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# Managed Competition: A U.S. Grand Strategy for a Multipolar World

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**George Beebe**

Grand Strategy Director

Quincy Institute for Responsible Statecraft

# Executive Summary

Russia's invasion of Ukraine has accelerated pre-existing momentum toward a multipolar global order. In response, the Biden administration effectively rallied NATO and ensured that Russian forces cannot resubjugate Ukraine. But it has not anchored its tactical moves in a broader strategy to safeguard America's most critical interests. As a result, we are fast headed toward a two-front geopolitical faceoff in which a belligerent Russia and a rising China are cooperating closely with each other against the United States.

*A dangerous gap has emerged between Washington's global ambitions and its ability to achieve them.*

In a world in which power is shifting from the West toward the East and Global South, the United States is enmeshed in a proxy war with the world's largest nuclear power, and Americans face mounting political and social challenges at home, a dangerous gap has emerged between Washington's global ambitions and its ability to achieve them. The United States had a large margin for strategic error during its era of post-Cold War global primacy, when it faced no significant great power challengers. It has no such cushion today. America needs to rethink its grand strategy.

This should involve the following elements:

- Recognize that attempts to isolate and weaken Russia and China are likely to fail. The combination of Russia's vast natural resources and China's economic heft and centrality to global commerce present a challenge far different from what we faced during the Cold War, when the Soviet Union posed a military and ideological threat but was economically feeble.
- Avoid promoting regime change or otherwise undermining political and economic stability in Russia and China, which could have serious blowback

effects in the United States. The United States' economic health is to a great degree dependent on that of China. Information technology has made us vulnerable to external subversion at a time when American society is dangerously divided and mistrustful of key institutions.

- Instead, pursue a strategy of managed competition, in which our rivals are not only counterbalanced by American power and alliances, but also are constrained by agreed rules of the game that are tailored to an era in which advances in precision weaponry, cyber technology, and artificial intelligence pose significant new threats to stability.
- Be more selective about where the United States should focus its involvement. As a seapower dependent on trade and robust international partnerships, the United States must remain engaged with the world. But Washington can no longer afford to squander its resources on quixotic democratization crusades or on policing regions that are not central to America's own well-being. Greater burden sharing by allies and partners is essential.
- Aim to gain a breathing spell abroad so that we can focus on healing our domestic wounds and advancing prosperity at home. This also means that the United States should avoid framing its global challenges in terms of an existential battle between democracy and authoritarianism.

## Introduction

Vladimir Putin's invasion of Ukraine has greatly narrowed Russia's strategic playing field by alienating the West and cementing Russian dependence on China and the Global South. But it has also dealt a staggering blow to the Biden administration's nascent grand strategy.

When Biden entered office he identified the rise of China as the United States' chief geopolitical challenge. His team said that their goal was to stabilize the U.S.-Russian relationship and to end our "endless wars" in order to facilitate a strategic focus on

Beijing.<sup>1</sup> He simultaneously sought to rally the world's democracies against the challenge of authoritarianism, strengthen what he called the rules-based international order, and promote global cooperation on critical transnational problems such as climate change and contagious disease.<sup>2</sup> This approach would, in turn, enhance global stability and prosperity for the American people, thereby constituting a "foreign policy for the middle class."<sup>3</sup>

*Great power competition has escalated into open conflict, the risk of nuclear confrontation has increased, and the space for international cooperation on climate and contagion has narrowed to a sliver.*

Russia's attack on Ukraine exposed the significant gaps and contradictions of this strategy. Our pre-war insistence on deepening U.S. and NATO military cooperation with Ukraine — once described by CIA director Bill Burns as the "brightest of all red lines for the Russian elite" — while cheerleading for Putin's domestic political opponents proved incompatible with the goal of stabilizing relations with Moscow.<sup>4</sup> Vast swaths of the Global South have resisted Biden's admonitions that they must side with the West in a Manichean face-off with Russia, China, and other authoritarians.<sup>5</sup> While few support Putin's invasion, many sympathize with Russian and Chinese accusations that rules-based order is merely code for Washington's belief that it should determine when to enforce rules and when to exempt itself and its allies.<sup>6</sup> Outside of Western Europe,

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<sup>1</sup> Ordoñez, Franco. "Biden Wants A 'Stable, Predictable' Relationship With Russia. That's Complicated." NPR, May 21, 2021. <https://www.npr.org/2021/05/21/999196021/biden-wants-a-stable-predictable-relationship-with-russia-thats-complicated/>.

<sup>2</sup> "Remarks by President Biden in Press Conference." White House, March 25, 2021. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/03/25/remarks-by-president-biden-in-press-conference/>.

<sup>3</sup> Traub, James. "Biden's 'Foreign Policy for the Middle Class' Is a Revolution." *Foreign Policy*, March 17, 2021. <https://foreignpolicy.com/2021/03/17/bidens-foreign-policy-middle-class-revolution/>.

<sup>4</sup> Burns, William J. *The Back Channel*. New York: Random House, 2020. 233.

<sup>5</sup> Henderson, Joshua. "Is Russia Isolated? Condemnation of Its Invasion of Ukraine Isn't Global." *Russia Matters*, July 28, 2022. <https://www.russiamatters.org/blog/russia-isolated-condemnation-its-invasion-ukraine-isnt-global/>.

<sup>6</sup> Moeini, Arta & Christopher Mott. The 'Liberal International Order' Is Neither Universal nor Exceptional. *The National Interest*, June 20, 2021.

much of the world has grown weary of America's self-appointed role as moral arbiter of their domestic political progress. Contrary to Biden's hopes, great power competition has escalated into open conflict, the risk of nuclear confrontation has increased, and the space for international cooperation on climate and contagion has narrowed to a sliver.

The Biden team has adjusted course quite nimbly in forging a united Western response to Russia's attack and ensuring that Putin cannot succeed in subjugating Ukraine. But there is danger that its tactical decisions in thwarting Russian ambitions will become a substitute for a broader grand strategy that more closely aligns American objectives with its core interests and capabilities. The United States enjoyed a large margin of strategic error during its era of hegemony, when it faced no peer or even near-peer competitors. Its failures proved damaging but far from fatal. That is unlikely to be true in a multipolar world in which direct warfare between nuclear powers has become a real possibility, digital technologies make the United States more vulnerable than ever to external sabotage and subversion, and the frightful realities of climate change have become increasingly apparent. To avoid failures that could truly threaten America's security and well-being, we need a new strategic approach.

## **An emerging disorder**

What world order will emerge from the war in Ukraine is unclear. But no matter when or how this war ends – in unconditional victory, negotiated settlement, volatile stalemate, or devastating escalation – it will leave in its wake changed dynamics among the world's key players and new threats to American interests. Putin has brought the so-called post-Cold War era to an emphatic end.

Russia's early misfires in the war have badly damaged its ability to wield power and influence in the world. Viewed through the lens of moral justice, this can only be applauded. But we must resist the temptation to believe that a severe weakening of Russia would be an unalloyed good for U.S. national interests; nor should it be a primary

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<https://nationalinterest.org/feature/%E2%80%98liberal-international-order%E2%80%99-neither-universal-nor-exceptional-188026>

strategic goal. Moscow's reliance on its nuclear arsenal and its dependence on China have already grown commensurately with its stumbles in Ukraine, and the potential for crises to flow from Russia's embitterment, disarray, or even state collapse – and from the temptations of others to exploit Moscow's troubles – could become quite problematic for the United States and Europe.

Similarly, so long as the war in Ukraine continues, broader stability in Europe and Eurasia will be an elusive goal. The Russian military appears incapable of conquering and occupying the whole of Ukraine. But Ukraine appears equally incapable of driving Russian forces out of its territory. Absent some strategic truce between Russia, Ukraine, and the West over Ukraine's geopolitical alignment, Russia is likely to opt for turning Ukraine into a bleeding wound in the center of Europe, incapable of joining NATO, but quite capable of radiating problems into the broader region.

Alongside this roiling of Europe and Eurasia, the United States faces a formidable – but not automatically adversarial – peer in the People's Republic of China. China is not just a rising military power, but, unlike the autarkic Soviet Union, is also an economic and technological giant that is deeply integrated into the world's financial system, supply chains, and commercial markets. The West has united impressively in response to Russia's brutality in Ukraine, but the EU remains ambivalent toward Beijing, and if the war in Ukraine drags on and leads to a significant economic recession, the importance of strong trade relations with China will only grow for Europeans. Moreover, the independent-minded Global South has largely resisted U.S. demands to impose sanctions on Russia, and has proved even more reluctant to pick sides between the United States and China.<sup>7</sup> Beijing's focus on striking business deals and building infrastructure is resonating with African, Asian, and Latin American states alienated by American reproaches for their corruption and democratic failings.<sup>8</sup>

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<sup>7</sup> Seib, Gerald F. "Putin and Xi's Bet on the Global South." *Wall Street Journal*, July 15, 2022. <https://www.wsj.com/articles/putin-and-xis-bet-on-the-global-south-11657897521/>.

<sup>8</sup> Sany, Joseph, and Thomas P. Sheehy. "Sidestepping Great Power Rivalry: U.S.-China Competition in Africa." United States Institute of Peace, April 28, 2021. <https://www.usip.org/publications/2021/04/sidestepping-great-power-rivalry-us-china-competition-africa/>.

Meanwhile, the rules of the game that might keep global and regional tensions within safe bounds suffered a pair of severe blows this year, following several decades of erosion. The first was Russia's blatant violation of international law and core principles of the Organization for Cooperation and Security in Europe in launching its invasion of Ukraine. Russia also broke a longstanding taboo against openly threatening to use nuclear weapons. Putin reportedly believes the West has abandoned the Cold War-vintage rules of the game and that Russia is now in a fight unconstrained by any agreed boundaries.<sup>9</sup>

*In a multipolar world in which Russia and China are partnered against us all but officially and the Global South largely refuses to choose sides, a defensive focus on isolating and punishing our chief adversaries will fail to win substantial support outside the West.*

The second was Washington's corresponding seizure of Russian foreign exchange funds held in Western banks. This display of raw financial power was meant to coerce Moscow, but it also sent a shot across the bow of every government in the world, calling into question the sanctity of their property rights and the reliability of monetary exchange. It is unclear how much this has chastened or alarmed key actors in the Global South, many of whom were already inclined to worry much more about reckless U.S. power than Russian aggression.<sup>10</sup> But the unintended knock-on effects of this move – which followed a similar American freezing of Afghanistan's foreign exchange holdings following the Taliban's return to power – could be quite significant in our interconnected world. Globalization has been an enormous generator of international wealth over the past several decades, however unevenly distributed it may be. A descent

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<sup>9</sup> Lozovsky, Ilya. "What Russian Officials Think of the Invasion of Ukraine." A Sip of Freedom. Substack, March 6, 2022. <https://ilyalozovsky.substack.com/p/what-russian-officials-think-of-the?showWelcome=true&s=w/>.

<sup>10</sup> Hendrickson, David C. "The West's Economic War Against Russia Is Imperiling the World." *The National Interest*, May 3, 2022. <https://nationalinterest.org/feature/west%E2%80%99s-economic-war-against-russia-imperiling-world-202185/>.

into full-scale economic warfare and mercantilism could have profound implications for the economic health and political stability of the United States and the world.

## Managing the new era

These circumstances impose real constraints on the strategic options the United States faces. In a multipolar world in which Russia and China are partnered against us all but officially and the Global South largely refuses to choose sides, a defensive focus on isolating and punishing our chief adversaries will fail to win substantial support outside the West. But because digital technology has made us vulnerable to highly destructive sabotage and subversion in our domestic affairs, and because our economic, health, and climate security are so interwoven with those of China and other nations, neither can we risk an offensive strategy of rolling back or changing the regimes in Moscow and Beijing. Instead, we need a strategy of managed competition, in which our rivals' freedom of maneuver is limited not just by countervailing American power, but also by agreed rules of the game that are tailored to contemporary circumstances, and which allow cooperation on key transnational challenges.

Our primary means of managing great power competition and containing regional conflicts should be traditional counterbalancing, which employs a combination of U.S. military power, offshore balancing combined with core alliances, trade preferences, and economic assistance to defend and promote stability in key parts of the world. Not all regions are of equal importance to U.S. interests, nor do we have the wherewithal to police all of them. Preventing a potential nuclear attack or military invasion against the United States or our treaty allies is essential; we rightly regard preventing any hostile power from controlling Europe, Eurasia, or sea routes on which our trade, energy supplies, and naval operations depend as critical to our nation's well-being. Ensuring that the United States has sufficient military power and alliance support to deter or counter threats to these vital interests should remain a central plank of this country's grand strategy.



It is important, however, that we do not conflate creating an international environment safe for the functioning of America’s democracy with intrusive efforts to make the world democratic. The belief that the United States can be truly secure only when the rest of the world looks like us – and that we can conclusively solve such problems as terrorism and “rogue states” through operations to remove recalcitrant leaders – has underpinned the disastrous regime change operations of the past 25 years, alienated significant parts of the Global South, and caused Russia and China to fear that the United States poses a deadly threat to their security and internal stability.

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Our contrasting approaches to the first and second Gulf Wars illustrate these precepts. Following erstwhile Iraqi leader Saddam Hussein’s invasion of Kuwait in 1990, the United States rightly judged that the attack both undermined an important international norm and threatened energy flows in a region critical to American security.<sup>11</sup> In a diplomatic tour de force, the George H. W. Bush administration put together a broad international coalition against Iraq that included what Secretary of State James Baker called “breathtaking Soviet support” and gained the blessing of the United Nations Security Council for a military operation to defend Kuwait.<sup>12</sup> The U.S. military made short work of driving the invaders back into Iraq.

The White House then faced an important decision: should American troops pursue and destroy the retreating Iraqi military and force Saddam Hussein from power? Despite some dissenting voices, National Security Adviser Brent Scowcroft argued successfully against such a course, worrying that it would fracture the international coalition, saddle Washington with responsibility for governance in Baghdad, and undermine regional

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<sup>11</sup> “Oral History: Brent Scowcroft.” Frontline. PBS, October 2001.

<https://www.pbs.org/wgbh/pages/frontline/gulf/oral/scowcroft/1.html>.

<sup>12</sup> Keller, Bill. “The Iraqi Invasion; Moscow Joins U.S. in Criticizing Iraq.” New York Times, August 4, 1990.

<https://www.nytimes.com/1990/08/04/world/the-iraqi-invasion-moscow-joins-us-in-criticizing-iraq.html/>.

stability by destroying the delicate balance of power between Iraq and Iran.<sup>13</sup> Some dozen years later, many of the dissenters got an opportunity to “finish the job” in Baghdad and democratize Iraq.<sup>14</sup> Subsequent events have shown there is great wisdom in knowing when to stop.

## From rupture to rules

Prudent counterbalancing and deterrence alone cannot contain the dangers posed by the rupture in relations between Russia and the West – e.g., nuclear confrontation, unregulated arms races, no-holds-barred hybrid warfare, and large-scale cyber subversion and sabotage. Just as we did during the Cold War, when the United States and Soviet Union recognized that the consequences of superpower conflict in the nuclear era created a shared interest in keeping their rivalry within safe bounds, we must establish rules of the game for a multipolar era to manage threats that cannot be addressed through American might alone.

Nuclear arms control tops the list of urgently needed rules and regulations. Russia might compensate for its inability to match an expanding NATO’s conventional power with new deployments of nuclear weapons directed at Europe and the United States. Following NATO’s announcement that Sweden and Finland would join the organization, Russia explicitly threatened to station nuclear weapons in its western border areas.<sup>15</sup> But unlike the 1980s, when the Soviet Union deployed theater-range weapons in Europe that prompted U.S. counter-deployments and put nuclear security on a hair-trigger, these deployments could occur at a time when the United States and Russia have almost no arms control dialogue. And they may well come in the context of an expanding and modernizing Chinese nuclear arsenal, which could result in a situation where it will be impossible for the United States to maintain nuclear parity with the combined forces of

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<sup>13</sup> Bush, George H.W., and Brent Scowcroft. *A World Transformed*. New York. Alfred A. Knopf, 1998. 489-490.

<sup>14</sup> Mufson, Steven. “Scowcroft Urges Restraint Against Iraq.” *Washington Post*, August 5, 2002. <https://www.washingtonpost.com/archive/politics/2002/08/05/scowcroft-urges-restraint-against-iraq/5ca1c6dc-2050-4302-bdcd-a06eb0c94312/>.

<sup>15</sup> Simmons, Ann M. “Russia to Bolster Border With Nuclear Weapons, Missiles if Sweden, Finland Join NATO.” *Wall Street Journal*, June 28, 2022. <https://www.wsj.com/articles/russia-to-bolster-border-with-nuclear-weapons-missiles-if-sweden-finland-join-nato-11656417583/>.

Russia and China.<sup>16</sup> Nuclear war is the clearest and most urgent existential threat facing the United States. Finding a way to contain these dangers through formal or informal arms control and confidence-building measures is essential.

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In the realm of technology, America's information-age advancements have made our nation much more capable but paradoxically less secure. Cyber attackers currently have enormous advantages over cyber defenders.<sup>17</sup> The United States can inflict significant digital damage on its adversaries, but it is highly vulnerable to attacks on its own networks. Given the degree to which America's military, economy, and critical infrastructure depend on the digital domain – with vanishingly few manual back-up systems in place – the stakes of failure in this area could be existential. An agreement on where red lines should be drawn in the cyber arena is critically important.<sup>18</sup>

None of this will be possible, however, absent an understanding that ends the confrontation between Russia and the West over Ukraine. Like Saddam Hussein's invasion of Kuwait, Putin's attack on Ukraine violated key international norms in a region important to U.S. interests, demanding a strong American-led response. But just as in Iraq, there is an important distinction between repelling Putin's transgression and fostering regime change in Moscow or bringing Ukraine into the Western orbit. The key to arresting the escalation spiral in which the United States and Russia are currently trapped is not an unsavory territorial concession by Ukraine to Russia; it is reestablishing a norm that the United States and Soviet Union observed after the Cuban missile crisis, but which has eroded since the Cold War ended: That nuclear powers should respect each other's critical red lines near their borders and in their internal

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<sup>16</sup> Krepinevich Jr., Andrew F. "The Eroding Balance of Terror." *Foreign Affairs*, January/February 2019. <https://www.foreignaffairs.com/eroding-balance-terror/>.

<sup>17</sup> Espinosa, Nick. "The Five Laws of Cybersecurity." TEDx Talks. YouTube, September 7, 2018. [https://www.youtube.com/watch?v=nVq7f26-Uo&ab\\_channel=TEDxTalks/](https://www.youtube.com/watch?v=nVq7f26-Uo&ab_channel=TEDxTalks/).

<sup>18</sup> Nye, Jr., Joseph S. "How Will New Cybersecurity Norms Develop?" *Project Syndicate*, March 8, 2018. <https://www.project-syndicate.org/commentary/origin-of-new-cybersecurity-norms-by-joseph-s--nye-2018-03/>.

affairs. That would not mean abandoning Ukraine to Moscow's domination; it would require safeguarding Ukraine outside both the American and Russian spheres.

Is seeking such understandings quixotic? Perhaps. Given the depth of mistrust and misperception between the United States, Russia, and China, discussion about rules poses a daunting challenge. But the alternative, as illustrated by events in Ukraine, is likely to be an ever more destructive descent into direct great power warfare. As Henry Kissinger observed, history has shown that stability is possible only when all major powers accept the international order as legitimate, "so that no state is so dissatisfied that, like Germany after the Treaty of Versailles, it expresses its dissatisfaction in a revolutionary foreign policy."<sup>19</sup> In contemporary times, this buy-in ought also to extend to middle powers, most of which are in the Global South.

## **Bridging the gap**

Just as in the Cold War, America's ultimate strategic asset in the emerging multipolar order is not military or economic power but the vitality of its society and democratic system. A firm foundation of freedom and prosperity at home will reduce U.S. vulnerability to foreign political subversion, foster respect and emulation in other nations, and ground its foreign policies in confidence and resilience.

Over the past 30 years, however, yawning gaps have emerged not just between America's ambitions in the world and its capacity for achieving those goals, but also between a Washington foreign policy elite too focused on promoting U.S. primacy and political change abroad, and the vital needs of ordinary Americans yearning for greater stability and prosperity at home. Failed crusades abroad and a misguided belief that U.S. security depends on maintaining global hegemony have weakened, not strengthened, American society.

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<sup>19</sup> Kissinger, Henry. *A World Restored: Metternich, Castlereagh, and the Problems of Peace, 1812-22*. Echo Points Books and Media, 2013. 1.

In 1969, Richard Nixon faced a situation similar to our current circumstances following his first presidential victory.<sup>20</sup> America was sharply divided over Vietnam, civil rights, and generational change. Healing the nation required ending the war in Southeast Asia without tilting the strategic landscape in Moscow's favor. The Soviet Union was on course to push past parity with the United States in nuclear weapons, and already enjoyed an overwhelming numerical advantage in conventional forces in Europe. How could the United States extract itself from Vietnam and promote domestic healing, yet still contend effectively with the Soviet threat?

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Nixon's answer was neither to withdraw into Fortress America nor to appease America's rivals. Rather, he deepened and diversified America's engagement with the world by opening the door to relations with Maoist China — an odious regime still in the throes of the Cultural Revolution — and creating an important counterweight to rising Soviet power. In parallel, he pursued a set of trade, arms control, human rights, and confidence-building agreements that constrained the Soviet build-up, reduced the threat of nuclear war, and made U.S.-Soviet relations more manageable and predictable.

Similarly, the chief strategic challenge Washington faces today is not to win a decisive battle between freedom and tyranny but to gain a breathing spell abroad that will allow the country to focus on desperately needed internal recovery. Unlike the Nixon era, the circumstances we face today preclude driving a strategic wedge between Moscow and Beijing. But with wise statecraft, we can nonetheless stop driving our rivals toward anti-American partnership.

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<sup>20</sup> Gaddis, John Lewis. *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War*. New York: Oxford University Press, 1982. 272-306.

Bringing our international ambitions back into line with the core interests of the American people is an urgent requirement. This means protecting the United States from attacks, subversion, and other threats to its domestic prosperity and way of life — not pursuing American primacy in the world or transforming other nations into democracies. John Quincy Adams once remarked to Russia’s ambassador to the United States that “each Nation is exclusively the judge of the government best suited to itself, and ... no other Nation may justly interfere by force to impose a different Government upon it.” It is time for Washington to return to this standard. Our grand strategy should serve as the shield, not the sword, of the American republic.

## About the Author

**George Beebe** is Director of Grand Strategy at the Quincy Institute. He spent more than two decades in government as an intelligence analyst, diplomat, and policy adviser, including as director of the CIA's Russia analysis and as a staff adviser on Russia matters to Vice President Cheney. His book, *The Russia Trap: How Our Shadow War with Russia Could Spiral into Nuclear Catastrophe*, published in 2019, warned how the United States and Russia could stumble into a dangerous military confrontation.

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CONTACT: Jessica Rosenblum  
Director of Communications  
Email: [rosenblum@quincyinst.org](mailto:rosenblum@quincyinst.org)  
Tel: 202 800 4662