China's Global Influence:

Perspectives and Recommendations

Edited by
Scott D. McDonald
Michael C. Burgoyne

1 战略竞争?— Strategic Competition?

Scott D. McDonald[1]

1 The views and recommendations expressed in this chapter are those of the author and do not necessarily reflect the policy or position of the Daniel K. Inouye Asia-Pacific Center for Security Studies, the US Department of Defense, or the US Government.

Since the publication of the Trump Administration's first *National Security Strategy* (NSS) on 18 December 2017, there has been much discussion about the extent to which a state of strategic competition exists between the United States (US) and the People's Republic of China (PRC). As many commentators note, neither the existence of competition nor the ideas in the NSS are particularly new.[2] However, a difference in tone, attributed at least in part to the unabashed use of "America First" to describe the strategy, has led many to view it as more competitive than past strategies.[3]

Across the Pacific, an increasingly assertive PRC, led by an increasingly authoritarian Xi Jinping, has also caused many to hypothesize that the PRC is shedding Deng Xiaoping's admonition to "hide your strength and bide your time" in favor of a proactive foreign policy.[4] Moves by the PRC to claim sovereignty over disputed territories—and the water—in the South China Sea, efforts to establish alternative international financial institutions, and development of military capabilities aimed directly at US capabilities also suggest the PRC is taking a competitive stance towards the US.

Yet, since the end of the Cold War, US policymakers have labored to establish an international system where states could work cooperatively towards mutually agreeable solutions and resolve disputes through consultation and dialogue. While no one was naïve enough to suggest states would not have differing interests, it has largely been assumed in the US that all people could agree on fundament principles.

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2 Rachel Ansley, "Competition and Continuity Define Trump's New National Security Strategy," New Atlanticist, 20 December 2017, accessed 10 January 2019, https://www.atlanticcouncil.org/blogs/new-atlanticist/competition-and-continuity-define-trump-s-new-national-security-strategy. Anthony H. Cordesman, "Giving the New National Security Strategy the Attention It Deserves," Center for Strategic and International Studies, 21 December 2017, accessed 10 January 2019, https://www.csis.org/analysis/giving-new-national-security-strategy-attention-it-deserves.

3 Anne Gearan, "National Security Strategy Plan Paints China, Russia as U.S. competitors," *Washington Post*, 18 December 2017, accessed 16 January 2019, https://www.washingtonpost.com/politics/national-security-strategy-plan-paints-china-russia-as-us-competitors/2017/12/17/0229f95c-e366-11e7-a65d-1ac0fd7f097e_story.html?utm_term=.b8fe08c97183; Timothy R. Heath, "America's New Security Strategy Reflects the Intensifying Strategic Competition with China," *RAND Blog*, 27 December 2017, accessed 16 January 2019, https://www.rand.org/blog/2017/12/americas-new-security-strategy-reflects-the-intensifying.html; and Sarah Kolinovsky, "Trump's National Security Strategy Emphasizes Competition and Prosperity at Home," *ABC News*, 18 December 2017, accessed 16 January 2019, https://abcnews.go.com/US/trumps-national-security-strategy-emphasizes-competition-prosperity-home/story?id=51860497.

4 "Xi Thought on Diplomacy Leads the Way," *China Daily*, 28 June 2018, accessed 8 January 2019, http://www.chinadaily.com.cn/cndy/2019-06/28/content_36468845.htm. For a western perspective see Charles Clover, "Xi Jinping Signals Departure from Low-Profile Policy," *Financial Times*, 19 October 2017, accessed 16 January 2019, https://www.ft.com/content/05cd86a6-b552-11e7-a398-73d59db9e399.

Though those decades saw multiple armed conflicts, it was thought rogue actors would eventually be brought to heel, after which the mature states of the world would enter a more enlightened age, in which disputes would be resolved peacefully.

With that context, the potential return of great power competition is causing the US to re-examine the nature of its relationship with the PRC and reevaluate policy options for dealing with this situation. As Fu Xiaoqiang noted in analyzing General Secretary Xi's comments to the June 2018 Central Conference on Foreign Affairs Work, "[a]ccording to Xi Jinping thought on diplomacy, the correct view of history, overall situation and one's own position need to be established to fully grasp the international situation."[5] In other words, to understand the bilateral relationship, not only must one have a general understanding of the international environment, which the regional chapters in this volume will provide, but it is necessary to understand the broader context created by the interests of each party and the interplay between those interests.

This chapter will aim to lay the groundwork for analysis in subsequent chapters by providing an overview of what strategic competition is. After defining strategic competition, the second section will take a brief diversion to discuss the relationship between—and potential for—cooperation and competition. The third and fourth sections will consider how competition is viewed from a US and PRC perspective, before drawing conclusions in the final section to support analysis in subsequent chapters.

Strategic Competition

This volume is concerned specifically with states. Companies, non-governmental organizations (NGOs), and other actors may be discussed, but the primary actions and effects relevant to this study are those of states. Consequently, the concept of strategic competition needs to be defined within that context.

According to the *Oxford English Dictionary* (*OED*), strategy is "The art or practice of planning the future direction or outcome of something; formulation or implementation of a plan, scheme, or course of action, esp. of a long-term or ambitious nature." Strategic is defined as "relating to, or characterized by the identification of long-term or overall aims and interests and the means of achieving them; designed,

5 Fu Xiaoqiang is a research fellow, China Institutes of Contemporary International Relations. This opinion was provided in commentary on Xi Jinping's speech to the Central Conference on Foreign Affairs Work, 22 June 2018. See "Xi Thought on Diplomacy Leads the Way."

planned or conceived to serve a particular purpose or achieve a particular objective."[6] Similarly, the *Xinhua Dictionary* defines strategy (战略; *zhànlüè*)[7] as "concerning war's overall plans and guidance. It, according to the elements of military affairs, politics, economy, geography, etc. of both hostile parties, considers the relationship between every aspect and phase of the overall war situation, to formulate the preparation and use of military forces."[8] These definitions point to a general agreement in the two languages. In both traditions, strategy deals with identifying the ultimate objectives of an enterprise in order to array the tools one has to use appropriately. While the English definition focuses more directly on top-level interests, the Chinese definition includes the range of factors that influence "overall plans and guidance." Therefore, this chapter will take the perspective that the strategic affairs concern those matters that a state's leadership view as fundamental to their survival as a state, commonly referred to as national or state interests.

One definitional difference lies in the inclusion of the conduct of war within the Chinese definition. Though there are other words for strategy in Chinese, 战略 is the one that would normally be used in this context. One alternative possibility that avoids the use of the character for war is 策略 (*cèlüè*). This has the benefit of suggesting policies, plans or schemes (策), rather than fighting, but the definition denotes that it is part of, and serves 战略.[9]

Competition is easier to parse. *OED* provides "[t]he action of endeavouring to gain what another endeavours to gain at the same time; the striving of two or more for the same object; rivalry,"[10] while the *Xinhua* definition for 竞争 (*jìngzhēng*) is "mutually vying to beat each other."[11] In fact, the character I have translated as "beat" could also be translated

6 *Oxford English Dictionary Online*, accessed 28 January 2019, https://www.oed.com.

7 Chinese does not have adjectival forms of nouns. In this case, "strategic" would be formed simply by adding the possessive article (的) to the word for strategy. The Chinese definition that follows incorporates the noun and adjectival form of the English given above.

8 "对战争全局的筹划和指导。它依据敌对双方军事，政治，经济，地理等因素，照顾战争全局的各方面，各阶段之间的关系，规定军事力量的准备和运用。" 新华词典 (*Xinhua Cidian* [*New China Dictionary*]), (北京：商务印书馆辞书研究中心, 2001), 1236. Author's translation.

9 "在政治斗争中，为实现一定的战争任务，根据形势的发展而制定的行动准则和斗争方式。他是战略的一部分，并服从和服务于战略。[Within the political struggle, in order to achieve necessary war missions, the formulation of operational standards and manner of struggle, in accordance with the development of the situation]." *Xinhua Cidian*, 99. Author's translation.

10 *Oxford English Dictionary Online.*

11 "互相争胜。" *Xinhua Cidian*, 522. Author's translation.

as "defeating" or "being superior to," but I have left it vague to suit many contexts.

For consistency, and in an attempt to meet both linguistic traditions, this chapter will define strategic competition as *active rivalry between states that perceive their fundamental interests under threat by the opposite party*. This definition omits the specific actions taken to protect and advance the fundamental interests of a state, because any particular action need not be part of a rivalry with another state, or take place at the expense of another state's fundamental interests. The interests of any two states do not of necessity conflict, however, that is the level of analysis on which that competition characterized as "strategic" takes place. Those interests could be pursued in isolation or through cooperation. A state of competition only exists where and when the interests the parties are in conflict, threaten the achievement of the other party's, or are desired by both, but incapable of being shared.

Competition and Cooperation

In the post-Cold War world, the US has gone out of its way not to identify an "enemy." The lone exception was the George W. Bush administration's labeling "terrorism" an enemy following the attacks on the World Trade Center: "[t]he enemy is not a single political regime or person or religion or ideology. The enemy is terrorism—premeditated, politically motivated violence perpetrated against innocents."[12] Even this statement avoids pinning that title on any human or group thereof, focusing instead on an action. As a liberal trading nation, the United States does not want "enemies," and as a rule, seeks relationships of mutual non-interference, or cooperation where feasible.

Since strategic cooperation or competition takes place at the level of states as they pursue their interests in the international environment, it is reasonable to assume that two large states operating globally are going to encounter many areas where their interests overlap, and others where they conflict. Some disagreements will only concern methods, but others may rise to the level where the states find their interests threatened and a state of strategic competition will develop. However, there are likely to be a great many issues, on which some level of cooperation is possible, especially if the two states do not desire warfare or open conflict. Thus, across the range of issues confronted by a great power—or even a minor one—there will likely be many where interests align and co-

12 *National Security Strategy of the United States of America* ("*NSS*-year" hereafter), (Washington, DC: White House, 2002), 5.

operation is possible. In order to successfully navigate this environment, it is important both to keep one's own state interests clearly in mind, as well as to understand that other states are also operating based on their perceived interests.

Avey, Markowitz, and Reardon argue that in order to begin understanding grand strategy as a discipline, linking state behavior and these underlying principles must first be understood.[13] Therefore, the first step in evaluating whether a relationship is cooperative or competitive is to identify the interests involved. The Trump administration's 2017 *NSS* identifies four: protect the American people, the homeland, and the American way of life; promote American prosperity; preserve peace through strength; and advance American influence.[14] Similarly, according to a public statement by then State Councilor Dai Bingguo, the PRC maintains three state-level interests: maintenance of the fundamental political system and state security; state sovereignty and territorial integrity; and the continued stable development of the economy and society.[15] The relationship between these two stated concepts of state interests is the foundation on which the question of competition versus cooperation must be understood.

At first pass, these interests do not seem necessarily to be in conflict. Surely, shared interests in economic development should be a basis for cooperation, and all states have an interest in recognizing a principle of non-intervention. This identification seems obvious, but even where interests appear to overlap, cooperation is often seen not only as a solution to individual cases, but as a way to influence other states. In fact, the Liberal Institutionalism School of international relations theory is built around the premise that the act of cooperating with states and conforming to institutions changes states and molds them to the norms of the institution and system.[16] However, such change is not preordained. Much angst currently exists among US sinologists precisely because many thought that by cooperating with and engaging the PRC they could mold

13 Paul C. Avey, Jonathan N. Markowitz, and Robert J. Reardon, "Disentangling Grand Strategy: International Relations Theory and U.S. Grand Strategy," *Texas National Security Review* 2, no. 1 (November 2018), accessed 1 January 2019, https://tnsr.org/2018/11/disentangling-grand-strategy-international-relations-theory-and-u-s-grand-strategy.

14 *NSS*-2017, 4.

15 Wu Feng, "The First Round of China-US Economic Dialogue," *China News Network*, 29 July 2009, accessed 14 January 2019, http://www.chinanews.com/gn/news/2009/07-29/1794984.shtml.

16 Robert O. Keohane and Joseph S. Nye, Jr., *Power and Interdependence*, 4th ed. (Boston, MA: Longman, 2012), 24-30.

it to western standards of conduct. As Walker and Ludwig note, the west has "been slow to shake off the long-standing assumption—in vogue from the end of the Cold War until the mid-2000s—that unbridled integration with repressive regimes would inevitably change them for the better, without any harmful effects on the democracies themselves."[17]

The very refusal on the part of states such as the PRC to compromise with western norms comes from a recognition that not all interests or policies are compatible. While cooperation can work on individual issues, it is hazardous to cooperate in areas where it would involve a compromise of one state's interests. As American philosopher Ayn Rand noted,

> "It is only in regard to concretes or particulars, *implementing a mutually accepted basic principle*, that one may compromise. For instance, one may bargain with a buyer over the price one wants to receive for one's product, and agree on a sum somewhere between one's demand and his offer. The mutually accepted basic principle, in such case, is the principle of trade, namely: that the buyer must pay the seller for his product. But if one wanted to be paid and the alleged buyer wanted to obtain one's product for nothing, no compromise, agreement or discussion would be possible, *only the total surrender of one or the other*."[18]

In other words, when states in a given situation agree on core principles—represented by the impact of that situation on their interests—they can work together for a mutually agreeable solution. However, when their fundamental principles are at odds, compromise is not possible without putting the security of one's state at risk. In fact, the very nature of state-level interests—representing factors that are perceived as existential—suggests issues of foreign relations are likely to be viewed in moral terms. As Harry Harding points out, this may increase the tendency to negatively evaluate the actions of another state.[19] These perceptions can

17 Christopher Walker and Jessica Ludwig, "The Meaning of Sharp Power: How Authoritarian States Project Influence," *Foreign Affairs*, 16 November 2017, accessed on 10 January 2019, https://www.foreignaffairs.com/articles/china/2017-11-16/meaning-sharp-power.

18 Ayn Rand, "Doesn't Life Require Compromise?" *The Virtue of Selfishness* (New York, NY: Signet, 1964), 79. Emphasis added.

19 Harry Harding, "How the Past Shapes the Present: Five Ways in Which History Affects China's Contemporary Foreign Relations," *Journal of American-East Asian Relations* 16, no. 1-2 (Spring-Summer 2009): 125.

be compounded when two states have differing philosophical traditions, which support conflicting conceptions of morality. Consequently, actions seen as good by one state are often viewed as evil and intolerable by the other.

Therefore, the question of whether competition can be avoided and if cooperation is possible, ultimately rests on the interests of states and how they are held, interpreted, and employed by the leaders of the states. In order to fully evaluate whether a state of strategic competition exists between the US and the PRC—and on what issues cooperation is possible—one must first explore how each state views their interests, and their relationship with the opposite party.

US Perspective on Strategic Competition

Since the end of the Cold War, the US has been attempting to engage and cooperate with the PRC, both to derive economic benefits from the PRC's low-price labor market and to prevent the development of an antagonistic relationship with a large, rapidly developing, and nuclear armed state. Though many presidential candidates maligned the PRC on the campaign trail, once taking office, it did not take too long for chief executives to see hazards in making enemies and benefits in protecting free trade.[20] Thus, though there were ups and downs in the relationship, for many years Americans perceived themselves as working with the PRC and believed their long-term interests were not opposed.

From the US perspective, it was assumed the PRC wanted the same things the US did, economic prosperity for their people, and a liberal international trade regime that benefitted everyone. This international order has been a consistent interest of the US, currently represented in the stated interests of "American prosperity" and "American influence."[21] It seemed self-evident that the American-influenced international system was good for the PRC, as demonstrated by their economic growth and the emancipation of several hundred million people from poverty. Even after the Tiananmen Massacre, the George H.W. Bush administration sought to keep the PRC connected.

According to the 1990 *NSS*, the United States:

20 Phillip C. Saunders, "Managing Strategic Competition with China," *Strategic Forum* 242 (July 2009): 1.

21 *NSS*-2017, 4.

> strongly deplored the repression in China last June and we have imposed sanctions to demonstrate our displeasure. At the same time, we have sought to avoid a total cutoff of China's ties to the outside world. Those ties not only have strategic importance, both globally and regionally; they are crucial to China's prospects for *regaining the path of economic reform and political liberalization*.[22]

A year later, the *NSS* was even more direct, stating "[c]onsultations and contact with China will be central features of our policy, lest we intensify the isolation that shields repression. *Change is inevitable in China*, and our links with China must endure."[23]

A decade later, President Clinton's last *NSS* had moved from ensuring the PRC did not drift away, to identifying that a "stable, open, prosperous [PRC] that respects the rule of law and assumes its responsibilities for building a more peaceful world is clearly and profoundly in our interests."[24] Two years later the Bush administration identified "the possible renewal of old patterns of great power competition," but was optimistic that, "recent developments have encouraged our hope that a *truly global consensus about basic principles is slowly taking shape*."[25] In 2010, the Obama administration continued to "pursue a positive, constructive, and comprehensive relationship" with the PRC and welcomed them to take on "a responsible leadership role in *working with the United States and the international community to advance priorities* like economic recovery, confronting climate change, and nonproliferation."[26]

As represented in successive strategies by administrations from both major US political parties, many in the US policymaking community believed the authoritarian nature of the PRC would be changed by cooperation with the US, its incorporation into the international community, and the expanding wealth of its people. However, the last decade has suggested the PRC's authoritarian system is not only being maintained and consolidated, but its leadership has decided to spread its influence beyond its borders, threatening the international system US influence

22 *NSS*-1990, 12. Emphasis added.

23 *NSS*-1991, 9. Emphasis added.

24 *NSS*-2000, accessed 14 January 2019, http://nssarchive.us/NSSR/2001.pdf.

25 *NSS*-2002, 26. Emphasis added.

26 *NSS*-2010, 43. Emphasis added.

built and maintains in accordance with its own interests.

These trends have led many in the US security policy community to change their minds regarding the effectiveness of US engagement with the PRC.[27] In fact, this trend was already picking up steam in the Obama administration. The sense that cooperation was not producing the desired results with the PRC was evident in the move to put more resources into Asian security, as expressed in the policy known as "the Pivot."[28] However, despite island seizures, debt diplomacy, dollar diplomacy, and island building, it was not until General Secretary Xi Jinping consolidated power and had his term limits removed at the 19th Party Congress in October 2017 that the west seemed to really believe that engagement had failed.

In the December 2017 *NSS*, the Trump administration concluded "after being dismissed as a phenomenon of an earlier century, great power competition returned" and named the PRC and Russia as actors competing with the US.[29] Moreover, it stated explicitly the need to "rethink the policies of the past two decades—policies based on the assumption that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise turned out to be false."[30]

Although there have been critics of this competitive stance, in many ways it is tracking a change already taking place among China-watchers. The *Economist* notes the recent concern about the PRC is not coming from long-term skeptics, rather from "Americans and Europeans who were once advocates of engagement, but have been disappointed by illiberal, aggressive choices made by Chinese rulers. They are not so much hawks as unhappy ex-doves."[31] At a recent Brookings Institution event former Obama-era Senior Director for Asian Affairs in the National Security Council, Evan Medeiros argued "the United States needs

27 For example, Kurt M. Campbell and Ely Ratner, "The China Reckoning: How Beijing Defied American Expectations," *Foreign Affairs* (March/April 2018), accessed 14 January 2019, https://www.foreignaffairs.com/articles/china/2018-02-13/china-reckoning.

28 For discussion of the rationale for and formation of the policy see Kurt M. Campbell, *The Pivot: The Future of American Statecraft in Asia* (New York: Twelve, 2016).

29 *NSS*-2017, 27.

30 *NSS*-2017, 3.

31 "China Should Worry Less about Old Enemies, More about Ex-Friends," *Economist,* 15 December 2018, accessed 26 December 2018, https://www.economist.com/china/2018/12/15/china-should-worry-less-about-old-enemies-more-about-ex-friends.

to face-up reality. Continuing to deny that our interests are diverging more than converging is dangerous. We could get rolled, or worst, it could embolden China to be more aggressive and assertive in pursuing its economic, political, and security interests."[32] Instead of a partner in economic development, many in the US have now concluded, as Robert Ross has, that "China is also the first great power since prewar Japan to challenge US maritime supremacy, a post-World War II cornerstone of US global power and national security. The rise of China challenges US security in a region vital to security."[33]

In sum, the US has been a consistent advocate of cooperation since the end of the Cold War. However, that cooperation was predicated on an assumption that long-term interests were aligned and that engagement with the PRC would ultimately change it into a more liberal state domestically and another "stakeholder" in the US-influenced liberal international order. That these changes did not occur, combined with a PRC increasingly interested in challenging that order, has caused the US to rethink its approach. Thus, while the US has not completely given up on cooperation, it now believes a state of competition exists and is beginning to alter its policies to meet that reality.

PRC Perspective on Strategic Competition

Whereas US policy has reflected western ideas of liberal institutionalism, the PRC leadership's view of its interests and the international environment are shaped by its unique philosophical tradition and its authoritarian political system. The legacy of the traditional Chinese philosophy continues to inform the leadership's view of existence and the means by which they understand it.

Having come through the Century of Humiliation, the PRC is now primed to leverage its historical legacy and reclaim its place in the world. Harry Harding argues this history is not simply academic, but "a set of facts and ideas and images that are alive in the minds of policymakers and the public today, thereby shaping the present and future of China's relationship with the rest of the world."[34] In a departure from

32 "The China Debate: Are U.S. and Chinese Long-term Interests Fundamentally Incompatible?" Forum at the Brookings Institution, 30 October 2018, transcript accessed on 2 January 2018, https://www.brookings.edu/wp-content/uploads/2018/11/fp_20181030_china_debate_transcript.pdf.

33 Robert S. Ross, "What Does the Rise of China Mean for the United States?" in Jennifer Rudolph and Michael Szonyi, eds., *The China Questions: Critical Insights into a Rising Power* (Cambridge, MA: Harvard University Press, 2018), 81.

34 Harding, "How the Past Shapes the Present," 119.

Cultural Revolution rhetoric that criticized the old, General Secretary Xi has embraced this history, noting at the 19th Party Congress, that the PRC is "nourished by a nation's culture of more than 5,000 years … we have an infinitely vast stage of our era, a historical heritage of unmatched depth, and incomparable resolve that enable us to forge ahead on the road of socialism with Chinese characteristics"[35] This importance of traditional foundations is reflected in the People's Liberation Army's (PLA) view of strategy. According to the *Science of Military Strategy*, "[a]pplied strategic theory receives foundational strategic theory, *especially the guidance of one's own traditional military strategic thought*, as well as influencing the development of foundational military strategic thought."[36]

One important factor in this cultural tradition is the concept of *shì* (势), which lacks a direct English translation, but most closely means situational potential.[37] According to *shi*, any situation has a natural potential and will proceed along that course unless interrupted, like a stream flowing downhill. Also like that stream, once a situation is in motion and well along its course, it becomes difficult to change the speed and direction of what is now a large river. Conversely, near its source, it is relatively easy to alter the flow of a stream with a small dam. In this context, nature moves on naturally, fulfilling its potential. Xi Jinping alluded to this at Davos, noting that "[f]rom the historical perspective, economic globalization resulted from growing social productivity, and is *a natural outcome* of scientific and technological progress, *not something created by any individuals or any countries*."[38] In other words, the current situation represents history fulfilling its potential. The easiest way to benefit from this is to join a trend in progress. As Xi notes later, the PRC leadership "came to the conclusion that integration into the global economy is a historical

35 Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society."

36 "它[战略应用理论]受战略基础理论特别是本国传统的军事战略思想指导，也影响着战略基础理论的发展。" 军事科学院军事战略研究部，《战略学》[*Science of Military Strategy*], (Beijing, PRC: 军事科学出版社[Military Science Publishing Agency], 2013): 5. Author's translation. Emphasis added.

37 For a discussion on the translation of *shi* (势) see Scott D. McDonald, Brock Jones, and Jason M. Frazee, "Phase Zero: How China Exploits It, Why the United States Does Not," *Naval War College Review* 65, no. 2 (Summer 2012): 124. Though I ultimately disagree with his translation, Sawyer provides an excellent discussion of the concept and its translation in Ralph D. Sawyer, ed., *The Seven Military Classics of Ancient China* (Boulder, CO: Westview, 1993), 429, note 37.

38 Xi Jinping, "Jointly Shoulder Responsibility of Our Times, Promote Global Growth," speech to the World Economic Forum Annual Meeting, Davos, 17 January 2017, accessed on 7 January 2019, https://america.cgtn.com/2017/01/17/full-text-of-xi-jinping-keynote-at-the–world-economic-forum. Emphasis added.

trend."[39] Note this is not a value judgement. It is presented as a metaphysical fact.

Of course, the naturally developing potential may be less than ideal and a change may be desired. A corollary to *shi* is that to change a situation, one should act early in a developing situation, where it requires less effort. This not only makes changes easier, as noted above, but provides the one acting early more say in determining *how* a situation will develop. This has implications for the concept of initiative, but as Niou and Ordeskhook suggest, runs deeper than acting first. Their study of game theory and Sun Tzu suggests "it is better to be the one who dictates which game is to be played or, equivalently, which player is to be assigned which position in the game"[40] In other words, by defining the terms of debate, the context for competition, or the rules of the game, a competitor gains an immense advantage in deciding victory.[41] This logic clarifies the meaning of Sun Tzu's admonition to win without fighting.[42] It is not that the victor has refrained from conflict, but rather through understanding the situation, friendly conditions, and disposition of the adversary, he has set conditions—managed *shi*—in order to ensure victory will be achieved if battle is joined. In such a context, initiatives, such as the Trans-Pacific Partnership (TPP), appear as threats to PRC interests by constructing a set of new rules—shaping the developing regional order—in a manner that serve US interests.[43]

Additionally, the world is itself a realm of constant change. Deriving from LaoZi and the *Book of Changes* or *Dàodéjing* (道德经), Chinese philosophy views the world as a constant interplay of factors that are ceaselessly waxing and waning. "The doctrine of returning to the original is prominent in [LaoZi]. It has contributed in no small degree to the common Chinese cyclical concept, which teaches that both history and reality operate in cycles."[44] Importantly, the duality of attributes, such as strength and weakness, requires that they move together. As one power

39 Xi Jinping "Jointly Shoulder Responsibility of Our Times, Promote Global Growth."

40 Emerson M. S. Niou and Peter C. Ordeskhook, "A Game-Theoretic Interpretation of Sun Tzu's *The Art of War*," *Journal of Peace Research* 31, no. 2 (1994): 168.

41 Harding, "How the Past Shapes the Present," 131.

42 Sun Tsu, *Art of War*, www.ctext.org, chapter 3.

43 Guijun Lin, Jiansuo Pei, and Jin Zhang, "Strategic Competition in the Asian Mega-Regionalism and Optimal Choices," *World Economy* (2018): 2105.

44 Chan Wing-Tsit, *A Source Book in Chinese Philosophy* (Princeton, NJ: Princeton University Press, 1963), 153.

rises, another will fall. As one Neo-Confucian put it, "[t]here is nothing in the world which is purely yin (passive cosmic force) or purely yang (active cosmic force), as yin and yang are interfused and irregular. Nevertheless, there cannot be anything without the distinction between rising and falling, and between birth and extinction."[45] Thus, there is no "win-win" result, when powers are pitted against each other. This identification makes it difficult for those educated in a Chinese context to see cooperation with an opposing power as efficacious.

All told, this strategic tradition suggests there is a constant interplay between forces. There is not "cooperation" between states; rather there is a natural give and take. Moreover, if one wants to influence that process, it is best to influence the situation early, before it has had a chance to develop. Taken together, these philosophical premises encourage those immersed in Chinese thought to view the environment as one where contrasting forces are vying for preeminence. If they want to be in charge of a new international order, they must act before their opponent has joined the game and attempt to set the terms of debate to favor their vision of the future, just as General Secretary Xi has encouraged the party to take an active part in leading the reform of the global governance system.[46]

Beyond the Chinese cultural tradition, contemporary PRC policy is heavily influenced by its authoritarian political system. As a single-party state, what is good or bad for the PRC is interpreted through the lens of what is good or bad for its leadership—the party. With the party as the standard, it is not surprising that "a country's diplomacy should be seen as an extension or the externalization of management of its internal affairs…."[47] Since internal affairs are focused around the maintenance of Chinese Communist Party (CCP) authority, it is no surprise that national security is party focused. According to Article 2 of the PRC's National Security Law,

> "'National security' means a status in which the *regime*, sovereignty, unity, territorial integrity, welfare of the people, sustainable economic and social development, and other

45 Cheng Hao, edited by Shen Kuei (of Ming), *Complete Works of Cheng Hao*, quoted in Chan Wing-Tsit, *A Source Book in Chinese Philosophy*, *534*.

46 "Xi Urges Breaking New Ground in Major Country Diplomacy," *Xinhua*, 24 June 2018, accessed 7 April 2019, https://www.chinadailyhk.com/articles/45/117/196/1529838194629.html.

47 "Xi Thought on Diplomacy Leads the Way." For an American opinion that agrees see Odd Arne Westad, "Will China Lead Asia?" in Jennifer Rudolph and Michael Szonyi, eds., *The China Questions: Critical Insights into a Rising Power* (Cambridge, MA: Harvard University Press, 2018), 70-71.

> major interests of the state are relatively not faced with any danger and *not threatened internally or externally* and the capability to maintain a sustained security status."[48]

The regime (read: Party) is placed first. Article 3 reinforces this point, labeling political security as "fundamental."[49]

The centrality of party security is important because many US actions are viewed as a direct assault on their rule. In 2013, an internal party memo, known as *Document 9*, was circulated to warn party cadres of subversive trends. It argues principles such as "universal values," civil society, NGOs, and "absolute freedom of the press" are attempts to undermine party authority.[50] US leaders view these as the values of the globalized world and promote their universal adoption as a state interest in the *NSS*. However, to the CCP, they are direct threats to the authority of the party—the number one interest of the PRC.

Together, these factors have led many in the PRC security establishment to conclude a state of competition is not only possible, but already exists with the US. According to Luo Xi, a researcher at the PLA Academy of Military Science and Renmin University, "following Chinese economic growth and military strengthening, China-US relations have already gradually developed into the most important strategic competition relationship in the Pacific area…."[51] He goes on to characterize competition as intense, encompassing natural resources, strategic space, economic leadership, and rule drafting, among other tangible and intangible factors, ultimately stating that conflict cannot be avoided.[52] In this context, the increasing tendency among US commentators and decision-makers to see the relationship as a competition seems almost naïve by comparison to a commitment on the PRC side that competition is not only the current state of the relationship, but natural.

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48 National Security Law of the People's Republic of China (2015), accessed 8 January 2019, http://eng.mod.gov.cn/publications/2017-03/03/content_4774229.htm. Emphasis added.

49 National Security Law of the People's Republic of China (2015).

50 General Office of the Chinese Communist Party, *Document No 9*, English translation accessed on 3 January 2019, http://www.chinafile.com/document-9-chinafile-translation. See also Jiang Yong, "Theoretical Thinking on the Belt and Road Initiative," *Contemporary International Relations* 28, no. 4 (July/August 2018): 36.

51 "随着中国经济增长与军事实力增强，中美关系已逐渐演变为以亚太地区尤其是西太平 洋地区为主场的战略竞争关系。" Luo Xi [罗曦], "中美亚太战略竞争格局的形成、走势及管控 [Formation, Tendency and Management of Sino-US Strategic Competition in Asian-Pacific Region]," <<东南亚纵横>> [*Around Southeast Asia*], (2017-5): 44. Author's translation.

52 Luo Xi, 45.

Conclusions

While cooperation does continue in some spheres, in many areas the US and PRC are approaching each other as competitors. This volume is devoted to better understanding in what manner that competition is taking place, so as to better defuse or resolve it in a manner that both states may continue to prosper. In doing so, it is necessary to look to the fundamental ideas that are driving not just the conviction that competition exists, but the decisions being made on how to wage it.

This chapter began by defining strategic competition and examining the interests of the US and PRC in order to explore the extent to which competition and cooperation were possible. Though on the surface, US and PRC interests do not necessarily have to conflict, subsequent analysis suggests they do at present. From the US perspective, successive administrations have attempted to cooperate with the PRC to bring it into an international system that was perceived as mutually beneficial, and a fundamental interest of the US. However, recent actions by the PRC appear focused on overturning that system, thereby undercutting US security. Similarly, the PRC sees US efforts to expand and reinforce "universal values"—a stated US interest in the past several administrations—as a direct threat to CCP authority—the PRC's number one interest. Until these fundamental conflicts are resolved, the US and PRC will be in a state of strategic competition.

In discussing the nature of strategic competition, this analysis has studiously avoided minutiae about missiles and maritime features, containment and "anachronistic" alliances. Instead, by attempting to stay at the strategic level of state interests, this chapter has identified the fundamental issues that lead to an existent state of competition. There will be many initiatives to address and resolve individual points of disagreement and amplify issues where there is cooperation. However, until differences are addressed at the level of state interests, one or both parties will continue to identify the relationship as competitive.

Finally, the analysis above shows there are areas where the fundamental interests of these two states are diametrically opposed. Each state needs to make a sober evaluation of what interests are fundamental and cannot be traded away, and understand what interests the other state values similarly. These are areas where there will be no compromise, and areas where this volume will attempt to inform security practitioners on the choices and calculations that can protect the state's interests while ensuring competition does not turn into armed conflict.