ Group 21. *Guidelines for Navigation and Overflight in the Exclusive Economic Zone (EEZ)*. Tokyo. Ocean Policy Research Foundation. 2005.

<https://nippon.zaidan.info/seikabutsu/2005/00816/pdf/0001.pdf>. OPRF issued a revised set of principles in 2013, developed in consultation with several members of the original group. *Principles for Building Confidence and Security in the Exclusive Economic Zones of the Asia–Pacific*. Tokyo. Ocean Policy Research Foundation. 2013. [https://www.spf.org/\\_opri\\_media/publication/pdf/2014\\_03\\_02.pdf](https://www.spf.org/_opri_media/publication/pdf/2014_03_02.pdf).

arbitration case.<sup>126</sup> While some of China's claims to resources in the South China Sea are extreme in their disregard for other states' interests, American involvement in the disputes over the past decade has not promoted restraint on the part of China or other claimants. Instead, U.S. intervention in East Asian maritime disputes has provoked nationalist anxiety in China, causing it to expand its position and double down on its claims, while also emboldening other states such as the Philippines to take imprudent risks in the disputes. As Washington is not a party to any of these disputes, it should resist the temptation to embroil itself further in them and instead return to its previous longstanding position of neutrality.<sup>127</sup>

### **Undertake New, Stabilizing Initiatives on Nuclear Policy and Bilateral Arms Control**

The United States also needs to adopt a new approach toward the U.S.–China nuclear relationship. To begin with, Washington should stop its unilateral movement toward fielding low-yield tactical nuclear weapons and other capabilities in the region that are perceived to be for nuclear war-fighting purposes. The United States should also open up a dialogue on the *quid pro quos* needed to increase strategic stability and reduce incentives to engage in an offensive or defensive arms race. These discussions should address dual-use conventional/nuclear delivery and C4I (command, communications, control, computers, and intelligence) systems, offensive ballistic and cruise missiles, ballistic missile defense, new technologies such as boost-glide systems, and the relationship between no-first-use and extended deterrence concepts. Progress in these areas will require baby steps, beginning with cooperative nuclear risk-reduction measures to understand and manage risks of inadvertent escalation introduced by new technologies.<sup>128</sup> This could include reaching a bilateral agreement that nuclear command and control should be managed by humans and that launch decisions cannot be made by AI-enabled capabilities.

Moreover, to increase Chinese incentives to engage in such discussions, Washington should finally “publicly acknowledge what has long been the case, and the primary sticking point for Beijing: that China has a credible deterrent and that the United States and China are mutually vulnerable.”<sup>129</sup> Making such a public acknowledgement would also pave the way for the United States to embrace a policy of not using nuclear weapons unless America or its allies are attacked with nuclear weapons and to modify its military operations in the region accordingly. In particular, this would enable the United States to scale back its destabilizing surveillance

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<sup>126</sup> Such flexibility is necessary, as the tribunal award left no room for China to save face in the dispute, thus closing off realistic pathways toward compromise and resolution. The award has also been criticized not only by the Chinese government but also by prominent American and other non-Chinese legal experts for making overly sweeping judgments on some aspects of China's claims. See for example, Myron H. Nordquist, “UNCLOS Article 121 and Itu Aba in the South China Sea Final Award: A Correct Interpretation?” In *The South China Sea Arbitration: The Legal Dimension*. S. Jayakumar, Tommy Koh, Robert Beckman, Tara Davenport, and Hao D. Phan, eds. Cheltenham. Edward Elgar. 2018. 176–204.

<sup>127</sup> A more detailed Quincy Institute report on U.S. policy toward freedom of navigation and the South China Sea will be issued in 2021.

<sup>128</sup> Zhao Tong, “What the Five Nuclear Weapons States Can Do To Contain Nuclear Risks.” In Brad Roberts, ed. *Major Power Rivalry and Nuclear Risk Reduction: Perspectives from Russia, China, and the United States*. Center for Global Security Research. Lawrence Livermore National Laboratory. May 2020  
<https://cgsr.llnl.gov/content/assets/docs/Major-Power-Rivalry-and-Nuclear-Risk-Reduction.pdf>; and personal correspondence with the author.

<sup>129</sup> Santoro, David, “The United States Has Legitimate Nuclear Concerns with China.” *Responsible Statecraft*. July 16, 2020.  
<https://responsiblestatecraft.org/2020/07/16/the-united-states-has-legitimate-nuclear-concerns-with-china>.

operations in the South China Sea. Those frequent operations are aimed in part at monitoring China's nuclear-armed submarines to support America's existing "counterforce" nuclear strategy of launching an overwhelming first strike against China's nuclear forces. With a no-first-use policy, this mission would be obviated, opening the way for a reduction of military tensions in the South China Sea and a more denial-oriented U.S. military strategy in the region more generally.

### **Pursue Peace and Phased Denuclearization on the Korean Peninsula**

As Chairman Kim Jong Un made clear at the ruling Workers' Party's eighth congress in January 2021, North Korea will develop new nuclear capabilities as deterrence against its "biggest enemy" — the United States.<sup>130</sup> Absent a negotiated agreement, the status quo could lead to a deadly clash on the Korean Peninsula involving the United States and its ally, South Korea. Rather than pursue policies akin to regime change, Washington must transition to a policy involving gradual, synchronized steps toward a peace regime and denuclearization of the Korean Peninsula. This shift must include security reassurances to North Korea as well as credible commitments to abide by agreements reached, which will require Congressional buy-in from both sides of the aisle.<sup>131</sup> Only on this basis will Pyongyang engage in meaningful negotiations, avoid provocative behavior, and desist from efforts to divide other participants in such talks. Only on this basis will Beijing fully cooperate with Washington in providing both carrots and sticks to Pyongyang. However, even such positive developments may not cause Pyongyang to relinquish its nuclear weapons entirely. While not dropping the eventual goal of a denuclearized Korean Peninsula, the realistic short- and medium-term objectives should be to declare the Korean War over, pursue a peace treaty to be signed by signatories of the Korean War Armistice Agreement (the United States on behalf of the UN Command, North Korea, and China), limit the size of North Korea's nuclear force, discourage the adoption of dangerous and destabilizing nuclear-deployment strategies, and prevent Pyongyang from proliferating its WMD capabilities to other nations or nonstate actors.

Over the long term, Washington should support the emergence of a unified, nonnuclear Korean Peninsula that is free from foreign military forces and is either nonaligned or only loosely aligned with external powers. This would require credible prior assurances from the United States, Japan, and China that a unified Korea would enjoy close economic, political, and security relations with all three countries. Given the long and generally positive history of U.S.–South Korean relations, the United States might need to maintain some form of security relationship

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<sup>130</sup> White, Edward. "Kim Jong Un signals plans to develop new nuclear weapons." *Financial Times*. January 9, 2021. <https://www.ft.com/content/b4971c6e-8b89-43b5-93d2-9098d5f229ef>

<sup>131</sup> This requirement is especially necessary for establishing lasting peace on the peninsula, which includes U.S. Senate ratification of a peace treaty formally ending the Korean War. See Jessica J. Lee. "First House Republican to Support Measure Calling for an End to the Korean War." *Responsible Statecraft*. October 30, 2020. <https://responsiblestatecraft.org/2020/10/30/first-house-republican-to-support-measure-calling-for-an-end-to-the-korean-war>.





South Korean President Moon Jae-in and North Korean leader Kim Jong Un shake hands at the truce village of Panmunjom inside the demilitarized zone separating the two Koreas, South Korea, April 27, 2018. Korea Summit Press Pool/Pool via Reuters

with a unified Korea, albeit on a more limited basis than at present and without the presence of U.S. forces or U.S.–controlled weapons systems on the peninsula. Such assurances should also include a Japanese commitment not to acquire nuclear weapons or conventional weapons that a unified Korea might find threatening, such as large numbers of precision ballistic and cruise missiles. For its part, Beijing should commit to military and economic confidence-building measures with Korea intended to mitigate fears of Chinese coercion or undue influence and credibly signal that Beijing will not seek to reduce or close off a unified Korea’s relations with the United States and Japan.

A peaceful unification process negotiated between the South and North Korean governments in consultation with the United States, Japan, China, and Russia is the ideal pathway toward this long-term future. In the near term, however, unification may be more likely the result of a devastating war on the Peninsula, provoked by Pyongyang’s advancing nuclear-weapons program and threatening behavior, or via the collapse of the DPRK regime under external pressure. Either of these developments would likely lead to a prolonged period of instability on the peninsula and possibly a Sino–U.S. confrontation. All of this suggests the urgent need for extensive consultations among the powers concerned regarding future contingencies and the path toward a stable Korean Peninsula, whether divided or not.

## Bolster U.S. Influence and Appeal through Reforms at Home and Abroad

### **Implement a Targeted Approach to Human Rights Promotion**

Although America’s foremost interest vis-à-vis domestic political regimes in the region is in supporting the right of states to choose their own political order without external imposition or

interference, the United States also has an interest in promoting respect for human rights in the region, as elsewhere in the world. Several countries in East Asia are perpetrating human rights abuses and political repression, including but not only China, North Korea, the Philippines, Myanmar, Thailand, and Vietnam. Unfortunately, the approach of the U.S. government toward promoting human rights in these countries all too often frames criticisms of repression in terms of broader geopolitical competition, relies too heavily on punitive unilateral measures, and is overtly inconsistent and hypocritical. In so doing, the U.S. approach provokes nationalist backlash in target countries and risks undermining indigenous human rights movements.<sup>132</sup>

The United States should instead adopt a multipronged approach toward human rights protection in East Asia that treats human rights concerns separately from geopolitical disputes, bolsters multilateral efforts to preserve norms, provides targeted support to repressed peoples and cultures, and pursues direct dialogue with repressive governments on priority issues. In each of these areas, U.S. actions must be carefully designed to maximize effectiveness while minimizing the heightening of nationalist backlash and mutual antagonism.

First, it is critical that human rights promotion is compartmentalized from military, economic, and geopolitical competition. This means that the United States should not couch its objections to the human rights abuses of countries such as China and North Korea in the context of broader efforts to contain such nations militarily, compete with them economically, or deliberately undermine their regimes. In this vein, the United States should cease its overreliance on sanctions as a means of responding to human rights violations and should eschew untransparent or indirect human rights justifications for sanctioning successful companies that are competitors to American firms. It should also avoid linking progress in negotiations on security-related matters such as North Korean denuclearization to human rights issues. Such measures serve to deepen nationalist sentiment and cynicism toward liberal values without producing tangible improvements in human rights outcomes. Conversely, this also means that the United States should not ignore or downplay human rights abuses in countries such as the Philippines, Vietnam, or India to draw them more effectively into an anti-China containment network.

Second, the United States should promote human rights on a more multilateral basis whenever possible, coordinating not solely with European democracies as partners, but also with Asian nations or other partners from relevant cultural communities, such as Muslim-majority nations when objecting to China's abuses of Uighur Muslims or Myanmar's abuses of Rohingya Muslims. Similarly, Washington should deepen its engagement in United Nations human rights institutions — not in spite of but because of their flaws — as a means of strengthening those norms from within. The United States should work within these multilateral settings to highlight abuses in East Asia and beyond as a means of preserving human rights norms and preventing

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<sup>132</sup> Chow, Tobita, and Jake Werner. "Congress's Hong Kong Bill Is Giving Cover to Nationalism." *The Nation*. November 27, 2019. <https://www.thenation.com/article/archive/hkhrda-hong-kong-congress>; Rochelle Terman. "Backlash: The Unintended Consequences of Western Human Rights Intervention." *OpenDemocracy*. December 10, 2013. <https://www.opendemocracy.net/en/5050/backlash-unintended-consequences-of-western-human-rights-intervention>.

their erosion in the face of efforts by China and other states to downplay civic, political, religious, and indigenous rights.

Third, the United States should expand direct support for repressed peoples in East Asia through immigration policy, third-party diplomacy, law enforcement, reform to sanctions and military aid, humanitarian aid, and cultural funding. The U.S. government should reform its asylum policies and grow its refugee resettlement to welcome more members of oppressed groups such as Uighur and Rohingya Muslims. The United States should also conduct targeted diplomacy, using pressure and incentives, to dissuade third countries from extraditing members of repressed minority groups to their home nations. Such an approach could be used, for example, to dissuade governments in Central Asia, where the majority of the Uighur population outside of the PRC lives, from extraditing Uighurs to China. State and federal law enforcement should also enhance protections for foreign nationals from harassment by their national governments when in the United States, and universities should provide more support services to foreign students to ensure they are not isolated and vulnerable to such harassment.

Washington must also strengthen accountability for U.S. sales of military and policing equipment, technology, and training to foreign governments, such as that used by the Philippine government in its extrajudicial killings as part of its war on drugs.<sup>133</sup> Similarly, the U.S. government should also use stricter enforcement efforts to prevent American companies from profiting from foreign governments' repression, such as forced labor in Xinjiang.<sup>134</sup> As elsewhere, the United States should also do more to ensure that economic sanctions against countries in the region do not harm civilians.<sup>135</sup> Finally, the United States should increase its humanitarian aid to low-income nations in East Asia, such as North Korea,<sup>136</sup> and invest in cultural institutions that help preserve the identity and cohesiveness of oppressed diaspora groups, such as Uighurs and Tibetans.

Fourth, human rights abuses should also be brought up in direct dialogue with the repressive governments. Such dialogues will often meet with little success. However, such private, direct communication can be used to signal that the United States prioritizes an issue and favors reform but is not seeking to use the issue to score geopolitical points or undermine the regime. In certain circumstances when underlying conditions in the target country are already shifting favorably, such dialogue may also help facilitate change. Short of such circumstances, they can at least be a venue for gathering information on the attitudes of respective governments.

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<sup>133</sup> Chew, Amee. "It's Time to End U.S. Military Aid to the Philippines." *Foreign Policy in Focus*. April 8, 2019. <https://fpif.org/its-time-to-end-u-s-military-aid-to-the-philippines>.

<sup>134</sup> Millward, James, and Dahlia Peterson. "China's System of Oppression in Xinjiang: How It Developed and How to Curb It." *Global China: Assessing China's Growing Role in the World*. Brookings Institution. September 2020. <https://www.brookings.edu/research/chinas-system-of-oppression-in-xinjiang-how-it-developed-and-how-to-curb-it>.

<sup>135</sup> Smith, Hazel. "The Ethics of United Nations Sanctions on North Korea: Effectiveness, Necessity and Proportionality." *Critical Asian Studies* vol. 52, no. 2, 2020. <https://www.tandfonline.com/doi/abs/10.1080/14672715.2020.1757479>.

<sup>136</sup> More than 40 percent of North Koreans are undernourished, and one in five children under the age of five is stunted in growth. See "Democratic People's Republic of Korea." United Nations World Food Programme. <https://www.wfp.org/countries/democratic-peoples-republic-korea>. For an example of a federal solution to the humanitarian crisis in North Korea, see Rep. Andy Levin and Sen. Ed Markey's bill, Enhancing North Korea Humanitarian Assistance Act (H.R.7128 / S.3908).

## **Strengthen U.S. Influence and Appeal by Enacting Domestic Reforms**

Finally, the foundational component of a successful U.S. strategy in East Asia is for the United States to enact domestic reforms that will make it more competitive and enhance its influence abroad. America must work to build a more sustainable and equitable form of globalization, strengthen U.S. economic health, and improve its own human and civil rights protections. In so doing, it will earn an international image as a responsible, restrained great power and a healthy democracy worthy of emulation. It will also bolster domestic political support for more robust economic engagement in the Asia–Pacific region. This approach will in turn better enable America to promote its interests and values in East Asia and exercise greater influence within regional and global institutions.

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In the economic sphere, Washington must devote more of its resources and attention to strengthening its domestic foundations. This includes efforts to distribute more fairly the gains deriving from international trade and mitigate the domestic harms of globalization, as well as efforts to support America's economic competitiveness. Although there are of course some trade-offs between these goals, there is also a great deal of room for the United States to implement policies that will promote broad, equitable prosperity and fuel greater economic growth. The most obvious examples include greater investments in critical physical infrastructure, health care, and education. But Congress should also be more willing to use targeted investments to support basic research and development and domestic production in cutting-edge or sensitive sectors such as green energy, semiconductors, and 5G infrastructure.<sup>137</sup> Such investments can enhance America's economic competitiveness while also providing more manufacturing jobs to communities that have suffered from outsourcing in recent decades. At the same time, once the United States has emerged from its current, pandemic-induced economic crisis, Congress must also exercise greater fiscal discipline, relying less on deficit spending and more on increasing tax revenue to fund these much-needed investments.

Some U.S. observers argue that the United States should leverage prevalent anxieties about the threat China poses to the United States to spur such investments. Such an approach is dangerous, as it risks exaggerating the threat China poses and locking Americans into a zero-sum mindset. This approach could, in turn, exacerbate military competition that would endanger U.S. interests in peace and security and drive further economic and technological

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<sup>137</sup> Paulson, Henry M., Jr. "We're Letting China Win the 5G Race. It's Time to Catch Up." *Washington Post*. December 6, 2019. [https://www.washingtonpost.com/opinions/were-letting-china-win-the-5g-race-its-time-to-catch-up/2019/12/16/da74dcca-1c56-11ea-8d58-5ac3600967a1\\_story.html](https://www.washingtonpost.com/opinions/were-letting-china-win-the-5g-race-its-time-to-catch-up/2019/12/16/da74dcca-1c56-11ea-8d58-5ac3600967a1_story.html).

decoupling that would end up harming U.S. competitiveness. Instead, politicians in Washington should pursue a more positive rationale for these policies – namely, that these overall policy priorities are favored by majorities of Americans on both sides of the political aisle.<sup>138</sup> Moreover, such investments will make America’s economic and political system much more attractive to countries around the world, rebutting the impression of U.S. decline, even if, in sheer economic size, China soon surpasses the United States.

In a similar vein, human rights promotion efforts will also be more credible when the United States serves as a clear and convincing model of liberty and justice at home. Washington thus must couple its advocacy of human rights in East Asia with major reforms in its own domestic policies, including in the areas of policing, criminal justice, and immigration enforcement. Of particular importance, the U.S. government must strike a better balance in its domestic policies to counteract China’s so-called influence operations in the United States. Washington must clearly distinguish between legal and acceptable efforts by Beijing to promote its viewpoints and improve its image, as opposed to illegal or inappropriate efforts to interfere in U.S. politics, engage in economic espionage, or curtail freedom of speech and ideas within U.S. society. Policies of “reciprocity” intended to emulate the PRC party-state’s own restrictions on foreign media or internet applications, or to restrict visas to Chinese students, betray America’s commitment to openness – one of its greatest advantages over China’s political system. Such policies also invite retaliation from China, further limiting the already restricted access of American journalists and diplomats to Chinese society. Instead, Washington should continue to welcome Chinese students, scientists, journalists, and investments to America, even while implementing prudent, targeted restrictions and requiring greater transparency from Chinese government and other foreign government entities operating in the United States.

Aggressive attention to China’s “influence operations” in the United States also risks stoking anti-Asian discrimination in U.S. law enforcement and broader American society. This danger is most notable in how law enforcement agencies have approached the problem of Chinese intellectual property theft. Although the Department of Justice should vigorously investigate and prosecute illegal activity, including intellectual property theft, the DOJ’s China Initiative targets people by association and has led to harassment of individuals with any connection to “China-ness,” as Margaret Lewis has argued. This initiative effectively exposes people of Chinese ethnicity, including American citizens, to much greater scrutiny, leading to disproportionate prosecutions and punishments. Moving forward, the Justice Department should instead thoroughly reform the China Initiative, changing the name and its broader rhetorical focus on “China” and “Chinese nationals” and instead pursuing an approach to criminal prosecution of intellectual property theft that is not country-specific.<sup>139</sup>

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<sup>138</sup> “Americans’ Views of Government: Low Trust, But Some Positive Performance Ratings....” Pew Research Center. September 14, 2020.

<https://www.pewresearch.org/politics/2020/09/14/americans-views-of-government-low-trust-but-some-positive-performance-ratings>; “Do Voters Care about the National Debt? The Polls Say They Do.” Peter G. Peterson Foundation. February 20, 2020.

<https://www.pqpf.org/blog/2019/12/do-voters-care-about-the-national-debt-the-polls-say-they-do>.

<sup>139</sup> Lewis, Margaret K. “The U.S. China Initiative: From Review to Reformulation.” *The China Story*. December 14, 2020.

<https://www.thechinastory.org/the-u-s-china-initiative-from-review-to-reformulation>; Margaret K. Lewis. “Criminalizing China.” *Journal of Criminal Law and Criminology*, vol. 111, no. 1 (2020). [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3600580](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3600580).



# Conclusion

The United States today is on a course in East Asia that threatens the peace and prosperity of a region that is vital to a wide range of American interests. Long-held American assumptions about the need for continued U.S. military dominance and political control are foundering on the realities of a transformed region. The regional balance of power is shifting as China's relative power and influence grow, a transformation driven primarily by its dramatic economic growth and integration with the region. Tensions in regional disputes are increasing on the Korean Peninsula, in the Taiwan Strait, and in the South China Sea, driven by action-reaction dynamics among involved parties. Transnational security challenges such as climate change, pandemics, nationalism, and global inequality are intensifying.

America's response to these new realities in recent years has been to double down on its past strategy of dominance and control by casting the growing U.S. rivalry with China as an existential, zero-sum struggle. It is underinvesting in economic and diplomatic engagement in East Asia, instead emphasizing military and ideological competition. Far from effectively managing any of the trends in a relentlessly dynamic region, this strategy is feeding perceptions of America's relative decline, heightening tensions in regional disputes, and exacerbating transnational security threats.

The United States needs a more realistic and stabilizing strategy in East Asia built on military restraint, economic reengagement, diplomatic creativity, and domestic revival. This will require significant changes in U.S. force posture in the region, the role of America's alliances, U.S. approaches to regional disputes, U.S. nuclear strategy, and domestic U.S. economic policy. More generally, it will require the United States to commit itself to replacing its strategy of dominance in the region with more cooperative, positive-sum relations with all East Asian nations, including American allies, nonaligned nations, and China and North Korea. Such a strategy will not eliminate rivalry and competition among East Asian nations, especially the United States and China. But it does offer a much greater prospect for mitigating those dynamics to foster peace, prosperity, and cooperative security in East Asia and beyond.

# About the Quincy Institute

The Quincy Institute for Responsible Statecraft is an action-oriented think tank launched in December 2019 to promote ideas that move U.S. foreign policy away from endless war and toward vigorous diplomacy in the pursuit of international peace.

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