Strategic Competition in China-US Relations

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Preface

How should the United States approach strategic competition with China? This has been a central question in U.S. foreign and defense policy for decades. Each new presidential administration has tried to find the right balance between competition and cooperation in an evolving bilateral relationship with complex political, economic, and security dimensions.

The Trump administration has reset the balance with a sharp shift toward competition and even confrontation. In its National Security Strategy, it has described both China and Russia as challengers to American power, influence, and interests, "attempting to erode American security and prosperity." It criticizes past U.S. engagement with Russia and China and their inclusion in international institutions and global commerce as having been based on a "false premise" that this "would turn them into benign actors and trustworthy partners." In its National Defense Strategy, the administration has described China, along with Russia, as a revisionist power seeking to undermine the international order, to reorder the Indo–Pacific region to its advantage, and to compete with the United States across all dimensions of power to achieve regional hegemony in the near term and displacement of the United States as the globally preeminent power in the long term. In its Nuclear Posture Review, it has set out its specific concerns about China's program of strategic military modernization in support of China's efforts "to substantially revise the post–Cold War international order and norms of behavior." The administration has not entirely set aside cooperation, as in each document it expresses a commitment to work with China where the interests of the two countries overlap. But the net result of the Trump administration's policy reviews is a comprehensive reframing of the U.S. approach to China—an embrace of a "return to rivalry."

The Trump National Defense Strategy also enjoins the United States to foster a competitive mindset, calling on the Department of Defense "to out-think, out-maneuver, out-partner, and out-innovate" potential U.S. adversaries. This suggests a long list of potential ques-

tions in China–U.S. relations. How should a more competitive mindset be applied to China–U.S. relations? What forms of competition should the United States pursue? Are there any it should avoid? What reactions from China are likely? What can be learned from past U.S. efforts to gain long-term advantages through competitive strategies? It requires also that we explore related questions: What are we competing for? What does it mean to win, or lose? And how broad or narrow are the features of competition in the U.S.–China relationship? If narrow, how can we keep them from overwhelming the broader cooperative agenda? If broad, how can we sustain elements of cooperation?

In anticipation of a widening discussion of these matters within the United States, with U.S. allies, and also of course in China, we turned to Michael Nacht. As a scholar of international relations and as a policy practitioner in two presidential administrations, he has deep insight into the China–U.S. strategic relationship and the enduring challenge of how best to balance competition and cooperation. This paper provides essential context for the current policy debate, as well as insights and recommendations of immediate relevance. Dr. Nacht then turned to two research fellows at CGSR for assistance with this project, who played a significant role in writing the report. Sarah Laderman and Julie Beeston contributed importantly to the analytical work reflected here. We are grateful to all three coauthors for such a timely and important piece of analysis. We are also grateful for the good counsel of an external reviewer and for supplemental research support provided by other members of the CGSR research team.

Brad Roberts
Director
Center for Global Security Research

Introduction

For many years, the United States has been reluctant to embrace strategic competition with the People's Republic of China (PRC), preferring to balance competition with cooperation and take an optimistic view of the relational trajectory. The Clinton administration sought a "constructive strategic partnership" in which China was integrated into the emerging post–Cold War order and conflict over Taiwan was avoided. The George W. Bush administration initially cast China as a rising challenger, but after the terrorist attacks of 9/11 tried to engage China as a "responsible stakeholder" in the international order. The Obama administration attempted to "rebalance" political and economic engagement with an Asia–Pacific policy that was prominently a military posture aimed at countering increased Chinese assertiveness.

The Trump administration has expressed a clear commitment to working with China in areas of shared interest, such as North Korean nuclear proliferation. Nevertheless, the administration emphasizes strategic rivalry with China, especially as to military modernization, economic coercion, and China's diplomatic attempts to roll back the existing regional and global orders.

Historically, China has been reluctant to embrace strategic competition as a central theme in any bilateral relationship, though this stance has shifted in the last decade or so. While Beijing must necessarily balance competition and cooperation, it perceives U.S. policies as oppositional to China's rise and recovery. China interprets the military modernization of the U.S. as aimed primarily at the encirclement and containment of China—in direct challenge to Chinese sovereignty—and as preparation for armed confrontation over Taiwan and other peripheral lands. Beijing has felt directly threatened by U.S. military polices and taken steps to improve its position without provoking "China-threat

syndrome" in the U.S.—that is, the view that China embraces the United States only to hold its enemy close while quietly readying for war against the U.S. and its allies.

The PRC's competitive approach vis-à-vis the United States is evident in its program of military modernization, aimed in large measure at eroding the credibility of U.S. power projection in the region, improving its comprehensive national power, and leveraging its growing political, economic, and military strength to undermine the region's security order.

Thus it seems likely that strategic competition between the U.S. and China will intensify to the point of compromising the stability of the relationship and security of both countries. Yet certain forms of competition may be salutary. For both parties, economic and political competition may be beneficial in creating new incentives for cooperation and transparency, perhaps especially in the new military domains of cyber- and outer space. However, competition may also introduce unwanted risks. Ill-considered military modernization may introduce political crises and arms-race instabilities that increase the risk of inadvertent escalation to war.

Against this backdrop, the United States and its allies must turn high-level policy objectives into practical agendas of activity and investment. This monograph gives a broad view of the dynamics at play in the strategic competition between China and the United States. The following questions are examined:

- How has China approached the problem of strategic competition with the United States?
- From the American perspective, what particular problems does Chinese military modernization present?
- What does it mean to tailor a deterrence strategy toward China, as the Trump administration has proposed?
- How can we avoid the unintended consequences of competition?

We begin with a review of China's rise, return, and recovery, including its political development, economic strategy, and diplomatic role in the Asia–Pacific region, and argue that China is pursuing a strategy of expansion without conflict, seeking to recover territories unjustly denied and expand its regional influence while avoiding direct military confrontation with the United States.

Next we review the modernization of China's general-purpose and strategic forces, observing that this mobilization is proceeding without a sound vision for strategic stability.

We identify potential military flashpoints in the China–U.S. relationship in Section 3 and discuss escalation pathways and nuclear weapons in various regional scenarios.

Implications for the United States and efforts toward more competitive approaches are analyzed in Section 4. We mine the strategies of the past for insights into effective competition and argue that, while there are many ways to increase competitiveness, some approaches carry significant risk of unintended consequences.

We conclude with key principles to guide the development of a U.S. competitive approach. In brief,

- The first priority should be competition in the political and economic domains, where rightly crafted policies can serve both states, as well as others in the region.

- The United States should not fall back on the military strategies of the 1980s, when the U.S. compelled the Soviet Union to compete in ways it could not sustain, but could not afford to neglect lest it be left behind. The China of 2018 is not the Soviet Union of 1982. China can compete wherever it chooses.

- A more competitive military relationship must emphasize preserving the credibility of American conventional power projection in the Asia–Pacific region. This requires judicious restraint, as certain forms of competition may explode China's security calculus and lead it to jeopardize U.S. and allied

interests in new ways. A long view of how regional military competition could affect political relations is paramount.

- In improving military competitiveness, the United States should distinguish between conventional and strategic forces. With regard to the latter, the United States should not fundamentally alter the existing strategic power balance, which serves it well, but rather, attempt to keep strategic relations stable and avoid diminishing China's confidence in its strategic deterrent.

China's Grand Strategy

The Chinese government may not use the term "grand strategy" to describe its policies and ambitions, but the Communist Party of China (CPC) certainly has long-term objectives—as reflected in the so-called "China dream" of a modern (though still developing) China in 2049, the centennial year of the PRC. Upon becoming party chairman in 2012, Xi Jinping pronounced the goal of his administration: "the great rejuvenation of the Chinese nation" via the China dream[1] of a strong and prosperous country and harmonious society, national revitalization, and international credibility.

Every supreme leader of the PRC has had a slogan. Mao Zedong's was "make China stand" (让中国站起来) by cultivating a unified Chinese identity, domestic development, and social and political stability. Deng Xiaoping transitioned China from isolation to engagement with the West under the slogan of "make China rich" (让中国富起来). A prominent element through all of the slogans and strategies, including the Chinese dream, is the annexation of Taiwan.

But a strategy is more than a dream. Xi has set out an ambitious agenda of economic growth, military modernization, foreign-policy assertiveness, and political control aimed at reifying his vision.[2] Managing the relationship with the United States is one of China's vital challenges, essential to economic success and social stability, and the greatest potential barrier to China's political and military dominance internationally.

The Domestic Context

Since the post-Mao economic reforms starting in the late 1970s, China has experienced an economic boom. In thirty years, the percentage of those living on less than a dollar-a-day equivalent plummeted 76

percent, down to 9 percent in 2003, and the economy expanded more than seventeen-fold.[3] China is the world's largest merchandise-trading economy, manufacturer, and holder of foreign-exchange reserves. In late 2014, China surpassed the United States as the world's largest economy as measured by gross domestic product (GDP).[4] In half a century, China has become the largest trading partner in many of the world's biggest economies. This astounding growth has been the greatest source of legitimacy for the CPC, and Beijing has prioritized maintaining this boom.

While the CPC's gradual implementation of economic reforms has enjoyed resounding success and Chinese lives have improved substantially, problems remain. Growth has slowed since 2013, which may have unfavorable implications for the CPC. And China must address its excess capacity, growing debt, and domestic unrest stemming from rampant corruption and regional separatist movements. Chinese definitions of national security blur the lines between external and internal threats. It is therefore important to examine carefully how China's domestic security situation drives Chinese strategy.

Previous reforms helped the economy ease through the pain and difficulty of marketization, but provided a wealth of loopholes for corrupt officials.[5] Corruption existed in the Mao era, but surged after Deng's economic reforms,[6] which outpaced the implementation of political and legal reforms that might have acted as effective checks on power. Chinese political control of massive amounts of market capital has been the greatest facilitator of endemic corruption centered on collusion between business and government.[7]

Over the last few decades, the CPC has made legal reforms in an attempt to create a functioning and capable justice system. But while some recent advancements have been significant, they fall short. Rampant corruption and absolute party control of both law enforcement and the courts frustrates due process in criminal and civilian cases and destroys judicial independence.[8]

Domestic corruption means that some companies are free to ignore health and safety regulations, inflicting long-term damage to public perceptions of CPC governance. The party has restricted media coverage of environmental degradation and rejected reports on air quality published by independent sources. Despite this censorship, the public is increasingly vocal about the deleterious effects of

pollution on health and quality of life, and much blame is placed on CPC corruption and impotence.[9]

Officials in charge of state-owned enterprises (SOEs) are notoriously corrupt, and cases of officials profiting at the people's expense have increasingly motivated mass protests.[10] Symbiotic or *guanxi* relationships between officials and corporations allow some businesses to break laws while police look the other way.[11] While SOEs benefit from favoritism in the short term, they are ultimately damaged by the long-term effects of corruption, such as poor quality control and low domestic perceptions. Chinese citizens still look to foreign markets for quality goods and will likely to do so in the foreseeable future.[12]

Vowing to eradicate corruption and purify the CPC, Xi has initiated the "largest anti-corruption campaigns since Mao," bringing down many more important politicians and officials than were exposed in previous administrations. The campaign is led by the Central Commission for Discipline Inspection, which until recently was headed by Wang Qishan, believed to be Xi's most trusted ally. Wide domestic support of aggressive anticorruption measures demonstrates that the Chinese people are serious about eradicating the problem. Many believe that the often brutal tactics and extralegal investigation techniques used are necessary, and successful only because they are beyond the law. Many are pleased that the CPC is willing to turn "hard law" on the party itself and expose traitorous outliers of the true party who engage in exploitative behavior. However, the opaque nature of the tightly centralized Chinese government makes it difficult to discern the authenticity and success of Xi's anticorruption campaigns. The CPC's status has been bolstered by the creation of a strong domestic market, which assures the people that the party governs for their benefit, not for kickbacks and bribes.

This political crackdown had helped the CPC assuage domestic dissatisfaction with the political and legal systems. Concerned about potential loss of credibility and consequent illegitimacy, the CPC has labeled corruption as fatal to the party.[13] However, significant obstacles to a clean system remain; and unless the CPC addresses them, international investment will likely continue to stagnate as productivity and growth slow.

Beyond domestic economic problems, "gray rhino" separatist movements and local nationalism are central national-security concerns. Not only has the PRC numerous border disputes to contend

with, but non-Chinese groups within China as well. In Tibet and the western province of Xinjiang, identity clashes fall along ethnic and religious lines. The Hui and Uyghur Muslim minority groups in Xinjiang endure chronic persecution from the Communist government, and Beijing encourages Han Chinese to settle in the region so that the CPC can push pro-Beijing policies.[14] In Hong Kong and Taiwan, identity issues are predominantly political. In most hotspots, many of the younger population, especially students, are involved in protests.[15]

Periodic suppression has been enforced where minority religions are strong, with religious texts and buildings destroyed and leaders persecuted and punished.[16] The government restricts religious practices such as beards, head scarfs, and fasting during Ramadan.[17] China's labeling of Uyghur separatists as Islamic terrorists and the imprisonment or flight of prominent Uyghurs has ignited ethnic riots throughout Xinjiang province.[18] The region plays a critical role in the Belt and Road Initiative (BRI, discussed below), and China must stabilize the region to fully realize its economic goals. Tibet is another area where separatist movements, and foreign sympathy, challenge Chinese political stability and legitimacy.

Hong Kong is a special case. Since its handover to the mainland, the Hong Kong special administrative region has maintained a separate identity. As Beijing moves closer to integration, Hong Kong residents fear complete loss of autonomy, and tensions and protests have mounted. By arresting pro-democracy protesters before his July 2017 visit to Hong Kong, Xi emphasized that any "attempt to endanger China's sovereignty and security, challenge the power of the central government…or use Hong Kong to carry out infiltration and sabotage activities against the mainland is an act that crosses the red line and is absolutely impermissible."[19]

Mainland media coverage of these movements is censored, so Chinese citizens are not privy to the claims of separatist viewpoints.

Despite political and social challenges, the CPC enjoys overwhelming approval. Its impressive accomplishments in infrastructure development and a social safety net demonstrate a functioning and capable regime.[20] The typical Chinese citizen may despise local authorities (who are perceived as corrupt), but likes and trusts the CPC leaders in Beijing.[21] China seems to be reaching a crossroads: as it transforms into a fully-developed nation, it must root out corruption and its destructive

effects on the economy, environment, and quality of governance, or face a crisis of legitimacy. If the CPC does not manage this transition carefully, it may lose legitimacy and political grip. Maintaining a strong economy and improving the standard of living are critical to the CPC's continuing governance and national security.

Beijing's ambition for governmental and national security is threatened by China's changing economic status. Throughout China's rise, the economy has depended almost completely on trade and foreign investment—the domestic market is still underperforming.[22] Much of this economic growth may be attributed to the catch-up effect, whereby a state leapfrogs to a medium-income industrial level, but struggles to transition to a fully service-based economy.[23]

As cheap labor and production costs draw foreign businesses to China, wages are increasing and the labor force is shrinking.[24] Chinese lives and wages are improving, but China will continue to lose its edge to developing states, primarily in Southeast Asia, where wages are more competitive.[25] To transition to a fully-developed state, China must increase domestic demand to facilitate economic development and reduce reliance on direct foreign investment.

Chinese leaders recognize this challenge and are striving to lead the world in innovation by investing in specific industries where they may gain an edge.[26] At the same time, the government has turned outward to create better access to new markets across the globe. As the United States seemingly vacillates on its commitments as a global leader, Xi's CPC has seized the opportunity to reaffirm its commitments and set a global example by shaping international discourse according to its own economic and "good governance" principals. The same week that Donald Trump became president of the United States, Chinese president Xi was a star at the annual World Economic Forum in Davos. In a speech reminiscent of past American leaders, Xi called for greater globalism and international cooperation. As Trump withdrew the United States from the Paris Agreement, Xi vowed to protect climate pacts, echoing the frequent promise by Chinese leaders that "China will take the lead in dealings on climate-change issues."[27] Many articles in Western and Chinese media characterized Xi as "outshining" Trump and filling a global-leadership void.[28]

The net effect of domestic forces and motivations on China's grand strategy is multifaceted. Beijing's commitment to prosperity and reju-

venation has reinforced China's emergence as a major international actor in trading and financial systems and a dominant player in economics, especially Asian. China's commitment to credibility has driven its emergence as a powerful influence in the security environment, and its commitment to the early fulfillment of the China dream has accelerated its overall modernization and emergence. But concerns about domestic instability dictate that the CPC continues to control and guide Chinese society, resisting the engagement and transparency that others might find reassuring.

The Foreign-Policy Dimension

These combined economic, social, and political domestic forces provide context for understanding China's remarkable rise from chaos and backwardness. They also fuel the state's aspiration to a significant position of influence in the international system, as it enjoyed when Imperial China truly was the "Middle Kingdom" and one of the world's most advanced societies. This is the second dimension of China's grand strategy.

China's vision of its role in the world is deeply informed by grievance about its past. The Chinese political culture is strongly influenced by resentment over what the CPC calls the century of humiliation—a period beginning in the mid-nineteenth century and ending with the establishment of the CPC, marked by a loss of sovereignty at the hands of imperialist foreign powers.[29] This narrative profoundly shapes Chinese foreign policy, driving efforts to define a concept of comprehensive national power, with economic, social, political, and military dimensions, and undertake a national enterprise of increasing that power.

When the PRC was established in 1949, a strong goal in CPC doctrine was to destroy the Western concept of a market and create a unique Communist economy and society devoid of outside influence, which would restore Chinese dignity and self-determination. After disastrous early CPC campaigns in the Mao era that brought starvation and economic stagnation throughout China, Beijing recognized that isolation from the global market was bad for the economy and that CPC ambitions for reforming the government and society needed to face the reality of a permanently altered international system. The CPC therefore determined to play by the rules of

the Western-dominated global economy, but with a Chinese spin.

It is thus unsurprising that Chinese foreign policy is framed by contradictory values. China wants to exercise its newly gained power and play an important role in international affairs, but its denial of Western values hinders its ability to accept international norms.[30] The Maoist approach of complete eradication of, and isolation from, all foreign influence proved unsuccessful; China now seems irreversibly integrated into the international sphere. The CPC often presents its international policy as that of a peaceful world leader guiding other states to better behavior by setting an example of good governance.[31] Chinese foreign policy frequently rejects any measures that infringe on sovereignty and criticizes the current methods of global governance as inappropriate and counterproductive. The U.S. use of "punitive diplomacy" via economic sanctions and military interventions (including drone strikes) is frequently in direct conflict with Chinese goals and policies. As a result, Chinese analysts advocate various ways of constraining U.S. power and influence in Asia.[32] Chinese news sources have highlighted increased CPC participation in international politics in the last decade, but portray the recent policy shift as global recognition of the legitimacy of China's values rather than China's accepting international norms.

Another example of the contradictory values that guide Chinese foreign policy is the practice of nonintervention. Respect for sovereignty as shown by nonintervention is deeply engrained as a core tenet of China's grand strategy. Yet China increasingly interferes in the domestic affairs of others. The political line from the party is clear, emphasizing "benevolent pacifism" in articulating the authenticity of China's peaceful rise.[33] Xi Jinping claims, "we always put people's rights and interests above everything else and we have worked hard to develop and uphold human rights... China will never seek expansion, hegemony, or sphere of influence."[34] The Chinese value of "harmonious inclusionism" acknowledges not only the legitimacy of different political and cultural traditions, but also the need to cooperate despite these differences to create a "harmonious world."[35] The PRC has spoken against military intervention and relied on noninterventionist philosophy when using its UN Security Council position to veto sanctions and in defending its opposition, under international pressure, to sanctions.[36] A spokesman for China's foreign ministry asserted that "China has consistently opposed threatening or imposing sanctions. We believe that sanctions are

not conducive to an issue's resolution and may worsen tensions."[37]

This insistence on noninterventionism and developing China with Chinese characteristics reflects Beijing's prevailing thought on international relations and the primacy of national sovereignty in the international system. Prioritizing sovereignty within foreign policy has both historical grounds—China has experienced foreign interference—and current motivations as well. Beijing perceives China as victimized in the past and threatened in the present by Western cultural imperialism.[38] Chinese writers characterize these noninterventionist policies as a unique Chinese effort to build a harmonious world, but their justification of a new type of policy in great-power relations, with a new rationale, complicates the image of China as a benevolent and humane global authority.

In the past decade, China has expanded its contributions to peacekeeping efforts, developed non-conflict-oriented military capabilities, and contributed to humanitarian and disaster relief. The PRC has expanded its participation in multilateral organizations and established new organizations to cooperate on global issues. These activities coincide, however, with increasingly coercive acts towards other states. Criticizing the international structure, Chinese government seeks alternative international organizations with support for a more equal form of globalization and development, sans the traditional "American" conditions. This proposed system is based on a transactional realpolitik approach, where human rights and good governance are more about internal sovereignty than international norms.

The Xi Revolution

Xi Jinping has ushered in a new way of thinking about China's role in the world. The first Chinese president born after the 1949 revolution, Xi has cast himself as a champion against corruption, pollution, and threats domestic and foreign. In this role, he has consolidated power and assumed a litany of titles as the head of powerful committees on Taiwan, the economy, foreign policy, the Internet, government restructuring, national security, and military reform. In a symbolic move, Xi also resurrected the title "chairman" for himself, which had not been meaningfully applied since Chairman Mao.[39]

For years, experts speculated that Xi intended to overthrow China's

two-term policy, based on his nurturing of a personality cult reminiscent of cultural-revolution propaganda and the cult of Mao. Following the 2017 National People's Congress, a CPC proposal to amend the constitution and remove presidential term limits was approved in March 2018. In the words of Elizabeth Economy of the Council on Foreign Relations, China is now, and for the first time, "an illiberal state seeking leadership in a liberal world order."[40]

Many citizens mistrusted the implications of this constitutional change, but Beijing moved quickly to censor online discussion, while the central propaganda department fired off support, including a message dismissing the possibility of electing competent leaders under a Western-style democracy and two-party competition.[41]

Xi's corruption campaign, a centerpiece of his domestic agenda, and the reshuffling of politburo members at the 2017 National People's Congress seem to have further consolidated his power.[42] Despite its single-party system, China has chronically lacked unity among its politicians, with various factions vying for control. By aggressively prosecuting official corruption, Xi's administration has shaken the notion that those at the top of the CPC are exempt from accountability; and the crackdown has had the side benefit of allowing Xi to stock the politburo with loyalists. The political removal of high-level offenders just before the People's Congress, combined with term-limit and other constitutional reforms, have demonstrated that Xi wields massive political capital and more power than anyone since Mao.

Cultural rejuvenation and the realization of the China dream are political campaigns that push a strong national identity and the restoration of traditionalism.[43] Xi's policies in the fulfillment of these quests emphasize that China is a modern, strong, prosperous world power—and should have a fittingly elite and robust military.[44]

The Xi administration has moved away from insular Deng-era foreign policies, demonstrating keen interest in international affairs and global governance and representing China as a sleeping lion now awakened.[45] Xi has made more diplomatic trips around the world than any predecessor, and China has become energetic in international institutions such as the United Nations (UN) and the Association of Southeast Asian Nations (ASEAN).[46] Xi's strategy for future governance can be summarized as follows.[47]

Stricter regulation of the financial system and rejection of liberal

market reforms. Renewed support for Chinese SOEs. Government-supported mega-SOEs are a concern of many Western states, consistently seen as unfair in trade and a threat to dual-use technology transfers.

Identification of China as a great and strong power with fittingly strong international policies. Xi ties Chinese strength with a capable military that may be called upon to fight.

Condemnation of local nationalism and separatist movements. The CPC will "never allow anyone, any organization, or any political party, at any time or in any form, to separate any part of Chinese territory from China."[48]

Problems in domestic security and development addressed through increased censorship and a comprehensive national-security system for internal threats.

Stress on China's current position at the center stage of national evolution and a new era under Xi leadership. China touted as a model of development for "other countries and nations who want to speed up their development while preserving their independence."[49]

Evidence suggests that Chinese foreign policy has shifted to an active international focus because of growing domestic dissatisfaction with old policies, pressure to expand and protect foreign interests, and the growing desire of the people to be recognized as belonging to a great nation.[50] China's increasing international prominence may also be linked to domestic conversations on national-security strategy. The 2013 edition of *Science of Military Strategy* (*SMS*), written by thirty-five authorities at the Chinese Academy of Military Science, defines a favorable strategic posture as one that protects internal stability by "opening up the peripheral, stabilizing the peripheral, and molding the peripheral."[51] This formulation ties in with Beijing's belief that separatist movements are driven by foreign influence; thus, shaping the international sphere—especially as regards Chinese core interests—is an imperative in both domestic and foreign policy.

The crown jewel of Xi's economic and international political thrusts is the Belt and Road Initiative (BRI). Unveiled in 2013, six months into the Xi presidency, the BRI has become an official national strategy, integrated into China's latest five-year plan. The initiative promotes cooperation among Eurasian countries along the Silk Road Economic Belt (SREB), a network of roads across Asia, and the Maritime Silk Road (MSR). A system for regional economic integration with China at the center, the

BRI is an explicit element in China's domestic rejuvenation and China dream, invoking an era when China was the world's most productive and advanced society. The aim is to bridge infrastructure gaps and encourage economic growth among all participating countries, bringing development to hard-to-reach economies while simultaneously aiding China's modernization. The BRI connects sixty-five states in Asia, Europe, and Africa and an estimated 4.4 billion people—approximately 63 percent of the world's population and 30 percent of its GDP.[52]

In 2015, China launched the Asia Infrastructure Investment Bank (AIIB) to support the enormous funding required for the global infrastructure projects envisioned. Because the AIIB is seen as a competitor to the World Bank and Japanese Asian Development Bank, the United States has refused to participate and requests that its allies do the same. Nevertheless, the United Kingdom, South Korea, Australia, Germany, France, and Canada have all joined; at last count, the AIIB has eighty members.[53] Most contracts associated with the initiative go to Chinese construction companies and Chinese labor, but foreign companies may also compete for contracts and gain access to a larger market. Even Japan has expressed interest in this opportunity for investment and contracts for Japanese construction companies.[54]

The BRI faces some domestic difficulties. Foremost is that support for the initiative is based largely on national pride—which may prove hard to sustain as the government explains why money is being spent on bettering the lives of foreigners when many Chinese live in poverty. The project will expose many nationalistic or xenophobic populations to a harder struggle for resources in a diverse and competitive market. Ethnic tensions may worsen, given that some of these projects will be awarded to Chinese companies that damage China's image and squander invested funds through corrupt practices.[55] The project is hugely ambitious, and, if successful, will create a zone of influence in which China has immense clout. The BRI has yet to live up to its promise, however, as China intends massive credit lines to risky markets with a high risk of debt default, like Ethiopia, Kenya and Sri Lanka.[56]

As a rising power with more shared borders than any other country, China's national-security interests are international issues. The state has a long history of conflict with its neighbors, including several other historic great powers, in a vast region that is among the world's most important economic hubs. The rise of China has shifted the balance of power in a

precarious region, and domestic security concerns must be considered in the development of Chinese foreign policy. Beijing has carefully managed its economic development and studied the Cold War and post–World War II strategies of the United States that led America to global leadership. The next section looks at China's most important international relationships and examines how they fit with its grand strategy.

China's Regional Strategy

In his determination to remake the U.S.-led order in the Asia–Pacific region, President Xi Jinping has set out a regional strategy as an integral part of a broad grand strategy. This regional strategy deserves careful attention as the context in which the United States and China may one day find themselves at war.

Xi's opposition was enunciated in a speech in Washington, D.C., on February 15, 2012. He proposed "a new type of relationship between major countries in the twenty-first century," characterized by mutual understanding and strategic trust, respect for each other's "core interests," mutually beneficial cooperation, and enhanced cooperation and coordination in international affairs and global issues.[57] He has reiterated and elaborated on this theme—the phrases "community of common destiny" and "community of shared future" feature prominently, for example, in his 19th Party Congress speech of October 27, 2017.[58]

Xi's regional strategy for China contains multiple elements:

1. Deepened economic engagement throughout the region, in part to influence neighboring decision makers by increasing their economic incentives to favor China's interests
2. Greater political engagement, such that actors in the region understand China's interests and requirements
3. Military assertiveness as China increases its presence in the maritime environment and lays claim to lost territories and sovereignty. Chinese strategic publications emphasize the importance of protecting and enhancing littoral territorial claims and capabilities[59]
4. Military modernization as China defends its maritime approaches and trade routes. This involves testing the resolution of the United States and its allies in defending their regional interests

So long as Beijing assesses the United States as a vital economic partner and formidable, unpredictable military power, China avoids direct military confrontation as too risky, and likely too costly, to economic, social, and political security.

Accordingly, the primary military problem for the U.S. and allies is what Japan's defense community describes as the gray-zone challenge. These are political–military contingencies involving military-backed coercion or military action, or both, to create new facts on the ground, such as the rapid occupation of atolls and construction of air bases. These maneuvers are done without direct military challenge to the U.S. commitment to its allies or direct engagement of U.S. forces. Whether this approach is a short-term expedient or long-term preference is unknown.

In sum, China's regional strategy is expansion without conflict—expanding its sovereignty to encompass all those areas it believes were taken from it in times of weakness and imperial domination. Recognizing that its claims compete with those of neighbors, China accepts the potential for armed conflict, even with, potentially, the United States. It prepares for war as a strategic imperative, but meanwhile pursues material and ideological gains while avoiding direct armed confrontation, largely out of a conviction that the backlash would be focused and constraining. Though in decline, the United States can be formidable and unpredictable.

But the Chinese have created a dilemma for themselves. Their efforts to finally settle sovereignty issues that arose in the century of humiliation have created a somewhat expansionist military policy and a maritime assertiveness that alarms their neighbors and finds little support in international law. This raises the potential for direct military confrontation with the United States as the principal guarantor of East Asian strategic stability, power balance in the maritime domain, and access to cyber space and outer space.

The United States in China's Strategy

For China, the United States is at the same time an essential partner and a vexatious obstacle—a fading power in an increasingly multipolar world whose actions in the region tend to contain China. Chinese defense white papers (DWPs) express concern over U.S. arms

sales to Taiwan and interference in the region, besides many indirect references in meddling in China's security dilemmas.[60] China portrays the United States as a chief cause of global instability, its aggression requiring other states to pursue extreme defensive measures, such as the deployment of nuclear weapons.

Chinese views of the international system emphasize a world order crafted and led by the U.S. and its allies to their shared benefit, generally at the expense of others. They describe the United States as a hegemon, more interested in prestige and military might than justice and peace. The term "U.S.-led global order" is generally pejorative, and "characterizing the United States as a declining hegemon is almost a form of political correctness in China."[61]

But Chinese scholars also recognize the United States as the "best qualified" world leader, with China just short of the economic status required for that position.[62] They note that a strong economy alone does not make a global leader, but rather, the ability to influence international norms.[63] Chinese scholars and politicians have recognized the success and value of the U.S. sphere of influence and believe that it is a good model to pursue. Professor Wang Jisi of Peking University advises that the United States is not in absolute decline, but its global authority has been diminished by an inability to maximize soft power and an overreliance on military preeminence**.** Meanwhile, recent U.S. moves to distance itself from regional allies and withdraw from the Trans-Pacific Partnership (TPP) may have provided China with greater opportunity to become the dominant economic force in Asia, and some Southeast Asian and South American states have turned to China for economic partnership in the absence of U.S. support and influence.

Wang Jisi notes that there has long been discord among Chinese and U.S. perspectives on how the international system should be structured.[64] China advocates the democratization of international relations, such that all countries have equal rights. The United States supports the liberal international order by promoting democracy around the world, with concomitant individual liberty and preservation of human rights.

Chinese academic and foreign-policy expert Yan Xuetong notes that while U.S. liberalism dominates the current international system, China can, and should, push to transcend liberalism by espousing the Chinese traditional virtues of benevolence, righteousness, and etiquette.[65] In his 2013 article, "New Values for New International Norms," Yan sug-

gests replacing the liberal international value of "equality" with that of "benevolence," because there are realistic disparities in individual intelligence, strength, family background, etc., and enforcing equality strips the weak of protection.[66] Yan notes that the PRC has begun to address this issue in its white papers and foreign policy.[67]

Chinese foreign policy almost always discusses Chinese exceptionalism in contrast with American values and exceptionalism and emphasizes the superiority of Chinese policy dispositions, such as great-power reformism, benevolent pacifism, and harmonious inclusion.[68]

Xi's thinking about "a new type of great-power relations" invokes the principles of no conflict, no confrontation, mutual respect, cooperation, and common prosperity.[69] This is little more than a slight twist on the "peaceful coexistence" that China has professed for decades. Yan Xuetong sees a no-conflict relationship with the United States as a strategic step toward Chinese hegemony or "humane authority"[70] and posits that hegemony is ultimately a battle of hearts and minds: if China can develop a network of relationships like that of the United States, China will lead through moral superiority. A slightly less "harmonious" perspective of this new type of great-power relationship can be seen in much of the literature published in Chinese.[71] The literature discusses soft power and culture from realistic offensive and defensive perspectives, in which culture can be used to expand international influence, but may also appear as a threat from outsiders.[72] Policy decisions based on this approach include the CCP creation of the Confucius Institute in 2004 and the development of the "Beijing consensus" development model. Increasing Chinese cultural appeal and presence is an acknowledged policy of the PRC.[73]

Many Chinese strategists see nuclear weapons as a tool unlikely to be used, but which must be wielded to forestall bullying by nuclear states. Chinese scholars view U.S. security policy as aggressive and hegemonic, driven by a desire for absolute security and disregard for others. In this portrait, the United States is a primary driver of nuclear proliferation, as states seek to counter its dominance and ambition.[74] But directly threatening the U.S. strategy may undermine economic cooperation, which remains a PRC priority and central security concern. Working within the existing international order, the PRC is reenacting the successful post–World War II strategies implemented by the U.S., e.g., increased economic openness (which benefits market access

without damaging domestic markets), more diplomatic alliances, far-flung military bases that permit global reach, and investment in global infrastructure and dual-use technologies to ensure market advantage and strategic control of new technologies.

China and Russia

From friends and comrades, to the Sino–Soviet split, to rapprochement and strategic partnership, the Russia–China relationship has been tumultuous and sometimes mutually beneficial. Bobo Lo, a former diplomat to Moscow, calls the relationship an "axis of convenience," confined to the intersection of otherwise divergent interests and prejudice.[75] Lo minimizes Western fears of deep rapprochement between China and Russia because of these contentious factors.

The first era of Sino–Soviet relations, following the Chinese civil war, was the "friendship era." Soviet advisors, experts, and aid were dispatched to China to help establish a modern Communist regime.[76] The two states united under a shared ideology and common animosity toward the United States. Early telegrams between Mao and Stalin demonstrate Chinese deference to the stronger USSR, but also a desire to be recognized as equal.[77] The relationship soured when the Soviet Union refused to supply China with state-of-the art nuclear-weapon technologies, partly because Mao tried to dominate the international Communist movement after Stalin's death. This downturn culminated in border disputes in 1969 and a long chill.

With the collapse of the Soviet Union, the relationship moved onto a more collaborative footing. In 1994, China and Russia signed statements of mutual nuclear "no first use" (NFU), despite Russia's lack of a general NFU policy, or policy against strategic nuclear targeting. In 1996, the parties signed a strategic-partnership agreement. As relations steadily improved, this agreement was upgraded to a comprehensive strategic partnership in 2011 and renewed in 2012 and 2014. The declared strategic-partnership agreement emphasizes common benefit, mutual trust, and equality.[78] While neither state is the indispensable trade partner of the other, they collaborate in many efforts, sharing membership in a number of international coalitions and working towards a new economic corridor between Russia, China, and Mongolia.

A treaty of friendship and cooperation signed in 2001 includes some

security cooperation. Opposed to U.S. ballistic missile defense (BMD) in South Korea, China and Russia conducted joint naval exercises in the South China Sea (SCS) in 2016, and Russia seeks multilateral talks on disarmament that include China.[79] It is believed that in 2017, Xi and Russian Federation president Vladimir Putin reached policy consensus concerning the Korean Peninsula, the deployment of the American terminal high-altitude area-defense system (THAAD), Syria, and Afghanistan.[80] The Sino–Russian relationship seems increasingly warm; Beijing recently blocked criticism of Putin on Chinese social media and Putin gave Xi the highest Russian medal of honor in 2017.[81] Chinese foreign minister Wang Yi has stated, "China and Russia are good neighbors, good friends and good partners, and bilateral ties are currently in their best time in history, which sets a model of relations between major countries as well as between neighboring countries."[82] The relationship is significantly asymmetrical in economic clout, however, and remains mired in historical tensions and regional competition.

Looking ahead, limits to the degree that Russia and China will endure as strong allies are apparent. The first stumbling block is border disputes, which led to conflict in 1969 and in which China's huge population advantage fuels a profound sense of Russian vulnerability. The reflexively anti-Asian attitudes of the Russian elite add an element of racism to the mix, nor does Moscow view with equanimity a world under the sway of China's enormous economic and military power. Finally, with respect to Vietnam, India, and even North Korea, competition between China and Russia for influence and economic engagement may increase. In sum, we can expect an incrementally enhanced Sino–Russia relationship built cautiously on areas of common interests and benefit, but with high potential for derailment—especially if China's growing geostrategic power is seen more as a challenge than a complement to Russia's interests.

China and the Korean Peninsula

China has played a critical role in the regional-security calculus of the peninsula since the Korean War. China is the most important trade partner of North and South Korea, with China the biggest export and import partner for both markets.[83] Political difficulties arise from the various perspectives in play on the future of Korea. China prefers the

status quo of separate states, while the U.S. goal is reunification under a democratic government. North Korea—officially the Democratic People's Republic of Korea (DPRK)—is one of the few formal alliances that China has maintained. The strategy behind U.S. policies often relies on Chinese influence to pressure North Korea, and Trump has increased pressure on the PRC to use its economic leverage to "solve the North Korean problem."[84] However, North Korean president Kim Jong-un is less friendly toward China than his father and has installed functionaries who are not pro-China.[85]

The Trump administration has put pressure on China to help craft a definitive solution to the nuclear question on the Korean Peninsula. China has accordingly stepped up sanctions, including suspension of coal imports from Pyongyang. In announcing this move in February 2017, Chinese foreign-ministry spokesman Geng Shuang explained that the UN limit on coal importation had already been met. It is unlikely, however, based on the quantity and price of coal imports and North Korean production capacity, that China reached the quota within the first two months of 2017.[86] China also agreed to uphold UN Security Council sanctions (UNSCR 2371) issued on August 5, 2017, by halting imports of key North Korean goods, such as coal, iron, lead, and fish.[87] Though China cooperated with the sanctions, Shuang stated that the "China responsibility theory" on the North Korean issue is incorrect and that increasing Chinese pressure on North Korea is not a resolution.[88] Insistence on this strategy either "shows a lack of a full, correct knowledge of the issue or there are ulterior motives for it."

At this writing, fast-moving events toward a Trump–Kim summit in June 2018 and a predictably uncertain aftermath make mid- and long-term developments difficult to predict. The first half of 2018 featured a thaw in North–South Korean relations at the Winter Olympics in PyeongChang, when their athletes marched under a common flag. This gesture was followed by a meeting invitation from Kim Jong-un to Trump, conveyed in March through the South Korean national-security advisor—an overture promptly accepted. In a North–South Korean summit held in the demilitarized zone in April, Kim and South Korean president Moon Jae-in symbolically stepped between South and North Korean territory. This inter-Korean summit was preparation for the Trump–Kim summit to follow. Three American prisoners were released by the North in early May as a confidence-building measure.

Kim made two trips to meet with Xi Jinping, however—one in Beijing in early April and the other in Dalian in early May—Kim's first trips abroad since becoming head of state in 2011. After the second trip, a sudden hardening was seen in North Korean rhetoric and tone, culminating in a statement by vice-foreign-minister Choe Son-hui that mocked Vice President Mike Pence as a "political dummy" and threatened military attack, by which America would, "taste an appalling tragedy it has neither experienced nor even imagined up to now."[89] This appeared to be retaliation for Pence's endorsement of presidential national-security advisor John Bolton's remarks on the Libyan model of denuclearization. Libya relinquished its embryonic nuclear arsenal in 2004, but president Muammar Gaddafi was subsequently overthrown and murdered in 2011. While the Libyan model is attractive from a nuclear nonproliferation perspective, it stokes fear among dictators as a path to Gaddafi's fate.

On May 24, 2018, President Trump announced a decision to cancel the summit with Kim, scheduled for June 12 in Singapore. Just as abruptly, Kim's top aide, Kim Yong-chul, met with Secretary of State Michael Pompeo in New York and then Trump at the White House on June 2. These engagements were coupled with U.S.–North Korean meetings in Singapore to work out administrative details for the summit. After the June 2 meeting, Trump announced that the June 12 summit was back on and the two heads of state would meet. The president indicated that this first summit was the start of a process that could take some time, possibly leading to incremental North Korean nuclear-arms reduction in return for removal of some economic sanctions. A peace treaty to officially end the Korean War was also apparently under consideration.

The long-term prospects for peace face a fundamental dilemma. North Korea may be willing to relinquish some, but not all, of its nuclear weapons and delivery vehicles in return for a lifting of economic sanctions consistent with its interests. The regime may also be willing to join the international community and end North Korea's geopolitical isolation. At the same time, Pyongyang is pursuing a "peace offensive" to ease the U.S. off the Korean Peninsula—as symbolized by the repatriation of U.S. war remains, the release of a few political prisoners, a halt to nuclear and missile testing, and the destruction of some obsolete test facilities. The point of these tactics is to pave the way for control of South Korea. The difficulty from the North Korean perspec-

tive is that partial denuclearization may be unacceptable to the United States, given that it confirms that North Korea is a rogue state capable of nuclear strikes throughout the U.S.—an unprecedented condition.

Yet Washington's room to maneuver is limited. The DPRK has massive artillery capabilities targeting Seoul and nuclear forces that can reach South Korea, Japan, Guam, and the U.S. These weapons are deployed in deeply buried, hardened facilities and on mobile launch vehicles—meaning that any American strike aimed at disarming North Korea would risk massive damage to South Korea, Japan, and the U.S. homeland. The U.S. might seek to encourage an incremental process of partial denuclearization, with the hope that this change would, over time, unleash domestic forces that could moderate Pyongyang's brutal, authoritarian rule. Whether a delicate balance between North Korea and the United States can be sustained remains to be seen, especially given the inevitably unrealistic expectations raised by the Singapore summit .

Sino–South Korean relations gradually improved under the Park Geun-hye administration (2013–2017) and have been largely positive. Beijing views the deployment of the THAAD system, however, as a threat to China's nuclear deterrent and an act of containment. To dissuade South Korea from deploying THAAD, China imposed unofficial, unilateral sanctions against South Korean businesses, goods, and tourism. Succeeding Park as president of the Republic of Korea (ROK) in May 2017, Moon Jae-in campaigned on reevaluating THAAD deployment, and, once in office, suspended THAAD battery-component installation pending an environmental assessment. As the situation has developed, the Moon administration has indicated that it will honor the THAAD deal for the sake of the U.S. alliance.[90] At this writing, two of the system's six launchers are fully operational.[91] Despite the active dispute with China over THAAD, the Chinese and South Korean governments have pushed for a reset in relations. But THAAD and the continuing provocations of North Korea remain important matters of contention among Beijing, Seoul, and Washington.

Japan

China's relationship with Japan is tense, the product of historical grievances, armed conflict, and competition for regional dominance. Japan is the world's third-largest economy, a regional power, and a ma-

jor trade partner with China. Much of the national rejuvenation of Xi's Chinese-dream campaign is driven by narratives of former Japanese aggression, and national unity is reinforced through common fear of a resurgent Japan. The Sino–Japanese relationship is troubled by disputes over the ownership of the Senkaku/Diaoyu islands in the East China Sea (ECS). The implications of ECS disputes are discussed in Section 3); suffice it to note that this wicked problem fuels the nationalistic narratives of both states and is a flashpoint in bilateral relations.

For China, the strong U.S.–Japan alliance is alarming. China sees U.S. nuclear commitments to Japan as a threat to the region and prime example of the unrelenting pursuit of Chinese containment. While Japan is not a nuclear-weapon state, it looms large in Chinese calculations because it shelters under the American nuclear umbrella and enjoys latent capabilities.[92] The future of this relationship is critical to peace or conflict in Asia. Bilateral economic dealings have increased over the last decades, and Japanese prime-minister Shinzo Abe has expressed interest in participating in the BRI. He has also, however, expressed interest in amending Japan's pacifistic constitution to allow full military capability.[93] Japanese participation in Chinese international initiatives and organizations would have significant implications for regional stability and America's role in the region.

South Asia

China's relations with Pakistan and with India differ strikingly. China has maintained a close economic and security relationship with Pakistan for decades. The two have an "all-weather strategic partnership" (the only such partnership China maintains), and China describes Pakistan as "good neighbors, good partners, good friends, and good brothers."[94] Economically, these states are poised to move closer as the BRI, construction of the China–Pakistan economic corridor, and a proposed cross-national optical-fiber network proceed. China and Pakistan are strengthening their military cooperation, including frequent joint training exercises. A recent U.S. Department of Defense (DoD) report finds that China may be considering the construction of a large naval base in Pakistan, which would be China's second overseas military installation—following a recently opened base in Djibouti—and would increase Chinese naval capacity for distant missions.

China been closely involved in Pakistan's nuclear program historically, even providing critical aid. China is now helping build nuclear reactors and develop new technologies, with the BRI foreshadowing increased nuclear exports to Pakistan.[95] China's influence in Pakistan may benefit from the Trump administration's decision to reduce or terminate foreign assistance to Islamabad, owing to Pakistani support of the Taliban in Afghanistan.

China's relations with India are much more fractious. As economic competitors, the political relations of these states vary from lukewarm to poor.[96] Divisive issues include Tibet and border disputes; over the decades, China has periodically encroached on disputed territory. In 2006, Beijing claimed the Indian province of Arunachal Pradesh—renaming it "Southern Tibet"—and Indian forces occasionally discover Chinese helipads and short tracts inside disputed territory.[97]

Driven by fears of Sino–Pakistani military cooperation and the expansion of Chinese military infrastructure (which allows forays into Indian territory), India is working to improve its conventional military posture.[98] In June 2017, China began road construction in territory claimed by Bhutan and Indian troops moved in to hold the territory and ward off Chinese aggression. China thereupon claimed that the Indian troops were in Chinese territory and told India to withdraw. Chinese diplomats labeled the event "the most serious confrontation between the two nations in more than 30 years," and the Chinese media warned that India should remember its "humiliation" in the 1962 border war.[99] India nevertheless continued its participation in the annual U.S.–India–Japan Malabar naval exercises, which are viewed by China as aimed at itself, and as part of a larger anti-Chinese strategy. Diplomatic efforts ended the Bhutan border standoff in late August 2017, but tensions remain high.

In the 2013 *SMS*, Chinese strategists speculate that India will pursue a strategy of active offense for control of the South Asian subcontinent and Indian ocean.[100] India rejects these claims, stating that the Malabar exercises serve to protect the oceanic global commons and develop collaborative, non-military actions. One newspaper sniffed that China has "imagined anxieties about a democratic naval/maritime coalition."[101] CPC fears of a democratic coalition heightened in early 2018, as Australia, the United States, India, and Japan discussed a joint regional-infrastructure scheme as an alternative to the BRI. Stresses have escalated with the Chinese announcement that a

buildup of air defense will begin on the western frontier, "to confront any threat from India."[102] India feels increasingly vulnerable as China invests millions in India's neighbors and historical allies—for example, "at US $79.26 million, China accounts for nearly 60 percent of foreign direct investment commitments received by Nepal in the first half of the current fiscal year."[103]

Nuclear security plays a critical role in China's South Asian relations. China has been a quasi patron to Pakistan as it pursues nuclear weapons and long-range missiles and an opponent of India as a nuclear-armed state. India resents the fraternizing between Pakistan and China. While India has an NFU policy and poses no nuclear threat to China because of its inferior capability, China voiced strong disapproval of the 2008 U.S.–India nuclear agreement and campaigns against Indian entry into the Nuclear Suppliers Group.[104] Some analysts argue that China's acquisition of nuclear weapons unleashed the proliferation cascade that led to India and Pakistan's pursuit of these weapons.

Asian States on China's Periphery

In many ways, the title "Middle Kingdom" is accurate. Sharing fourteen borders, China is central in Asia and has the most shared borders worldwide.[105]

On its northern and western borders, China faces historically difficult relationships that remain problematic. Mongolia is an example. After winning independence from China in 1947, Mongolia aligned with the USSR. Only after the Soviet Union disbanded did Mongolia seek neutrality and normal relations with China. It is in China's interests that a neutral Mongolia join the proposed China–Mongolia–Russia economic corridor, but China is concerned that Mongolia encourages and supports separatist movements in the northern Chinese province of Inner Mongolia. On its western border, China is battling the East Turkestan Islamic Movement in Xinjiang province. Residents of Xinjiang are more likely to identify as Central Asian than Chinese.

While separatist forces are a persistent topic in Chinese DWPs, nuclear weapons do not appear to figure as part of the solution; economic initiatives seem to be the answer for underdeveloped areas.

States belonging to the Association of Southeast Asian Nations (ASEAN) are among the most important foreign relationships for

China. Myanmar, Cambodia, and Laos have enjoyed good relationships with China, but since democratic tendencies have taken hold in Myanmar, the country could shift away from China, jeopardizing China's interests. Cambodia derives significant benefit from siding with China; Laos depends heavily on China economically and is therefore tightly aligned with Beijing.

The primary source of tension among China and its neighbors is maritime disputes. Recently, the Philippines sued China in the Permanent Court of Arbitration in The Hague, and won—though the ruling has yet to be enforced, because Philippine president Duterte has shown himself pro-China and anti-U.S. as regards some policies (that is, until the election of President Trump). China has stated that (1) the most serious threat of war would be a large-scale strategic conflict with a powerful enemy and (2) the most probable threat is a limited military conflict at sea. Accordingly, China has prepared for large-scale, high-intensity local war at sea, supported by a firm belief in the concept of nuclear deterrence—which if deterrence is maintained, would allow the conflict to remain below the nuclear threshold.[106]

Western U.S. Allies: Australia and the European Union

Australia, the European Union, and China all desire greater economic openness. But Australia and the European Union are leery of China's growing sway in international and domestic issues and concerned about its emergence in their security environments.

The PRC wishes to continue developing trading and economic ties with the European Union (EU), its number-one trading partner (reciprocally, China is the EU's second-largest partner). China's 2014 "White Paper on the European Union" asserts frequently that China and the EU are more similar than different. Similarly, Australia and its primary trading partner, China, signed a free-trade agreement in 2015 that will boost Australia economically.

While China has not prioritized investment and bilateral exchange with Europe to the same extent as in Africa, it has pledged billions to build infrastructure in Eastern Europe. Beijing has also overseen the purchase of European ports and other infrastructure by Chinese SOEs. This development has been attended by grave concerns among Europeans. French president Emmanuel Macron and other leaders have

called for a united European front against Chinese investment and ownership of vital infrastructure and industries.[107]

Australia's 2016 DWP argues that China is challenging rules and norms in the fields of space, cyberspace, and maritime sovereignty—a disquieting trend.[108] China is increasingly accused of underhanded dealings and espionage against the Australian government; in return, the Chinese *Global Times* has labeled Australia an "anti-China pioneer."[109] As Beijing increases its claims over air and sea zones in the ECS and SCS, Australia is likely to lean on the United States as a partner in keeping peace and balancing power, while at the same time signaling neutrality in Sino–American disputes so as not to disrupt the economic status quo.[110] There is much discussion in Australia as to how Sino–American contention could harm Australia economically and strategically.

The European Union and Australia are forced to consider defense and security issues as China's authority grows. Australia requested participation in the Malabar naval war games in 2017, but was turned down by India.[111] European and Chinese defense perspectives seem divergent. Notably, in recent DWPs, China stopped mentioning nuclear disarmament and nonproliferation as a priority, while the EU's white paper prioritized cooperative multilateral disarmament, nuclear security, nonproliferation, cybersecurity, and non-weaponization of space. China asks that the 1989 arms embargo be lifted and that EU leaders honor the one-China concept. Meanwhile, Australia and the European Union have expressed a desire for mutually beneficial and stable relationships with China.

Africa and Latin America

China has emerged in recent years as a leading actor in Africa, contributing much economic and military aid. Mutual tourism and educational exchanges have been encouraged.[112] Beijing's official policy towards Africa is one of noninterference, asserting no political ambitions or intentions in Africa, but focused on economic and humanitarian efforts without preconditions. China has also expanded its investment and aid relationships in South America.[113]

All of these policies are controversial outside China, where they cast doubt on the sincerity of PRC claims to peaceful cooperation without hegemonic ambitions. While its investments and aid packages are

touted as no-strings (specifically, as not imposing conditions—unlike aid from the United States), it prioritizes resource extraction, with itself as the major, or sole, beneficiary. Construction is contracted to Chinese companies that import Chinese labor; thus aid and investment may be viewed as a way to manage excess capacity while contributing little to a partner's domestic economy. Chinese policies in Africa are largely transactional, consisting of financial support for resource extraction and residual political support, with little effort to influence domestic affairs, irrespective of international norms.

As it gains political influence and support for its initiatives in international forums, China has applied its economic power to poach Taiwan's remaining African allies. Recently, Gambia and Sao Tome and Principe received economic investment in exchange for severing diplomatic ties with the Republic of China (ROC) and recognizing the one-China policy.[114] China seeks the political support of former ROC allies in the UN and other international forums in return for investment in these states.

Yet China's increasing security roles in Africa jeopardize the credibility of its noninterference. As China invests in Africa, it may act to protect its investments at some future point, which may trigger conflict within the region or with states that have their own investments to protect. While such a scenario is unclear, increased interests and positive Sino–African relations should be monitored to prevent security problems in the continent.[115] Tensions might also rise because of Beijing's the lack of conditions on aid. The international community has worked hard to encourage democratic elections and the assurance of human rights through aid, but with unencumbered largesse coming from China, this work may be toppled.[116]

Chinese military cooperation with various African states is also increasing. The Chinese have established a base in Republic of Djibouti purportedly to facilitate Chinese peacekeeping and humanitarian aid in Africa and West Asia. A relatively stable country in a volatile region, Djibouti hosts U.S., Japanese, and French military bases and sits along a heavily trafficked shipping route at the mouth of the Red Sea and Gulf of Aden.[117] China's new military base signals its intention to influence the Persian Gulf, Indian Ocean, and Mediterranean. It also demonstrates a commitment to defending its regional maritime interests, securing sea lines of communication (SLOCs), participating in humanitarian assistance and disaster relief, and becoming more active in multinational

maritime operations. The placement is also integral to Xi's BRI.

Involvement and investment in Africa is a major strategy of the CPC, and party propagandists work hard to sell this initiative to the occasionally reluctant Chinese population.[118] At stake are not only the financial benefits of investing, but also strategic partnerships forged by lending funds and giving assistance to regions eager for investment.

Xi Jinping's China dream and the BRI incorporate development strategies that rely on multilateral international relations. Some Chinese policymakers argue that China needs to reconsider its historical stance of non-alliance and create a network of relationships that rivals that of the United States.[119] This will coincide with expanded investment and aid in Africa, South America, and Southeast Asia.[120] China's expanded international role and the Xi administration's foreign policies are controversial and cast doubt on the reliability of PRC representations of a peaceful rising with no hegemonic ambitions.

Global Citizenship and Its Limits

Beijing has worked on crafting a reputation as a good global citizen that toes the line of international law. At the same time, complaints of Chinese violations are routinely rejected as groundless, stemming from legacy laws and norms that impinge on China's sovereignty. The defense of sovereignty is China's greatest rationale for criticizing and violating international norms. Beijing rejected the International Court's ruling on the SCS—calling it null, void, and counter to international law,[121] arguing that it already held sovereignty over the disputed territory and therefore acted legally.[122] Territorial disputes and integrity are principal themes in Chinese governance, and China will criticize any international initiative that it believes damages its sovereignty or possibly impugns its right to claimed territories.

The strategy of slowly and purposefully altering the international system falls into a Chinese approach known as the three warfares—"the coordinated use of strategic psychological operations; …overt and covert media manipulation, and…legal warfare designed to manipulate strategies, defense polices, and perceptions of target audiences abroad."[123] The three warfares are intended to create political power and subdue potential adversaries. But the PRC is not simply relying on these tactics to secure full overthrow of the century of humiliation.

Beyond expanding its international influence by creating alliances with developing countries and shaping the idea of good governance, the PRC intends to back up its policies with a strong military and reinforced periphery.

Obstacles to Success

Grand strategies do not always deliver. Sometimes the objectives are too ambitious or the actors lack means or resolve. Sometimes other factors intervene to reset the strategic landscape.

China's high-stakes modernization and reform faces many obstacles. Some are domestic: economic growth may falter under the weight of demographic and environmental factors or a contracting international trading system. Efforts to engage in controlled political reform may falter under the weight of corruption and technology. China has long maintained that domestic and economic stability rank above all else; maintaining domestic support through periods of environmental crises, economic uncertainty, and regional separatism will demand significant resources and political attention. Political legitimacy is a chronic concern for authoritarian governments like China, and preventing domestic unrest and challenges to power must remain primary national-security priorities. Any prediction of Chinese capability and willingness to pursue international initiatives and expansion must factor in these domestic challenges and the threats they pose to the CCP and regime stability. As an additional factor, recent tensions precipitated by the unfolding U.S.–PRC trade war have strained bilateral relations and rained adverse effects on China's economy, leading to domestic criticism of the regime.

Some obstacles to success may emerge in the international environment as well. China must expect increasing global scrutiny of its maritime expansion as the international community begins to realize its stake in the region. The Chinese government is driven primarily by the wishes of its leaders and elites, deterrence calculations, and organizational interests, not by public opinion. Thus its foreign policy tends to maintain long-term consistency. However, as regional actors face greater domestic pressures to respond to Chinese actions, Chinese policy will need to address public-opinion backlash in foreign states.[124] Despite having suspended drilling in response to Chinese threats, for

example, Vietnam continues to express dissatisfaction with Chinese expansionism. The Southeast Asian countries have bolstered their defense relationships with the United States, Japan, and India,[125] and the escalating situation on the Korean peninsula presents an increasingly significant political, economic, and security risk that needs managing. Beijing's international challenges are no longer confined to regional national security and territorial disputes—China's transition to global power will continually provoke diverse and complex challenges.

Conclusion

Anticipating the centennial of the People's Republic of China in 2049, CCP leaders have mapped a strategy for fulfilling their ambitions for China. They picture a modern, yet still developing, country in the centennial year—with all the attributes of a major power, but also some of the economic and social problems of a developing society. They seek a multipolar world that is harmonious, peaceful, and largely dominated by a China that has reclaimed its rightful place in the international order. Although the plan has global aspects—in trading and energy systems, for example—it will be implemented primarily as a regional strategy. In this regional strategy, expansion is achieved without conflict in the service of full sovereignty and the remaking of the international order to favor China's role and influence.

Yet this hegemonic future, while befitting and obvious to most Chinese, is a matter of anxiety to neighbors.

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Modernization of the Chinese Military

Military modernization was long described by the PRC as the last of its four modernization goals. It rose in priority in the 1990s, along with concerns about the probable performance of the military in the kinds of wars China could imagine and anticipate. The major economic growth at this time fueled modernization and military spending, which continues to accelerate. For China, modernizing the military serves many purposes:

1. It affirms China's rise, return, and claim to a dominant regional role.
2. It improves China's security at a time when China's neighbors are improving their military forces quantitatively and qualitatively, including with nuclear weapons.
3. It signals China's refusal to be bullied and willingness to defend its interests amid international competition.
4. It attests to the fitness of the CCP to deliver national prowess to the Chinese people.

This section provides a historical review of China's military policies, which remain foundational, and gives the Chinese perspective on recent wars. It then examines strategic forces, especially nuclear, as key to understanding China's military strategy.

The Starting Point: Sun Tzu

China's military strategy is profoundly influenced by Sun Tzu; tellingly, China's annual conference of military educational professionals

bears his name. Sun Tzu's perspective on war emphasizes long-term strategic thinking—knowing when to pick battles and fighting only when certain of victory. These precepts are manifest in other aspects of Chinese competition, such as wei ch'i—an ancient Chinese board game in which the goal is to win by encircling territory rather than seizing it. The writings of Sun Tzu are a philosophical guideline, and should not be understood as a source of operational war plans or recipe for the use, or threatened use, of Chinese forces.

A central principle of Sun Tzu is the observation that all warfare is based on deception.[1] Uncertainty is the foundation of poor decision-making; an adversary who is uncertain of your capabilities will be unsure how to prepare and counter. Using ambiguity and deception to create uncertainty, however, tends to undermine trust in the veracity of CPC policy and doctrine as fed to the international community. "Issuing consistent statements, from both high and low, can usually enhance the statements' deterrent effects, but sometimes having various people issuing differing statements can yield an even better deterrence effect."[2]

Preparation is critical to success. "The *Art of War* teaches us to rely not on the likelihood of the enemy's not coming, but on our own readiness to receive him; not on the chance of his not attacking, but rather on the fact that we have made our position unassailable." The Chinese have felt vulnerable for the last 200 years as they fell behind technologically during the Industrial Revolution and continued to lag while exploited by colonial powers. In recent decades, China has been working to surpass other states, including the U.S., economically and technologically to achieve a position of supreme strength backed by cognizant exploitation of technological breakthroughs and political and economic developments. Integrated strategic deterrence is a salient example of this approach.

The Sun Tzu principle of preparing an unassailable position undoubtedly drives the Chinese to improve technologically in a great many areas. China seeks to identify and exploit weaknesses that the United States may suffer in the future by developing counter-capabilities now.

Although the principles of Sun Tzu and his successors have shaped China's strategic culture in broad terms, it is nonetheless a daunting task to translate those ideas into concrete, contemporary plans. As noted previously, China's strategic behavior is an admixture of applied

Sun Tzu, the personality and outlook of Xi and senior leaders, the characteristics of modern military technologies, including space and cyber weapons, and the capabilities and strategies of the United States and other potential adversaries.

Evolving Visions of Leadership

Mao Zedong believed that China could be an international political player only insofar as it achieved parity with the most advanced national military capabilities. Or, as he famously put it, "Political power grows out of the barrel of a gun."[3]

But Mao did not initially see nuclear weapons as valuable in this light. During the Korean War, when the United States issued nuclear threats against the PRC, Mao dismissed these weapons as "paper tigers"—a political tool for scaring others into compliance. He believed it unlikely that nuclear weapons would be used again, because they destroy the very place the aggressor is trying to dominate.[4] As the political value of nuclear capabilities grew apparent, Mao changed his stance, stating that nuclear weapons were a "destiny-determining matter," because a paper tiger was a real tiger to non-nuclear states.[5] Recognizing that China was behind in nuclear capabilities, Mao placed great emphasis on psychological domination, asserting that one could, "achieve psychological equivalence to the superpowers by calculated indifference to their military capabilities."[6]

Under president Deng Xiaoping (1978–1989, though influential into the 1990s), Chinese policies and priorities altered significantly, as military modernization was subordinated to economic development.[7] Foreign policy also changed tone, and Deng's 24-character strategy—issued in 1990, shortly before the collapse of the Soviet Union—offered ways for China to enter international relationships while maintaining national interests. To advance, Deng advised, the Chinese must "observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership."[8]

This philosophy and tao guang yang hui ("keeping a low profile") continued through the balance of the twentieth century. China continued to focus on economic modernization in agriculture, industry, national defense, and science and technology. Deng's challenge, "What

others have already done, we also must do; what others have not yet done, we certainly must also do,"[9] echoes Sun Tzu's emphasis on the need to be prepared for any possibility.

Since 2008, "keeping a low profile" has largely dissipated as a policy. China increasingly and openly asserts its international position, as reflected in the military policies of Xi Jinping. China's strategy, endorsed by Xi, emphasizes a restructuring of the People's Liberation Army (PLA), focusing on strengths and adversary weaknesses, the boosting of military capabilities, and increasing China's military applications in space.[10]

Military reform has been enacted to support these ambitions. President Xi presented his ideas on military reform early in his tenure and then undertook the most aggressive restructuring of the PLA since 1949.[11] According to one analyst,

> The restructuring reflects the desire to strengthen PLA joint operations, on land, at sea, in the air and in the space and cyber domains. The centerpiece of the reforms is a new joint command and control structure with nodes at the Central Military Commission and theater levels that will coordinate China's responses to regional crises and conduct preparations for wartime operations.[12]

These reforms emphasize Xi's increased control of the military and the reinvigoration of CCP organs within the military. Their scope indicates that Xi has more influence over the PLA than any recent predecessor. One benefit of this restructure to the Sino-American relationship is that the PLA more in line with U.S. forces, making productive U.S.–China military talks more plausible and "ensur[ing] that U.S. and Chinese forces can communicate effectively during a crisis."[13]

The Influence of Past Wars

The Chinese military thoroughly studies historical wars to glean enduring insights, and Beijing's thinking on military policy has been directly informed by these assessments. Among the conflicts that have influenced the development of China's nuclear policies, three wars stand out as particularly salient.

The first and perhaps most under-analyzed is World War I.[14] Despite China's support of the allies, it came out a loser in the peace settlement. Woodrow Wilson and European leaders failed to recognize China's contributions and awarded the Shandong province to the Japanese, who had previously coerced China into a treaty that ceded the territory. China had gone to the Paris Peace Conference looking for a favorable resolution after having provided aid, but left without signing the Treaty of Versailles. This betrayal reinforced China's deep misgivings about Western ambition and imperialism.

The Korean War gave China confidence in its ability to stand up to the United States military. It also raised major questions about how to contend with U.S. nuclear blackmail. Concern that the United States would use tactical nuclear weapons became a major factor in China's decision to develop a nuclear arsenal, as detailed below.

The Gulf War of 1990–1991 played a central role in refocusing the PLA onto local wars with high-technology weaponry in an "informationized" environment. The PLA studied the American use of new technologies. U.S. conventional weapon systems were clearly superior to those of the numerically superior Iraqi forces; this was alarming to China, as Iraqi capabilities were comparable to, perhaps better than, China's at the time. The strategic value of a numerically superior force, a principle developed in the *Art of War*, was validated to great effect in the Korean and Chinese civil wars.

Alarmed at America's continuing military dominance over numerically superior adversaries, Chinese military planners have updated their technology and doctrine. Some Chinese strategists raise the caveat, however, that the Iraqi case is not a perfect parallel, because the threat of nuclear attack loomed over a non-nuclear Iraq, which would not be the case in a conflict with China, which could respond in kind. Despite already possessing nuclear weapons, the Chinese military saw the Gulf War as a call to improve its military and technological capabilities.[15]

Another galvanizing experience for Chinese military planners was the accidental May 1999 bombing of the Chinese embassy in Belgrade by the United States. The Central Intelligence Agency (CIA) quickly claimed that it had inadvertently provided the wrong coordinates, but China rejected this narrative and labeled the strike a "barbaric attack, a gross violation of Chinese sovereignty."[16] President Clinton publicly apologized, but the broadcast of his speech was delayed several days

by Chinese media, which intensified protests and demonstrations in China. The Chinese government stoked the fires of anti-Americanism, which had waned since the pro-democracy Tiananmen Square protests of 1989. The CPC's ability to manipulate media and convince the people that the bombing was deliberate transformed a disaster into an opportunity and demonstrated the vast power of China's information warfare. NATO's military intervention in Kosovo was also deeply alarming to China, signaling the willingness of a superior military coalition to operate outside the United Nations framework to advance an ideological agenda. Belgrade was the turning point that led China to develop asymmetric capabilities to fight the United States, as sentiment and resources favored the CPC against the West.[17]

These experiences have culminated in an accelerated drive towards military modernization in China—with a particular focus on fighting and winning the wars that a high-tech, power-projecting adversary might bring on, and especially as might involve Chinese sovereignty (e.g., the Taiwan issue).

China's Thinking About (Limited) Nuclear War

In limited war, a conflict is prosecuted for limited objectives, without all the capabilities that could be used in unrestricted warfare. Conflicts where both sides are nuclear capable but choose to withhold these forces can be defined as limited. The PRC has been involved in several skirmishes with other nuclear powers, each of which has shaped Chinese thought about the value and use of nuclear weapons.

Overall, it is probably safe to say that its wartime experiences have had limited effect on China's nuclear strategy. As one analyst asserts,

> Unlike conventional strategy, China's nuclear strategy has remained constant, keyed to achieving assured retaliation through the development of a secure second strike. Nuclear strategy has remained constant because it is the one area of China's defense policy that the CCP has never delegated to top military officers. Instead, party leaders, along with civilian scientists and weapons designers, have played a central role in the formulation of China's nuclear strategy.[18]

The Korean war gave China its first significant taste of military conflict under the nuclear shadow. That shadow was cast by Washington, which implied a readiness to use nuclear weapons to induce Chinese restraint. This experience, coupled with their declared ideological resistance to "imperialism," made the Chinese wary of coercing others by means of nuclear threats and led directly to the adoption of a nuclear no-first-use (NFU) declaratory policy.[19] Upon testing its first nuclear device, the PRC stated that the weapon was intended for combating the "U.S. imperialist policy of nuclear blackmail and nuclear threats." When nonaligned nations protested the PRC's new weapons, Beijing asserted that China was different from other nuclear powers, seeking only to protect itself from bullying and aggressive nuclear-armed states.[20] The PRC promised never to threaten non-nuclear states with its nuclear capability or be the first to deploy nuclear weapons. Chinese scholars argue that despite rising security challenges, Chinese nuclear strategy has remained consistent and stable.[21]

The Vietnam war provides a view of China's nuclear strategy. As the United States was drawn into the conflict between southern anti-Communist forces and northern Communist forces allied with the Viet Cong, China grew wary. China supported North Vietnam and was prepared to join the fray in the event of U.S. invasion, both to defend the regime in Hanoi and preclude incursion into China. It also prepared for large-scale nuclear war, which it thought the United States might initiate. The U.S. did discuss nuclear use, but ultimately refrained from direct nuclear threats, both to strengthen taboos against nuclear use and as a result of leadership uncertainty that victory could be achieved.[22] Zhou Enlai, the PRC premier, asserted that China would not provoke war with the United States, but would aid any state opposing U.S. aggression.[23] Zhou further warned that should the United States "impose war on China, including the use of nuclear weapons, the Chinese would not limit their response."[24] To bolster its credibility and deter American expansion of the conflict, China deployed troops in North Vietnam and conducted air operations along the China–Vietnam border. These measures appeared to have succeeded. Concerned about the potential for uncontrolled escalation, President Johnson pursued policies that kept the war restrained. China pulled its troops after North Vietnam agreed to start negotiations with the United States in 1969.

A more direct clash with potential nuclear consequences occurred

on the Sino–Russian border during the same period. Over the preceding 15 years, Sino–Soviet relations had been deteriorating. In 1969, the regimes came to blows over territories still in dispute after the 1860 Treaty of Peking.[25] In March 1969, Chinese troops attacked Zhenbao Island, killing Soviet border guards "to deter future Soviet provocations."[26] Moscow perceived the attack as evidence of an increasingly radical and antagonistic regime, and retaliated. After a series of skirmishes, Russia threatened nuclear strikes against Chinese nuclear facilities unless negotiations and a peaceful settlement were reached. China initially dismissed these threats, but after the United States publicized Soviet inquiries as to potential international reactions in case of nuclear strike, Beijing quickly changed course and agreed to negotiations.

While the Soviet Union succeeded in using nuclear compellence against the newly-nuclear PRC, this case illuminates the danger of miscalculation and inadvertent escalation. Soviet actions led China to place its small nuclear force on full alert. Nuclear threats were not considered when China first initiated the Zhenbao action, and were not considered credible until verified by the United States. Beijing's sudden swerve suggests the dramatic steps that political leaders may take to protect core interests, as well as its anxiety to prevent inadvertent escalation.

A final influential conflict in reinforcing, if not changing, the development of China's nuclear strategy is the third Taiwan Strait crisis of 1995–1996. In this conflict, Chinese missile tests targeted areas approximately 90 miles off the coast of Taiwan in response to a perceived affirmation of ROC independence. Tensions had been high, owing to increased U.S. arms sales to Taiwan in the previous few years, but the catalyst for escalation was a visit by the Taiwanese president to the United States in June 1995. The missile tests were a calculated escalation on the part of Beijing, clearly signaling to Taiwan and the United States that it would fight to preserve the one-China principle.

The somewhat-muted U.S. response was read in Beijing as a sign of indifference. China judged that a stronger show of force was needed. In March 1996, China conducted further military exercises and missile tests less than fifty miles from Taiwan, coinciding with the run-up to ROC elections. The 1996 incident was preceded by months of belligerent Chinese rhetoric, and U.S. leaders grew concerned about the potential for uncontrolled escalation and grave regional implications.

In response, the United States deployed two carrier groups to

the region. Officials recognized that China had no intention of actually launching an invasion of Taiwan, but did believe that China was attempting to influence the coming election.[27] The United States felt that it needed to assert credibility and demonstrate commitment in the region, including its extended deterrence commitments to Japan and South Korea. Beyond sending carrier groups, the United States performed no further military signaling. It is argued that this conflict was an act of deterrence theater, based on a strategy for winning without fighting and outwitting the opponent through deception and ruse. Actions during this crisis were belligerent, but Beijing had no apparent intention of escalating to actual conflict.[28]

Both parties gained from the exchange. The United States confirmed its commitment to security guarantees with its allies, and China acted out its objections to warmer U.S.–Taiwan relationship that disregarded Chinese preferences. After the crisis, the United States became more sensitive to Chinese concerns regarding U.S.–Taiwan relations, with the United States allowing only transit visas to ROC officials and limiting the time and activities that leaders were allowed in country. Also, "when Taiwan's leaders traveled to Washington in late March 1996 to purchase arms, the Clinton administration would not agree to the sales."[29] In subsequent years, the Clinton administration affirmed that it did not support an independent Taiwan, and the 1997 Clinton administration's nominee for assistant secretary of state for East Asian and Pacific affairs publicly recognized that the decision to grant ROC president Lee Teng-hui a visa in 1995 was a "serious mistake."[30]

But the crisis also led to aggravated tension. The refocus of attention on the Taiwan issue brought an increase in post-crisis U.S. defense planning for Taiwan contingencies, as the ongoing volatility of the question became apparent. Beijing embraced anti-access/area denial (A2/AD) capabilities to counter U.S. power projection, in the context of a doctrinal approach emphasizing "limited war under high-technology conditions" and regional war under conditions of nuclear deterrence. This approach emphasizes preemptive action or active defense, "as the key battle is the first."[31] Furthermore, the perceived humiliation and "meddling" of the United States in a Chinese sovereignty issue provided a justification for PRC naval and marine expansion. The crisis also cemented Chinese nationalist emotions on the issue of Taiwan.

The two nuclear powers kept a tense situation from escalating, despite shows of force from both sides. There was still a danger of miscalculation and miscommunication, however, which had to be managed in future crises, especially as pertained to volatile nationalist issues.

Additional Context for Understanding China's Nuclear Strategy

The PRC has historically maintained a limited nuclear arsenal, enacted various policies on nonproliferation, and often disagreed with U.S. nuclear and nonproliferation interests and strategies. While its arsenal is relatively small, it is flexible and potentially advantageous in limited regional conflict. As China integrates further into the international community, it applies and modifies the Sun Tzu doctrines of psychological domination and opaque strategy.

Western attempts to analyze China's nuclear strategy must begin with an appreciation of the alternative ways China uses some common terms. These difference are "rooted in philosophical, historical, and cultural contexts and cannot be clarified simply by translating one side's words into the language of the other."[32] For example, the Chinese language does not distinguish between deterrence and compellence, as English does. In English, deterrence maintains a status quo and compellence shifts a situation to the compeller's advantage by coercion. Deterrence in Chinese is *weishe* which translates to "use awesomeness, or latent power, to terrorize."[33] Compellence is encompassed in this concept (as is coercion), and compellence and deterrence are rungs of the same escalation ladder.[34] As another example, *anquan* translates to "avoidance of damage from any cause." In English, by contrast, damage avoidance is doctrinally divided into intentional damage by humans (e.g., security issues) or unintentionally damage from accidents (e.g., safety concerns).

Understanding the perceived meanings behind these and other strategic terms is crucial in working with China, as misunderstandings may have grievous unintended consequences.

These linguistic differences are but one indication that differences in the strategic cultures of China and the West may be very deep. But a counter argument asserts that Chinese strategic culture is more like Western than many analysts assume.[35] Since the Cold

War, China has been working to improve its position in international relations by avoiding confrontation, building comprehensive national power, and advancing carefully and incrementally. At the same time, it has developed economic interdependence and shared interests via increased trade and investment, a strategy strikingly similar to the post–WWII American strategy of openness that led to the Bretton Woods institutions (the World Bank and International Monetary Fund). Where U.S. policy sought to achieve peace through both economic interdependence and democratic peace, however—the pursuit of global peace through common democracy—Chinese strategic culture seeks to separate the two "liberal" concepts and pursue economic peace only.[36]

Additionally, China continues to emphasize psychological over material power. "When Chinese planners conclude that their opponent is gaining unacceptable advantage and that the strategic trend is turning against them, they respond by seeking to undermine the enemy's confidence and allow China to reclaim the psychological, if not material, upper hand."[37] In international relations, for example, it has been noted that America has allies, while China has clients.

China's thinking about the relationship between defense and offense in military strategy is a key point. As Andrew Scobell observes, the Chinese "cult of defense" expresses the culture's tendency to be both defensive and offensive, pursuing offensive alternatives as a primary course of action "while rationalizing these actions as being purely defensive and last resort."[38] This has caused tension historically between the United States and China; Americans view certain actions as offensive, while China insists that they are defensive, creating a security dilemma.

The different ways in which China and the West regard threats also influence how they make defense policy. As Li Bin has argued, Americans tends to define threats as external in nature, whereas the Chinese define threats as blending external and internal factors. For this reason, Beijing worries about lagging technologically behind other powers. Li Bin argues that transparency of intentions is more important than transparency of capabilities for the Chinese, who see strategic stability as a product of political trust and respect. The U.S. understanding of strategic stability focuses on transparent capabilities, while China leans on ambiguity and uncertainty to guarantee security.[39]

The Nuclear Issue in China's Defense White Papers

Since 2008, China has issued four DWPs.[40] At the heart of each is what Robert Jervis describes as the security dilemma—namely, that increasing one's military strength may weaken one's security, because other countries will react to the increased strength as to a threat.[41] U.S. efforts to strengthen its deterrence and defense postures in changing security environments are seen in China as threatening. Similarly, Chinese efforts to strengthen its military posture generate concern among U.S. defense planners. China has tried to modernize its military forces in a manner that does not excite "China threat" concerns in the United States, with the hope of avoiding an action–reaction cycle as the two states pursue military modernization.

Several common topics are found in recent Chinese DWPs. First is the increase in international competition, hotspot issues, and threats of local war, especially with growing U.S. interest and intervention in the Asia–Pacific region. Another common theme is the need for military integration. While discussion has morphed and expanded through the years, the Chinese have continued to focus much attention on integrating military operations and capabilities. In 2008, there was talk of "integrated joint operations as the basic approach" to modern warfare and emphasis on integrated "informationization" operations to support all areas of the PLA. 2010 saw greater focus on achieving integrated mechanization and informationization and determining their effect on joint operations. In 2013, there was increased emphasis on an integrated air-defense system and discussion about current integration of China's nuclear forces, noting that "[The PLA second-artillery force] has formed a complete system for combat readiness and set up an integrated, functional, agile and efficient operational duty system to ensure rapid and effective responses to war threats and emergencies." The 2015 DWP presented the broadest concept of integration, with emphasis on integrated strategic tactics that use all operational systems, including "information dominance, precision strikes, and joint operations," and working towards a "seamlessly linked" joint operational system. A summary of the evolution of key issues throughout the DWPs is given in Table 1.

China's nuclear modernization appears to be driven by a desire for credible nuclear retaliation with a "lean and effective force" rather than

quantitative parity with the United States and Russia or a position of quantitative regional preeminence, like that of Russia in Europe. Beijing appears satisfied with a deterrence posture that is credibly capable, even if struck preemptively, of delivering a few nuclear weapons onto U.S. targets. Beijing also puts great stock in opacity rather than transparency about the technical attributes of its forces. The 2013 SMS states that "moderate ambiguity in nuclear deterrence issues damages an adversary's decision-making ability by making them guess at both China's strength and timing, thereby elevating the deterrent effectiveness of China's limited nuclear forces."[42] The SMS argues that China should maintain a tailored but adaptable nuclear approach that has "a plan for each nation, a plan for each event, and a plan for each circumstance."[43] Whether this can be achieved is in doubt.

	2008	2010	2013	2015
Nuclear Posture	NFU, not targeted, not on alert, anti-arms race	NFU, not targeted, not on alert, anti-arms race	"appropriate level of readiness"	NFU, not targeted, not on alert, anti-arms race, minimum deterrent, modernization
Nuclear Disarmament	Advocating Russia and U.S. lead in this area; global test ban	Advocating Russia and U.S. lead in this area; global test ban	Not included	Not included
Military Posture	Active defense, "information-ization"	Same as previous; "five principles of peaceful coexistence," greater information-ization	Same as previous; ability to win local wars, maintain sovereignty	Same as previous
Space/ Cyber	Barely mentioned	Barely mentioned	Greater emphasis	Cooperation, threats, modernization

Table 1. Key Markers in China's Defense White Papers.

China's Nuclear Forces, Modernization, and Strategy

At the end of 2015, responsibility for nuclear forces shifted from the PLA second artillery to the newly created PLA rocket force (PLARF) and PLA strategic-support force. "The rocket force will have equal status alongside China's army, navy, and air force."[44]

As of 2017, China has 75–100 intercontinental ballistic missiles (ICBMs), 48 sea-launched ballistic missiles (SLBMs), and nuclear-capable bombers (which may not be armed with nuclear weapons), according to the DOD annual report on China's military power.[45] The Defense Intelligence Agency (DIA) estimates that China has a nuclear-warheads arsenal in the low hundreds.[46] China has upgraded its medium-range, road-mobile ballistic missile with the introduction of a new intermediate-range, road-mobile missile capable of precision strikes (the DF-26). Its land-based nuclear missiles consist of the "silo-based CSS-4 Mod 2 (DF-5A) and Mod 3(DF-5B); the solid-fueled, road-mobile CSS-10 Mod 1 and Mod 2 (DF-31 and DF-31A); and the more-limited-range CSS-3 (DF-4). This force is complemented by road-mobile, solid-fueled CSS-5 (DF-21) MRBMs for regional deterrence missions."[47] The DOD reports that the DF-31A can reach most areas within the continental United States (CONUS). China has four Jin-class ballistic-missile submarines (SSBNs) that can carry up to twelve SLBMs each, with more SSBNs underway. It is unclear whether China has built and deployed nuclear cruise missiles.

China's modernization program flows from high-level political commitment, reflected in the DWPs, to a lean and effective nuclear deterrent. But modernization does not fully account for the changes to China's nuclear force as it moves forward. It is becoming more diverse; the original land-based force of ICBMs is now joined by a sea-based leg (and perhaps an air-delivered component in the future). It is becoming larger as the number of delivery systems increases and more capable of penetrating missile defenses as advanced penetration aids are developed and deployed. The lethal threat to U.S. allies has grown with the multiplication of theater-range, nuclear-capable delivery systems in recent years.

China is also building up its force of conventional missiles capable of threatening U.S. forces, bases, and allies in the region.[48] And if the United States were to develop systems that are now interdicted by the

Intermediate-Range Nuclear Forces Treaty (INF), the Chinese response might be to develop additional capabilities.[49]

Besides these familiar kinds of weapons, China is developing information, cyberspace, communications, and electronic warfare capabilities. The PLARF is also examining hypersonic and other countermeasures to thwart existing and future U.S. BMD systems.[50]

The size and scale of China's future nuclear force is a matter of uncertainty and debate. China has released no information about the number or types of its nuclear forces; all information available derives from U.S.-government sources. Over the past decade, China's transparency as to its nuclear modernization have improved only marginally, even as its transparency practices on policy and strategy have considerably improved—at least, insofar as they more closely align with the transparency practices of other nuclear-weapon states.

Many factors drive China's nuclear-force modernization. One is the need to replace aging systems. China's first generation was based on technologies available in the 1960s and 1970s—newer systems are, of course, preferable. Another factor is the desire to ensure that China is capable of employing nuclear weapons in local wars featuring the high-tech and informationized conditions that China anticipates in the region. In contemplating such wars, China faces at least two nuclear actors (Russia and India) and at least one with an externally provided umbrella (Japan).

A third factor is the need of China's leaders to feel confident in their nuclear deterrence despite whatever developments may be achieved by the United States. The Chinese worry especially about America's combined non-nuclear strike capabilities and missile defenses;[51] some Chinese analysts warn of a significant decrease in the survival odds for China's nuclear second-strike capability. China is also concerned about U.S. regional missile defense in a potential Taiwan crisis and sees the planned terminal high-altitude area-defense (THAAD) system in South Korea as troubling, largely because the associated radar may be capable of monitoring China's missile tests.[52] Other Chinese fears include possible regional missile-defense developments that integrate U.S. and allied capabilities and support broader military cooperation, along with U.S. homeland defenses against precisely the kind of limited retaliatory strike that China might inflict if struck preemptively.

In the Chinese view, developments in U.S. defense and offense

would destroy the credibility of China's deterrent and thus open China to 1950s-style nuclear bullying. There is a perceived incentive for the United States to strike China's nuclear forces by conventional means and rely on missile defenses to thwart retaliation by nuclear-armed missiles. Many Chinese analysts and policy makers believe the United States seeks absolute security and dominance. As one non-Chinese expert observes, "prompt global strike is fast becoming a platform that many Chinese analysts anticipate to be more pervasive and threatening than a nuclear one."[53] China rejects protestations from Washington that developments in the U.S. strategic posture are aimed not at China, but at regional challengers such as North Korea and Iran. Chinese security officials perceive all changes in U.S. military strategy and posture as steps in the encirclement and containment of China.

In such a context, it is easy to predict continuing growth in the quantity and quality of China's nuclear forces. New missiles with a multiple, independently-targeted reentry vehicles (the DF-5B) are coming online for silo-based ballistic missiles. China tested a follow-on road-mobile ICBM with the potential for MIRV capability (the DF-41) in 2015 and plans a next-generation SSBN and follow-on SLBM. China is also developing a new strategic bomber to replace the H-6; there is debate in the U.S. as to whether this project in intended to recapitalize China's retired nuclear air capability.[54] In the 2018 Nuclear Posture Review (NPR), the Trump administration argues that the H-6 does in fact give China a nuclear triad, although there is no apparent confirmation that nuclear weapons have been developed for this system.[55]

It is difficult to predict specific nuclear numbers, however. Historically, Chinese nuclear strategy has centered on NFU and deterrence—specifically, minimum deterrence. Jeffrey Lewis notes that "Chinese leaders have viewed deterrence as arising more from the possession of equivalent nuclear capabilities than from the numerical calculations of exchange ratios," unlike Western strategies based on targeting and damage limitation.[56] Lewis contends, therefore, that the PRC seeks to achieve deterrence by maintaining "minimum means of reprisal" or assured retaliation, whereas the "punishment" retaliation could inflict unacceptable levels of damage on an adversary.[57]

The concept of limited deterrence—the ability to inflict damage at various stages of escalation—has also appeared in Chinese strategic thinking, especially since the late 1980s and early 1990s. While China's

nuclear and BMD capabilities are not quite at the stage where limited deterrence is credible in every situation, some Westerners believe that China is working toward limited deterrence and beyond.[58] China can use its arsenal in "limited and tailored ways," which makes threats more credible—although RAND analysts argue that China has the advantage only in a non-nuclear, limited regional conflict.[59] Even with improved A2/AD capabilities, China cannot expect to prevail in a long-term war in which the United States brings all its resources to bear. At best, it can hope for quick victory through a fait accompli and then deter U.S. efforts at reversal. Given U.S. military advantages, it makes sense for China to do everything it can to leverage advantages. But Beijing tends to believe that conflict should be avoided if victory can be grasped in other ways, such as economic and information warfare.

It seems unlikely that China will dramatically increase the quantity of its nuclear weapons or delivery systems. Beijing stresses that China is not interested in an arms race and continues to implore the United States to refrain from a "Cold War mindset."[60] China has shown consistent and dramatic growth in technological quality, however, which will likely find application in a more sophisticated and lethal force. Depending on the actions of the U.S. and other competitors, China may enact dramatic changes, the most likely being reinstatement of a fully-formed, modern air capability to form a nuclear triad. Depending on U.S. leadership in the future, these changes might be perceived as initiating an arms competition, though Beijing's primary motivation might be to keep up with U.S. and Russian capabilities.

Overall, the scale and pace of China's nuclear modernization are impressive. The scale applies to all legs of its triad, and the pace of new systems is frequent. The result may look less lean than the old nuclear force, but they will certainly be more effective as the threat of retaliation becomes credible in a wider range of circumstances, including the highly unlikely event of a U.S. first strike. Credibility, in turn, equates to confidence in the deterrent.

From the Chinese perspective, such confidence is highly prized. For the U.S., Chinese confidence spells deep ambivalence. On one hand, it is essential in a stable strategic balance. If Beijing is not confident in its deterrent, it may adopt alternative forms of military competition that would be even more vexatious. On the other, China may become confident enough to risk escalation in a mounting political–military con-

frontation and perhaps prevent the United States from applying countermeasures. As one analyst argues, "a more sophisticated force will give China better options for how it might seek to use these weapons not only, as in the past, as a desperate last resort, but also to deter U.S. escalation of a conflict, escalation the United States might need to resort to if it is to prevail."[61] The 2018 NPR envisions this scenario and explicitly states that the United States is developing a tailored preventive strategy, including "increasing the range of graduated nuclear response options available to the president."[62]

Integrated Strategic Deterrence

China's DWPs indicate a broadening perspective on the means and ends of deterrence. As regards means, China is diversifying its military capabilities in various ways. As to ends, China describes a very narrow, specific role for its nuclear weapons (namely, in deterring nuclear attacks) while seeking broad benefits over all military domains by identifying and exploiting U.S. vulnerabilities in each. Accordingly, China's view of comprehensive national power has come to include military and non-military capabilities in space, cyberspace, economics, information, science, and technology, as well as in politics and diplomacy. All these capabilities are deemed strategically important, on the tenet that "what the enemy fears is what we develop."[63] A few technologies are of special importance, however: the suite of capabilities known as anti-access/area denial (A2/AD), space and counter-space capabilities, cyberspace defense and offense, and ballistic-missile defenses.

A central PLA problem is denying the United States easy military access to the East Asian region, where it may operate unchallenged and present a danger to China. Over the 1990s and 2000s, China began assembling technologies and weapon systems in support of an A2/AD strategy, fielding a suite of capabilities "to dissuade, deter, or if ordered, defeat possible third-party intervention during a large-scale, theater campaign."[64] These capabilities include information and cyber operations, long-range precision strikes, BMD, surface and undersea operations, space and air operations, and an integrated air-defense system—essentially all Chinese military capabilities that can counter regional U.S. forces. While Chinese declaratory policy is vague as to whether nuclear capabilities are part of its A2/AD strategies, nuclear

weapons might have a role in deterring regional intrusion, despite the NFU doctrine.

Space is specifically recognized by China as a domain of military competition. China has prioritized space and counter-space capabilities as part of an integrated strategic policy and may have the most robust developmental program in the world. Chinese military authorities believe that militarizing space is critical to protecting current space assets, advancing scientific and technological development, expanding state interests, and winning informationized wars.[65] The Chinese view the United States as pursuing absolute security in space, and space domination as a main objective of U.S. policy.[66] Thus China has developed a comprehensive space deterrence capability by selectively promoting and revealing its space technology and capabilities—using a risk-management (hedging) approach that reduces the adversary's expectations of space weaponization—and increasing the difficulty and cost of a comparable adversarial response.[67]

China's space policy also reflects a desire for recognition as a great power.[68] Over the last decade, the Chinese have been modernizing satellite-communication, navigation, intelligence, surveillance, reconnaissance, space-exploration, launch-vehicle, C2, and anti-satellite (ASAT) systems.[69] China also plans a manned lunar landing, which would confer enormous international prestige.

Much of China's activity in space centers on satellite capabilities and ASAT, which it deems central to modern warfare—part of the "world revolution in military affairs." In 2007, a Chinese ASAT weapon destroyed a Chinese weather satellite, creating debris that still causes navigation problems.[70] The United States maintains that China subsequently conducted other ASAT tests—in 2010, 2013, and 2014—but these might also be ABM tests.[71] China denies conducting a "nondestructive" ASAT test in 2014.[72]

Beyond developing ASAT capabilities, Chinese has stepped up satellite deployment, which is now second only to that of the United States.[73] China launched the Beidou navigation-satellite system and space-surveillance satellites that can monitor objects around the globe as an alternative to the U.S.-created global-positioning system (GPS).[74] China was the first to launch and successfully test a quantum satellite in August 2016.[75] Quantum-satellite communication uses protons to transmit information in a secure, uncrackable way to create commu-

nication that is invulnerable to eavesdropping and de-encryption. This could pave the way for a quantum internet, in which the digital age is supplanted by a quantum age that functions on a secure internet. China prioritized quantum technology in its recent five-year plan for economic development, as an emerging technology with revolutionary potential and is rushing to be the leading innovator and first to market.[76]

Chinese space assets are intended to fortify a complete suite of monitoring and warning systems that assure nuclear second-strike capability. As capabilities grow, however, so do vulnerabilities. Chinese white papers de-emphasize the peaceful intentions of Beijing's space policy and decry the weaponization of space.[77] In 2008, China and Russia advocated an international treaty to prevent an arms race in outer space. While the government's stance is officially defensive and solely aimed at deterrence, China's actual policy and capabilities suggest an offensive intent as well. China is developing directed-energy weapons and satellite jammers. The inherent dual-use nature of space technology has moved Congress to impose significant constraints on U.S. entities seeking to cooperate with Chinese entities in developing space launch and other space-related technologies.

Chinese scientists may not board the International Space Station or collaborate on many multilateral research initiatives. Proponents of the collaboration ban argue that working with an adversary carries significant risks and few benefits,[78] citing technological export-control breaches and cases of Beijing-sponsored intellectual espionage. Nevertheless, the Chinese space program is sprinting ahead, with the first landing on the far side of the moon scheduled for late 2018. China's first Mars probe is planned for 2020.[79] The Chinese space program commands international attention and the European Space Agency increasingly cooperates with China on space advancements and scientific exchange. The space domain is an opportunity for collaboration and possible arms-control initiatives, but America's intention of conserving its advantages in space technology for intelligence and other purposes severely limits U.S. support for such measures.

Cyberspace policy is an area of growing Sino–American tension. China is integrating cyberspace into its overall deterrence strategy, and cybersecurity, information operations, and information warfare are employed as critical tools in assuring its national security, domestically and internationally. Cyber attacks against American business and defense

networks to steal intellectual property and advanced-weapon-systems designs have been abundant. Former National Security Agency director General Keith Alexander described these activities as "the greatest transfer of wealth in history."[80] In 2014, five PLA members were accused by the federal government of hacking into major U.S. corporations;[81] yet in a 2015 DWP, China declared itself "one of the major victims of hacker attacks." Publicity for sophisticated U.S. cyber weapons such as the malicious Stuxnet worm, has increased Chinese fears of vulnerability and technological lag, spurring efforts to pursue safe quantum technologies.[82] In 2015, an initiative to promote bilateral cooperation on cyberspace engagement was drafted by Presidents Obama and Xi, with negligible progress to date.[83]

The PLA has written extensively about the benefits of information and offensive cyber operations that target an adversary's command, control, and communications (C3) infrastructure.[84] This is a demanding task, but not impossible.[85] A C3 system is "the heart of information collection, control, and application on the battlefield. It is also the nerve center of the entire battlefield."[86] Chinese military reports discuss informationized warfare as an asymmetrical way to weaken an adversary's ability to acquire, transmit, process, and use information in time of war and force capitulation by destroying C3 and logistics networks early in a conflict.[87] China's integrated command platform would deny the adversary the information required to conduct electronic warfare, operate in cyberspace, use deception, and apply counter space capabilities.

Beijing apparently still views China's cyber-warfare capabilities as inferior or inadequate and is modernizing and expanding on multiple fronts to assure military effectiveness. One major front is computing. China is leading innovation in supercomputing; Chinese commercial supercomputers placed first and second in a recent German competition, pushing the United States aside.[88] U.S. companies still lead in quantum computing that uses "qubits" to resolve complex algorithms and encryption, but China has made surpassing the United States a priority.[89]

Another aspect of Chinese cyberspace strategy is to move beyond informationization toward "intelligentization" by advancing artificial intelligence (AI),[90] including big-data, human–machine hybrids, swarm intelligence, and automated decision making. The state council goal is that China become a global innovative center for AI by 2030, and AI is emphasized in the recent five-year economic plan.[91]

By becoming the industry leader and first to market with new technology, China intends to increase its economic clout and gain the push needed to move from heavy industry to pioneering information technology. A Price Waterhouse Coopers study concludes that AI-related growth will boost global GDP by $16 trillion, with China claiming half, owing to its market advantage.[92] China is publishing more journal articles on deep learning, has access to significantly more data, and employs over 40 percent of the world's trained AI scientists, according to estimates.[93] China's ability to quickly adapt civilian technology to military purposes makes its market leadership significant in U.S. security calculations. New advances in unmanned systems—aerial vehicles, undersea vehicles, and surface vessels—could have significant implications for China's ability to maintain sea control in the event of a crisis.

A final technical domain that China is exploring for potential deterrence benefits is ballistic-missile defense. Interest in BMD dates back to 1955 and increased in the 1970s, with special interest in USSR countermeasures.[94] In 2010, China entered the arena by conducting an anti- ballistic missile (ABM) test that demonstrated competency and technological parity. A second test in 2013 used a ground-based missile to intercept a mid-course ballistic missile, a major advance in capability.[95]

Chinese missile defense is steadily improving. The DOD cites the following developments:[96]

- "In July 2016, Chinese official media confirmed China's intent to go forward with mid-course missile defense capabilities of both land and sea assets, reflecting work on BMD dating back several decades."

- The HQ-19 interceptor is being tested "to intercept 3,000 km-ranged ballistic missiles."

- "New indigenous radars, the JL-1A and JY-27A, are designed to address the ballistic missile threat; the JL-1A is advertised as capable of the precision tracking of multiple ballistic missiles."

- China's current domestic surface-to-air missile (SAM), the CSA-9, "provide[s] point defense against tactical ballistic missiles with ranges up to 500 km."

- China's SAM system consists "of a combination of Russian-sourced SA-20 (S-300PMU1/2) battalions and domestically produced CSA-9 battalions. The Russian-made S-400/Triumf SAM systems slated for China may be delivered before 2020. China will use the system as a follow-on to the SA-20 and CSA-9 to improve strategic long-range air defenses."

Conclusion

China's grand and regional strategies require a modern military. Modernization has received sustained support and growing resources for decades, and the Chinese military has done its conceptual homework in developing a strategy for deterring and defeating the United States and its allies in potential wars involving U.S. power projection. China has also been effective in its acquisition work, in terms of developing and deploying the capabilities that enable new doctrinal approaches. The PLA's general-purpose forces—army, navy, and air force—are modern and capable, though their effective joint operation in war is untested and doubtful. China's strategic forces, including its nuclear deterrent and military capabilities in outer space, cyberspace, net-centric warfare, and missile defense, are at least as modern and capable, and continue to improve.

The contrast between China's major investment in new capabilities and very limited investment in new strategic thought must be noted. Beijing's pursuit of new strategic advantages seems unguided by any concept of strategic stability. Its thinking about the requirements of nuclear deterrence is guided by an understanding of the (presumed) stabilizing benefits of mutual nuclear vulnerability among major powers. Its objections to U.S. precision-strike capabilities, combined with missile defenses, are rooted in the potential destabilizing consequences of their possible future deployment. China has a broad view of strategic stability, drawn from its historic view of stability as a defining attribute of a harmonious concert of power in a multipolar system and

informed by the roots of its strategic culture in Sun Tzu. But there is little evidence that this or any other thinking about strategic stability has informed China's strategy for military competition in new domains and new technologies. This reinforces a concern that a regional strategy of expansion without conflict, based on military modernization of the kind China is pursuing and in the absence of substantive strategic dialogue with the United States, could lead to conflicts and escalation that China neither anticipates nor desires.

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Potential China–U.S. Military Flashpoints

The preceding analysis highlights the contrast between a regional strategy that seeks to avoid war and a military modernization effort that increases the risk of war. Under this tension, a flashpoint may ignite, bringing China and the United States to the brink of an unexpected and undesired conflict from which neither could easily back down. We now examine three important potential flashpoints in the bilateral relationship. Because their likelihood and severity are difficult to predict, especially if they were to reach the strategic level of war, they are not ranked.

Potential Flashpoint #1: The Korean Peninsula

Since the eruption of conflict on the Korean peninsula in the 1940s, China and the United States have backed opposing sides while sharing responsibility on the U.N. Security Council for police action (which still continues), the protection of the Republic of Korea, and achieving an enduring peace. The resurgence of war on the peninsula would carry a small chance of direct armed confrontation between China and the United States. Happily, this negligible chance seems to be declining further, given changes on the peninsula and the expansion of China's interests beyond defending the North Korean regime.

Significant changes have occurred in the relationships among the DPRK, China, and the United States since 2012. Kim Jong-un was declared supreme leader of North Korea in December 2011; in 2012, Xi Jinping became general secretary of China and Barack Obama started a second term. The Obama administration approached the DPRK issue

with what was called "strategic patience." This policy was based on a desire to break the now-evident cycle of 'build, bargain, pause' by which North Korea offered the United States again and again the same deal, with every new bargain resulting in only a pause along its pathway to nuclear weapons. Obama sought to pressure Pyongyang through arms interdictions, sanctions, and a change in Beijing diplomacy, with the hope that it would eventually relinquish its nuclear-weapons program in exchange for normal relations, sanctions relief, and aid. Critics of Obama's policy argued that a strategy of limited diplomacy gave North Korea the space necessary to develop its weapons without hindrance and slowly grow its economy.[1]

From the Chinese perspective, several elements of Obama's strategy were aimed at China and ran counter to Chinese strategic interests. First, strategic patience required that the DPRK meet preconditions, including denuclearization, before resumption of the Six-Party Talks; China preferred to see the talks resume without precondition. Second, strategic patience put a spotlight on the ways in which China's sanctions on the DPRK were not fully and effectively implemented, or otherwise fell short of expectations in Washington. Third, while Obama's strategy avoided overt displays of militarism or brinkmanship, it went beyond sanctions and limited diplomacy to rely on other coercive and security actions to pressure North Korea into compliance. These included the deployment of the THAAD system in South Korea and cyber attacks against DPRK missiles.[2]

The relationship between China and North Korea is more complex than a simply patron and client, and trust between the DPRK and China is minimal.[3] The relationship has worsened under Kim Jong-un, who executed his uncle for establishing ties to China that were too close and from which he personally profited.[4] Chinese promises to rein in North Korea and reduce coal trade have resulted in DPRK accusations that China was "styling itself a big power, [and] is dancing the tune of the U.S."[5] On several occasions, North Korean diplomats ignored requests to meet Chinese diplomats.[6] Chinese public opinion has soured on North Korea, but domestic disapproval of the Kim regime is unlikely to greatly influence China's foreign policy. China has not allowed street protests against the DPRK—as it has for South Korea, Japan, and the United States. Meanwhile, South Korea has been successful in pointing out instances of DPRK aggression against China and has

riled Chinese public opinion against the regime. The Chinese government usually responds only after South Korean media expose these issues, usually preferring to cover up the extent of difficulties between the "friends." [7] The Xi administration also appears less committed to its North Korean "brothers," and North Korea is excluded from its economic initiatives. Unlike South Korea, the DPRK was denied membership in the Asia Infrastructure Investment Bank (AIIB) and excluded from the BRI while presidents Xi and Park discussed integrating the South Korean and Chinese economies by coordinating the BRI with South Korea's Eurasian initiative.[8]

On his trip to Asia in March 2017, Secretary of State Rex Tillerson stated, "the policy of strategic patience has ended." On April 6, 2017, President Trump declared, "all options are on the table" when facing North Korean provocations.[9] Contrary to previous U.S. policy that separated economic from security issues, Trump explicitly links improved U.S.–China trade relationships to China's performance in restraining North Korean nuclear and missile programs. At the start of 2017, China seemed to acquiesce to U.S. pressure to temper North Korea, but Chinese media reframed the issue as Beijing's managing belligerence from the DPRK and the U.S. both, suggesting that the United States curb joint exercises with South Korea in exchange for an end to North Korean nuclear and missile testing.

The DPRK escalated tensions dramatically with the firing of 21 missiles in fourteen tests from February to August 2017. A threatened series of missile tests near Guam in early August did not occur, but the DPRK fired a ballistic missile that traveled 1,700 miles over Hokkaido, the northernmost Japanese island, later in the month, followed by a test of what Pyongyang described as a thermonuclear device on in early September. While skepticism remains as to whether the device was in fact a hydrogen bomb, seismological data indicates a yield of at least 100 kT, four times greater than the five previous tests.[10] On November 29, 2017, the DPRK tested yet another ICBM, which experts claim can threaten most of the United States, although lacking a significant payload.[11] Experts believe the DPRK already has the miniaturization needed to fit a nuclear warhead on these ICBMs.[12]

With DPRK capabilities increasing rapidly, a "slow-moving Cuban missile crisis" has emerged.[13] The extraordinary pace of North Korea's missile and nuclear-weapons development has far exceeded Western

estimates, suggesting that Pyongyang receives external assistance, possibly from China, Russia, Iran, or Pakistan, or through espionage or black market activities in the Ukraine.[14] In response to these developments, a number of options have been considered by the White House and independent analysts. These include bilateral or multilateral negotiations, increased economic sanctions against the DPRK, economic sanctions against North Korean trading partners, decapitation strikes to effect regime change, and broader military strikes, to preempt or prevent a North Korean attack. While regime change was not the official policy of the George W. Bush or Obama administrations, many speculate that it was a goal or preferred outcome.[15] U.S. policy has vacillated among options and approaches, including diplomacy, sanctions, joint military exercises, show-of-force demonstrations, and kinetic threats. Along with the DPRK's sending representatives to the 2018 Pyeongchang Olympics (athletes, diplomats, and Kim's sister Kim Yo-jong), the state has worked on appearing open to talks with South Korea and the United States, and it was agreed that U.S.–South Korean military exercises would be postponed until after the games. Following the closing ceremonies, however, the United States announced further sanctions and North Korea responded with harsh comments.[16]

All negotiation frameworks face a fundamental stalemate: the longstanding U.S. position is that North Korea's nuclear weapons are on the negotiating table, with the ultimate aim of DPRK denuclearization, while Pyongyang believes that the DPRK is a de-facto nuclear-weapons state that the international community must recognize. The purpose of negotiation, then, is to normalize relations with the DPRK, formally end the Korean war, and reestablish economic relations. Some former officials advise that the United States alter its negotiating position to acknowledge DPRK nuclear-weapons capability as a fait accompli and deal with the North Korea that is, not that should be. Former U.S. secretary of defense William Perry stated, "North Korea today has a real nuclear weapons arsenal. That's very dangerous…Their main objective is to sustain their regime. If we can find a way of dealing with them that they can see gives them an opportunity to stay in the regime, we can get results."[17]

Would increasing economic sanctions be effective, given their ineffectiveness to date? Some claim that cutting off fuel oil, especially from China, would grind much of North Korea's military activity to a

halt, and this would give results like no other sanction package could. Pyongyang's September 2017 nuclear test intensified discussions on the potential efficacy of an oil embargo, with Japan, South Korea, and the United States pressuring China and Russia to support new sanctions. Russia condemned the test, but has dismissed the possibility of a fuel embargo as counterproductive. China faces a more complicated situation; as Beijing's frustrations with Pyongyang grow, it has demonstrated willingness to increase sanctions; but it is unlikely that China would completely sever energy exports to the DPRK, fearing a regime collapse or military response from a DPRK with nothing to lose.[18] Nevertheless, in December 2017, the UN Security Council unanimously passed a resolution cutting North Korean oil and gas supplies to a comparative trickle.[19] A suggestion by Secretary of the Treasury Mnuchin to impose an economic freeze on any state that trades with North Korea would halt all U.S.–China trade and send the global economy into a massive tailspin.

Regime change is another policy option, at least theoretically—but how this could be accomplished it is not at all clear. It would risk a massive flight of refugees into China, which might destabilize the northeastern Chinese provinces, and raise Chinese concerns about a pro-Western successor on the PRC border, a prospect totally unacceptable to Beijing. Moreover, it leave the DPRK nuclear arsenal unsecured, giving China tremendous incentive to seize control before the U.S., South Korea, or North Korean opposition groups could arrive.

This leaves various military strikes as the final set of options. On September 3, 2017, Secretary of Defense James Mattis stated that "any threat to the United States, or its territories—including Guam—or our allies will be met with a massive military response, a response both effective and overwhelming."[20] To be truly effective, a military attack would have to destroy the North Korean command, control, and early warning systems, using kinetic and cyber measures; the DPRK's anti-missile and anti-aircraft systems, to aid U.S. offensive operations; the 14,000 or more North Korean artillery tubes that threaten to destroy Seoul; all missile-launch sites capable of targeting South Korea, Japan, Guam, Hawaii, and the continental U.S.; North Korea's nuclear weapons arsenal, many of which are in unknown or mobile sites; and DPRK ports and major military-industrial targets. This undertaking would be rife with uncertainties and unlikely to deny North

Korean retaliation with potentially major destructive consequences.

Talk of a bloody-nose strike surfaced in the Trump administration in early 2018. Involving a limited attack on specific targets within the DPRK to demonstrate U.S. resolve, this strategy was met with criticism by the nominee for U.S. ambassador to South Korea, whose nomination was subsequently pulled.[21]

Of equal or greater danger would be China's response to a U.S. attack. The PRC's UN ambassador, Liu Jieyi, stated in September 2017 that Beijing "would never allow chaos and war" on the Korean peninsula. Four months after the Korean War began in 1950, China intervened against U.S. forces, feeling threatened. Some repetition of this scenario, with far more dangerous possibilities, must be considered. Graham Allison, a prominent U.S. political scientist, may be correct: like World War I, an inadvertent conflict between major powers—this time the United States and China—could produce a cataclysm of events that no one foresaw or desired. The possibility of such an catastrophe is non-negligible.

Both China and the United States prefer to prevent the Korean situation from escalating to military conflict, but the two have different perspectives on managing Pyongyang. Political and military leaders in China (as well as South Korea and Russia) are highly unlikely to support the proximal conflict that would likely result from regime change or unilateral U.S. military action. Furthermore, the DPRK is unlikely to engage in negotiations leading to eventual regime change.[22] While previous U.S. policies have taken a Sino-centric approach that relies on Chinese influence to pressure North Korea, they have often highlighted China as the keystone in North Korean's nuclear-weapons advancement. This approach tends to presume China's unilateral authority over North Korea and fails to consider DPRK perspectives toward China, or the influence of those perspectives in negotiations. Several scholars have argued that the current situation reflects diplomatic failures on the part of the United States that have led to the freeze and ultimate failure of negotiation.[23] Thus, short of military action or regime change, which would costly in resources and lives, diplomacy is the viable way to resolution. Diplomacy is also the top choice of China, South Korea, and Russia.[24]

A new consideration has made the crisis more urgent. For many years, it was widely assumed in the United States and West that Pyongyang sought nuclear weapons to guarantee regime survival—

essentially, they were defensive. However, with North Korea's push toward nuclear-strike capability against the continental United States, there is mounting concern that the real objective is to hold the United States at risk and then invade, or threaten to invade, South Korea. The peninsula would thus be united on DPRK terms while the U.S. was kept at bay, on the presumption that Washington would not "sacrifice San Francisco for Seoul." Thus Kim Jong-un will have attained the ultimate goal that neither his father could reach. In sum, North Korea's nuclear posture might actually be highly offensive. If so, time is of the essence to deny North Korea deterrence against the United States.

These factors indicate three fundamental scenarios that could precipitate a Sino–American military conflict. The first begins with a U.S. strike against North Korea's nuclear weapons or long-range missiles, with an eye to demonstrating American resolve to use force, despite the risk. Beijing would interpret the strike as a violation of DPRK sovereignty. It might also perceive an implicit, but important, threat to China and undertake military action in its own defense and that of North Korea. China would have to risk attacking U.S. forces in the region as a way to signal resolve. Beijing stated in 2017 that it would defend the DPRK if it were attacked by the United States.

The second scenario begins with a North Korean strike on targets in South Korea or Japan. The purpose is to demonstrate resolve and use new capabilities to compel Seoul and Tokyo to accept a termination of war on terms largely dictated by Pyongyang. This strike would likely trigger U.S. military support of its bilateral security-treaty obligations with both states. North Korea would then seek China's support, as it did in the Korean War. China might respond with limited strikes against the U.S. forces attacking the DPRK, which could escalate to a major Sino–American conflict.

The third scenario entails a DPRK cyber attack on ROK critical infrastructure or political leadership. This would be construed in Washington as an attack on South Korean sovereignty that requires a response under U.S. security-treaty obligations. The response could prompt a Chinese counterattack on American forces, widening the conflict.

A key consideration in all these scenarios is the extent to which the nuclear forces of the United States and China might inhibit the military action of each power against the other, lest an escalation begin that neither side could control.

Potential Flashpoint #2: The Maritime Disputes

Another potential flashpoint is in the maritime domain. Both China and the United States have compelling reasons for military engagement in the seas surrounding China. China's reasons are partly economic, owing to its claims to economic resources in these seas; partly jurisdictional, given its claims to former territories; and partly security oriented, driven by a desire to prevent the United States and its allies from using military means to counter its ambitions. The United States is focused primarily on maintaining freedom of the seas as part of an open global-trading system, but also increasingly concerned with maintaining a stable balance of power and credible defense of its allies as China's military modernizes. With an eye to advancing Chinese claims while avoiding war with the U.S., the PRC is using gray-zone tactics to create new facts on the map favorable to its interests without provoking an armed response from the United States or allies. These tactics include a large dose of military-backed coercion. The following analysis examines potential flashpoints in the South China Sea (SCS) and East China Sea (ECS).

The SCS is a critical, high-traffic shipping passage, with fishing grounds that sustain many livelihoods in ASEAN states.[25] In 2009, China submitted two notes verbales (unsigned diplomatic correspondences in the third person) to the UN secretary general, claiming areas in the nine-dash line, a Chinese boundary that conflicts with the territorial claims of Brunei, Malaysia, the Philippines, Indonesia, Taiwan, and Vietnam (see Figure 1).[26] Most Taiwanese and Chinese claims coincide, because the nine-dash line originated in a version published by the Republic of China in 1947, before the government fled to Taiwan. The original, eleven-dash, line included two dashes in the Gulf of Tonkin.[27]

To assert sovereignty in the SCS, China has conducted large land-reclamation projects on several disputed reefs and shoals. Port facilities, military buildings, and an air strip have been created on islands of disputed ownership, primarily the Spratly Islands, but also the Paracel Islands and elsewhere. Since 2013, China has created over 3,000 acres of artificial land in the SCS. These installations could give China the legal right to control the waters around islands in high-traffic areas and to police and punish infringements within those waters.

There are significant military, operational, diplomatic, and legal im-

plications to this maneuver. From a military perspective, the most troubling implication is the promotion of China's A2/AD strategy by extending the reach and capabilities of Chinese naval and aircraft operations and improving China's intelligence, surveillance, and reconnaissance. Claimed land can also host the forward-deployment of SSBNs, which creates a more survivable nuclear second strike.[28] China's actions have created tense diplomatic relationships with several ASEAN states; Vietnam and the Philippines have been the most vocal.[29]

In addition to this extensive land reclamation, China has declared an air-defense identification zone (ADIZ) in the area, as was done in the ECS (discussed below).[30] A proposal to float nuclear reactors in the SCS would complicate energy security and bring an influx of Chinese security personnel.[31]

In 2016, the Philippines brought a case to the Permanent Court of Arbitration, which invalidated China's nine-dash-line claim, denied the Spratly Islands the right to an exclusive economic zone, and condemned Chinese actions broadly.[32] China rejected the tribunal's jurisdiction. Filipino president Duterte, who is more pro-China than his predecessors, declined to enforce the decision, even joking to the Chinese ambassador, "if you want, just make us a province."[33]

Taiwan also rejected the ruling from The Hague, albeit somewhat reluctantly. The ROC cannot officially participate in the UN Convention on Law of the Sea (UNCLOS) and does not have the international recognition needed to assert individual territorial claims. The current government has avoided confirming or denying the U-shaped territorial line, meaning the Tsai administration has avoided the term "11-dash line." However, both major ROC political parties support Taiwan's SCS claims. The Taiwanese government has focused more on the islands and their surrounding waters than the whole sea and has called for a cooperative approach that emphasizes resource sharing.[34]

The U.S. interest in the region lies in freedom of navigation; the military regularly conducts freedom-of-navigation operations (FONOPS) to keep the SCS open to all and demonstrate commitment to regional partners. America also seeks to contain China's maritime expansion and access to vital raw materials, which Washington sees as erosive to U.S. influence in East Asia. Competing territorial claims may lead to military conflict if the United States draws and enforces a red line that China subsequently crosses.[35]

Figure 1: Nine-dash line, SCS claims, and land reclamation. Photo Credit: The Economist.

The main issue in the ECS is a dispute between Japan and China over the Senkaku (or Chinese "Diaoyu") Islands. These are eight uninhabited rocks and small bodies of land, to which Taiwan also claims ownership. The islands are close to important shipping lanes, fisheries, and undersea oil and gas reserves. Japan has administered the islands since the United States ceded control in 1971 and claims they are part of Okinawa prefecture.

Chinese law-enforcement ships and aircraft currently patrol the area to assert claims and resource rights,[36] with incursions from Chinese government vessels around the Senkaku Islands having increased dramatically after Japan's purchase of the islands in 2012 (see Figure 2). Japan and China have each demonstrated greater commitment to the region, and—perhaps because of U.S. assurances that the islands are under the security pact—Japanese aircraft scrambles have nearly doubled since 2014 (see Figure 3). August 2016 saw an increase in Chinese ships in the territorial seas and new drilling platforms, which Japan claims violate the spirit of the 2008 agreement.[37] In 2017, Chinese coast-guard ships and aircraft entered the territory; Japan responded with two F-15 jets and a pair of early-warning aircraft.

The U.S. is interested in extended deterrence and security guarantees with Japan. To demonstrate its commitment to Japan's security

(and other allies in the region), the U.S. must show itself willing to enforce Japan's claims to the Senkaku Islands.

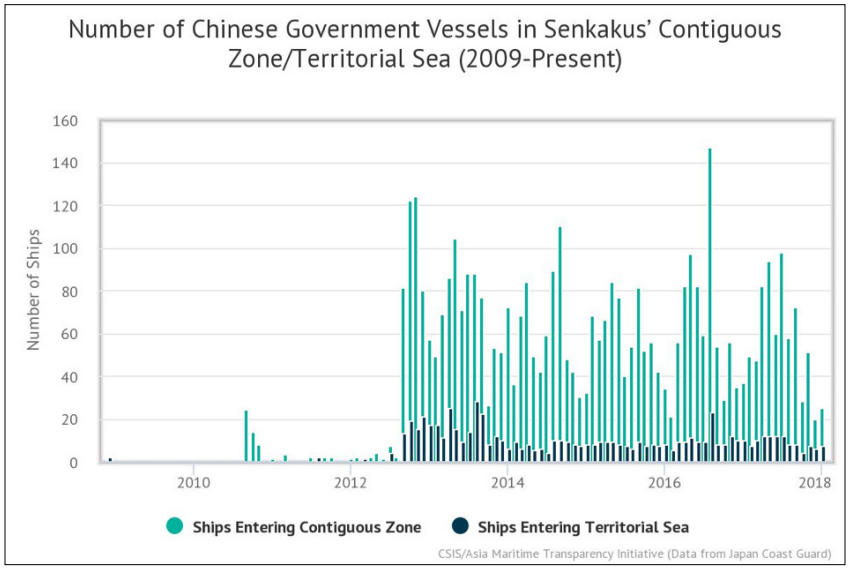

Figure 2: Chinese naval incursions in the ECS, 2009–2018. Graph credit: Asia Maritime Transparency Initiative, "Smooth Sailing for East China Sea Fishing," Center for Strategic and International Studies, https://amti.csis.org/smooth-sailing-east-china-sea, November 30, 2017 (accessed October 2018).

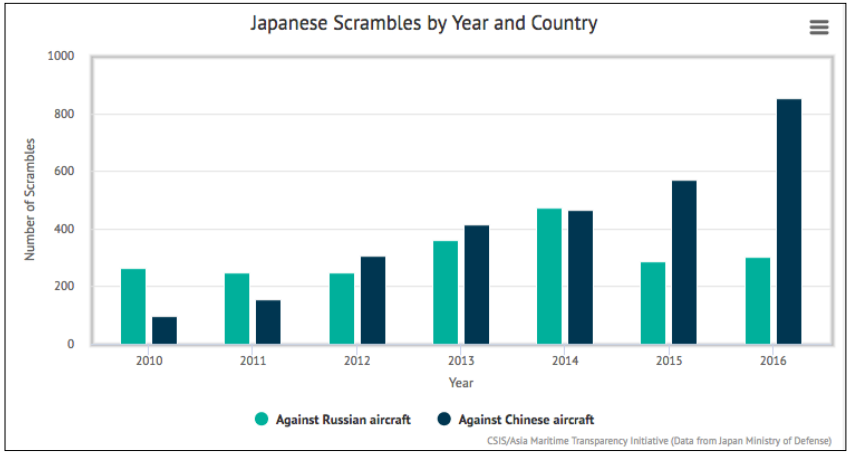

Figure 3: Japanese aircraft scrambles over the ECS by year and country. Graph credit: Asia Maritime Transparency Initiative, "Playing Chicken in the East China Sea," Center for Strategic and International Studies, https://amti.csis.org/playing-chicken-east-china-sea/, April 28, 2017 (accessed October 2018).

Although the issues in play vary by sub-region, China's goal in the SCS and ECS is driven by many objectives. China seeks to increase its influence while simultaneously lessening U.S. and other foreign influence; reverse historical grievances by reclaiming previously-owned territory; control an economically-important region; and expand strategic depth and active defense. Its assertiveness and expansive military strategy also carry domestic weight in China, feeding Chinese nationalism and affirming the authority of the CPC. Due to the great significance of the interests at stake, prolonged or intensified military action in the region may provoke conflict above the gray zone.

In answer to China's maritime aggressiveness, the Obama administration pursued a strategy with military, economic, and political aspects. Militarily, a "pivot to Asia" put more naval power in the region. Economically, the Trans Pacific Partnership (TPP) strengthened trade ties. Politically, direct engagement with China's leadership on regional security and stability was sought, as well as improved relations with China's neighbors, especially Vietnam, Cambodia, and Burma. The Trump administration has charted a different course on regional stability, pulling out of the TPP and reinforcing military modernization in the region. Should these measures fail to curb Chinese expansion, requiring other states (the United States or regional powers) to push back militarily, the situation could ignite into a major conflict. The economic and military fallout would extend globally—this is a major economic zone, and the United States has extended deterrence guarantees in the area.

If this flashpoint actually ignites, there is small danger of nuclear use. With respect to maritime disputes, there has been little discussion of nuclear weapons on either side. China is unlikely to employ nuclear weapons without first use by the United States, and the United States is unlikely to employ nuclear weapons because China's military actions are unlikely, in this scenario, to create the extreme circumstances that might lead to deployment.

The maritime disputes raise the prospect of an inadvertent U.S.–China conflict, perhaps caused by an incident at sea. Since the claimants have mutually exclusive positions on who controls the territorial waters around the disputed islands, it is plausible to imagine that China's seizure of a Japanese or Taiwanese commercial vessel would produce an immediate diplomatic crisis. U.S. treaty obligations would

require assistance to and protection of Japan. Moreover, the 1978 Taiwan Relations Act stipulates that the United States will "consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States." Although this language does not unequivocally call for U.S. support of Taiwan, an incident would stir intense debate in Washington as to how to proceed. A key consideration is how motivated the U.S. might be to act, given that passivity would jeopardize the credibility of U.S. security guarantees in East Asia and the world. China would likely enjoy an advantage in the asymmetry of stakes, since the incident is in Beijing's backyard and would involve a soi-disant wayward province. The opportunity for miscalculation in Beijing and Washington is considerable and might lead to an armed exchange that neither would find profitable.

In sum, China seeks to expand its power and influence through gray-zone maritime tactics. Its strategy in the SCS and ECS has been, so far, effective, yielding a position of comparative advantage. U.S. influence and enforcement power in the region are perceived as weakening. The United States should proceed with gray-zone tactics—using economic, diplomatic, limited military, and deterrence means—below Chinese red lines to force Beijing to alter its behavior. In any China–U.S. confrontation over these issues, there is some risk of escalation by China, which asserts core sovereignty interests, even where unsupported by international law.

Potential Flashpoint #3: Taiwan

The saliency of the Taiwan dispute as a military flashpoint has ebbed and flowed. Twenty years ago, concern over potential armed conflict between China and the United States over Taiwan spiked as the CPC reacted stiffly to the election of an ROC president committed to a two-state solution. Concern eased as the CPC and Taiwan made progress in normalizing their relations, especially in deepening their economic interactions. But concern is again on the rise. China has spent the last two decades preparing for military confrontation over Taiwan and anticipating U.S. escalation should the PLA achieve the political objectives of the CPC before the United States can fully engage. Some understanding of history is necessary to calibrate current risks.

Taiwan has been a fixture in the Sino–American relationship since the island was first designated the Republic of China in 1949, after Nationalist forces under Chiang Kai-shek fled the mainland upon losing the Chinese civil war. Taiwan had been returned to China in the post-war settlement, as a territory that was stolen by Japan. In the Cold War, the defense of Taiwan was essential to the U.S. strategy of containment.[38] The United States began supplying the ROC with economic aid after the Communist victory. Following the first Taiwan Strait crisis in 1954, the United States and ROC signed a mutual defense treaty whereby the U.S. pledged to aid Taiwan in the event of attack.[39] China asserted that Taiwan was a renegade province and reintegration a vital national goal. Meanwhile, the United States continued to sell weapons to the ROC and declare seizure of Taiwan unacceptable.

Four years later, the second Taiwan Strait crisis began when China began shelling the islands of Quemoy and Matsu. The United States stood by Taiwan, sent forces to the strait, and contemplated the use of nuclear weapons.[40] High-level talks between the U.S. and China diffused the situation and China suspended bombing. After the second crisis, the U.S. and ROC sought to strengthen the island's strategic-deterrence capabilities. U.S. nuclear weapons were deployed in Taiwan from 1960 to 1974.[41] Spurred by the PRC nuclear test in 1964, the ROC worked to develop a nuclear weapons program in the 1960s, 1970s, and 1980s.[42]

In 1972, the Shanghai Communique fundamentally changed the relationship between the PRC and the United States, with the latter acknowledging the one-China policy (though not endorsing the PRC version) and moving toward normalization through a constructive ambiguity in the Taiwan issue.[43] The communique acknowledged that a peaceful settlement resulting in the ultimate "withdrawal of all U.S. forces and military installations from Taiwan" is the preferred outcome. In 1979, the United States and China released a second joint communique in which formal diplomatic relations were established. The U.S. reaffirmed the one-China policy, but acknowledged that the United States would maintain "cultural, commercial, and other unofficial relations with the people of Taiwan." This joint communique terminated the 1954 U.S.–ROC mutual-defense treaty.

At the same time, Congress passed the Taiwan Relations Act to "provide Taiwan with arms of a defensive character; and to maintain

the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan."[44] This act, establishing U.S. arms sales to the ROC and commitment to Taiwanese security in the event of attack, remains in force.[45]

In the 1980s, the United States and China grew closer; in 1982, a third U.S.–China communiqué was released that promised a gradual reduction in arms sales to Taiwan.[46] The 1989 massacre at Tiananmen Square damaged the Sino–American relationship. At the same time, the ROC was transitioning to a truly democratic society, and the newly elected government reached an understanding with Beijing in 1992. The One-China Consensus Agreement acknowledged that there is only one China, but also that the two governments had different interpretations of it.[47]

In 1995, soon after this apparent improvement in relations, the ROC president visited his alma mater, Cornell University, in New York. While no diplomatic meetings where held, the appearance was public. In response, China removed its United States ambassador and conducted military exercises near Taiwan, bringing about the third Taiwan Strait crisis.[48]

The three years following this crisis contained the first direct presidential election in Taiwan (the pro-independence candidate lost), Hong Kong's return to China, and a visit to China by President Clinton, where he outlined the "three no's," namely, (1) no U.S. support for Taiwanese independence; (2) no support for a two-state/separate China policy; and (3) no support for ROC admittance into state-level international organizations.[49]

On the heels of these Chinese political gains, several developments strained relations over Taiwan in short succession. Taiwan elected a president from the pro-independence Democratic Progressive Party; the George W. Bush state department indicated that while the administration would stand by the one-China policy, it would drop the three-no's; a U.S. naval surveillance plane collided with a Chinese fighter jet; Bush approved advanced-weapons sales to Taiwan, including submarines; the Chinese military conducted a large military exercise simulating an attack on Taiwan; and China and the ROC were separately admitted to the World Trade Organization.[50]

In 2008, the Nationalist party regained control in Taiwan and, in

2009, ROC and PRC leaders exchanged direct messages for the first time in more than sixty years.[51] The 2013 SMS notes that from 2008–2013, relations across the Taiwan Strait featured peaceful development, more extensive cross-strait economic and cultural exchanges, diverse political dialogue, and a stronger foundation of "mutual trust."[52] In 2010, China and Taiwan signed a landmark free-trade pact, but that same year the United States agreed to sell air-defense weapons to Taiwan. China sanctioned the companies involved and suspended military contact with the U.S.[53]

Since 2013, the relationship between Taiwan and China has been strained. U.S. arms sales have continued and the pro-China policies of the Nationalist Kuomintang party—including a landmark 2015 meeting in Singapore between ROC president Ma Ying-jeou and Xi Jinping—resulted in the 2016 pro-independence election of Tsai Ing-wen.[54] In December 2016, Tsai spoke with president-elect Trump by phone—the first call between U.S. and ROC leaders since 1979.[55] On June 3, 2017, Mattis stated:

> *The Department of Defense remains steadfastly committed to working with Taiwan and with its democratic government to provide it the defense articles necessary, consistent with the obligations set out in the Taiwan Relations Act, because we stand for the peaceful resolution of any issues in a manner acceptable to the people on both sides of the Taiwan Strait.*[56]

Another wrinkle in the relationship among the U.S., PRC, and ROC is the 2018 National Defense Authorization Act (NDAA), in which the United States declared an intent to explore re-opening naval ports in Taiwan.[57] China lodged a formal complaint, stating, "The day that a U.S. Navy vessel arrives in Kaohsiung is the day that our People's Liberation Army unifies Taiwan with military force,"[58] signaling that China is very willing to use force to take Taiwan. Just as importantly, the statement's bellicosity demonstrates that the PRC is desperate to deter further U.S. support of Taiwan. President Trump nevertheless signed the NDAA into law in December 2017.

Chinese military rhetoric and publications show that Taiwan remains a top national-security concern. The ultimate Chinese military

goal is the "realization of the motherland's unification" and control of Taiwan within the one-China framework.[59] Chinese military experts claim that the specter of Taiwanese independence—supported by a U.S. strategy of Chinese containment—constrains China's domestic politics and foreign diplomacy and consumes a significant portion of China's strategic resources.[60]

Current Chinese strategy relies on increased economic, cultural, and military presence in the region. The 2013 SMS affirms that by expanding China's military operations and strength to coastal and border regions, especially in the oceanic direction, China can perform operations that would "resolve the Taiwan issue." [61] Perhaps China hopes to encircle Taiwan and force the government to capitulate peacefully. Likewise, Chinese military modernization could provide China with a credible military capability to threaten or coerce Taiwan. Some anticipate that by 2020, China may have sufficient credible military capabilities to sustain an attack or invasion.[62] In this scenario, U.S. participation and Chinese A2/AD capabilities would be critical factors. Currently, assessments differ of China's A2/AD capabilities, but they are of undoubted concern.[63] The number of missile, air, and naval units in China's eastern command, whose "jurisdiction includes the coastal provinces of Jiangsu, Zhejiang and Fujian, which is across the strait from Taiwan"[64] is of special note.

The possibility of a crisis is nontrivial as China reacts militarily to economic or diplomatic changes to the status quo. In July 2017, after Trump approved a U.S. arms package for Taiwan—the first of his administration—China sent a flotilla escorting its first aircraft carrier around Taiwan and through the Taiwan Strait. Taipei sharply criticized the move.[65]

While a future Taiwan Strait crisis would test the resolve of U.S. commitments in the region, maintaining credibility would likely force the United States to get involved. Thus China must plan for U.S. military intervention should it attempt reunification by military force. "Preparation for a Taiwan conflict with the possibility of U.S. intervention continues to play a prominent role in China's military modernization program."[66]

Ultimately, another Taiwan Strait crisis depends on ROC domestic politics and Chinese perceptions of the U.S. commitment to Taiwan. China's policy is to maintain deterrence by demonstrating and tailor-

ing its military capabilities to counteract independence movements. China exercises, trains, and prepares for this eventuality and voices this preparation in its declaratory policy. Nevertheless, China prefers using its vast soft-power options—economic, diplomatic, cultural, and informational—to incrementally sway the Taiwanese people away from independence and toward reunification.

The asymmetry in Sino–Taiwanese relations and capabilities places the onus for conflict on Taiwan; but Taiwan would not risk its very existence for full independence. The economic relationship between China and Taiwan is increasingly strong. Taiwan is a top-ten trading partner of China, and China is the top trading partner of Taiwan.[67] There is extensive Taiwan direct foreign investment in China and more than a million Taiwanese live and work on the mainland.

China seeks unification through cultural and regional power shifts and containment of separatist forces.[68] Beijing also maintains that U.S. arms sales to the ROC and separatist movements are top security dilemmas.[69] While the United States enhances Taiwan's position in this relationship, it is uncertain that U.S. policy makers would indeed exchange San Francisco for Taipei in a strategic conflict, if that were a credible dilemma.

The Taiwan flashpoint could go nuclear, but that is unlikely. First, China's NFU policy seems firmly entrenched. China is unprepared for first use and the retaliation that would come. Moreover, China considers Taiwan part of its sovereign territory and expects to absorb it—which would be far messier after it was attacked with nuclear weapons.[70] China has many non-nuclear military options to employ before going nuclear, e.g., extensive cyber, space, and maritime capabilities. Beijing might back away from any military conflict over Taiwan that has turned unpropitious, on the premise that the island is going nowhere and the PRC can re-engage another time. But American observers have expressed concerned that a conflict over Taiwan might impel the PRC to abandon its NFU policy and use nuclear weapons to prevent loss in a conventional war against the United States. At a nuclear-policy discussion at the Carnegie Foundation in Washington, D.C., for example, a Chinese general noted that in the worst Taiwan scenario, China would have "no choice but to do the job at any cost," despite consistent claims that the NFU policy includes a Taiwan scenario and China would not use nuclear weapons against a non-nuclear state.[71]

U.S. nuclear use is also unlikely, as it is highly doubtful that the extreme circumstances in which it might consider nuclear employment would be in present. Nevertheless, PRC military action that puts the existence of the state, government, and people of Taiwan in jeopardy might bring the America to that point.

The cautious stalemate concerning Taiwan's status has survived seventy years of maneuvering between the United States and China, even amid armed conflict in the Korean War, crises in the 1950s and 1960s, the Tiananmen Square massacre of 1989, confrontations and crises in the 1990s, and the tensions over trade tariffs in 2018.

Yet a crisis over maritime disputes or Taiwanese independence might still trigger a Sino–American armed conflict. An alternative future, though not currently plausible, could conceivably entail a U.S. retreat from its international obligations. As a possible precedent, the U.S. recently withdrew from the TPP, the Paris Agreement on climate change, and the Joint Comprehensive Plan of Action with Iran, and threatens withdrawal from the North American Free Trade Agreement. The president has also questioned the U.S. commitment to NATO's collective defense under Article V. Should the U.S. withdraw from any bilateral security agreement, Beijing may conclude that the U.S. commitments to Japan and South Korea, much less Taiwan, are no longer credible. This conclusion might motivate the use of force to seize Taiwan or coerce surrender—a long-cherished PRC goal since 1949. In sum, a self-inflicted collapse of U.S. credibility as a reliable guarantor of the security of its allies and partners could lead to major miscalculation and Sino–American conflict—assuming the United States were to defend its assertion that Taiwan's status must be resolved by peaceful means.

Flashpoints: Implications and Cautionary Notes

In a bilateral relationship with both competition and cooperation, these military flashpoints are a reminder of what could be lost should the relationship be mismanaged. If crisis turns to war, the will to cooperate may quickly vanish, and, with it, the economic benefits of both countries and the security benefits of shared UNSC responsibilities. A conflict may escalate if the losing side resorts to extraordinary measures to confirm its stake in an acceptable settlement. While this analysis focuses on the potential for nuclear escalation, this is but one

option in the escalation toolkit. Broadly speaking, both sides would have the means to alter the unwritten rules of a conflict by expanding it either horizontally (that is, adding regional targets) or vertically (employing more intense and lethal means). Both countries have means other than nuclear weapons to enact such strategies, including tools in the new domains of military competition. But both sides attach clear importance to nuclear weapons as powerful signals that they will not sacrifice their vital interests in time of war.

It is important to calibrate the risk of war clearly. Regrettably, that risk does not lend itself to clear calibration. Both countries have tremendous incentives to avoid war, but neither would find it easy to back down in a crisis or sacrifice vital or core interests in war—interests that would figure in all three flashpoints delineated. The riskiest path to war appears to be that of (1) miscalculating in time of crisis, e.g., betting that the other side will back down, and (2) miscalculating in time of war—e.g., assuming that striking first and hard is necessary to settle the conflict before the enemy's first strike. Appreciating the complexity of these risks is a prerequisite to creating the political will to take joint steps towards mitigating those risks.

Moving forward, there are several mitigations that may prevent U.S.–China flashpoints from igniting.

- Strengthen other regional powers in the absence of TPP membership. Increasing trade throughout the region may empower other states to resist Chinese expansion, creating an informal coalition against China's growing influence and power. China may curb its military expansion in the area as it weighs its interests against the collective.

- Sustain the same pace of FONOPS and submarine patrols. This would allow the United States to monitor the region continuously and demonstrate that the region is consistently valued and tracked by U.S. policy makers, supplying a physical manifestation of U.S. resolve.

- Conduct low-level cyber operations. If retaliatory gray-zone tactics are used by the United States, China may find incentive to negotiate revised codes of conduct. This is a somewhat provocative U.S. response and may invite escalation, but it could also force China to the negotiating table on several issues rather than risk military confrontation.

- Increase regional BMD as a physical manifestation of U.S. resolve and to protect partners and allies from Chinese military expansion. This is becoming politically more feasible with the growing North Korean threat. The U.S. BMD capability is especially effective as a layered defense, consisting of sea-based boost-phase intercept capabilities, the Aegis BMD system for midcourse intercepts (after the boost phase and before reentry), and the THAAD and Patriot-3 systems for terminal-phase intercept.

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China in U.S. Security Policy

China did not occupy a central place in U.S. security policy until relatively recently. During the Cold War, the Chinese threat was secondary to that of the Soviet Union, even as U.S. and Chinese soldiers battled in Korea. After the Cold War and China's economic rise, the relationship became more complex as elements of cooperation and competition emerged and multiplied. The evolution of the relationship can be marked according to key turning points.

Key Turning Points

The first turning point occurred in 1964, with China's first nuclear-weapons test. This development was deeply alarming to the United States, which generally discounted Beijing's claims that it would abide by an NFU policy and agree to multilateral nuclear disarmament and test-ban treaties.[1] Rather, Washington believed that Mao would use his new capabilities to extend the Communist revolution beyond China's borders. President Johnson promised to monitor the Chinese program continuously, retain nuclear superiority, and reassure Asian allies. These principles are still in effect today. As the Cold War progressed, the United States focused much more on the Soviet nuclear threat, which shifted attention from China's maturing program.

A second turning point came in 1972, with President Nixon's historic visit to China. The resulting Shanghai communique, which normalized Sino–American relations, took effect on January 1, 1979, during President Carter's tenure. The priority of U.S. national-security policy from the early 1970s through the early 1990s was the containment of Soviet expansion and influence. Washington saw Beijing as a geopolitical partner and counterweight to Moscow. In the 1980s, during the rule of

Deng Xiaoping, China's emphasis on economic modernization reduced the U.S. perception of China as a military rival. The focus of presidents Carter, Reagan, and George H. W. Bush was on the Soviet–American nuclear rivalry, a policy sustained until the unexpected collapse of the Soviet Union in December 1991.

There was, however, a key disruption in this period and omen of trouble ahead: the Chinese government's brutal crackdown on demonstrators in Tiananmen Square in June 1989. This bloody incident demonstrated CCP willingness to use any force necessary to quash opposition to its rule. In protest, high-level American visits to China were frozen till early 1993, except for a clandestine visit to Beijing by Bush's national-security advisor, Brent Scowcroft.[2]

Another disruption came a few years later, with the third Taiwan Strait crisis of 1995–1996. In response to growing support for a Taiwan independence movement, Beijing conducted a series of missile tests in the waters near Taiwan. For Beijing, the dispatch by Washington of two carrier battle groups in response signaled a willingness to risk actual war with China over Taiwan, an assessment that helped launch the reform and modernization of the PLA. In Washington, the episode passed quickly under the weight of other demands on attention, but China's analysis of U.S. intent was reinforced in 1999 by the accidental U.S. bombing of the Chinese embassy in Belgrade and continued arms sales to Taiwan.[3]

The terrorist attacks of 9/11 were another turning point. Before the attacks, the Bush administration expressed grave and rising concern about China as a potential military competitor and peer adversary. After 9/11, that concern was muted, and the administration emphasized China's potential future as a responsible stakeholder in the existing international order.

When Obama assumed office in 2009, his security policy omitted China as a primary focus. During his tenure, China's economic power rose steadily and was reflected in the growing capabilities of its conventional forces. In time, Obama and key advisors felt a need for U.S. policy to recognize the enormous importance of East Asian economic power (not just China's), now and in the future. In a purposefully high-level address, Obama told the Australian parliament in 2011 that the United States is "here to stay as a Pacific power."[4] He called for deployment of a new U.S. Marine presence in northern Australia, the first

since World War II, and pledged not to reduce military forces in the region. Obama laid the groundwork for the TPP as a regional economic architecture in which the United States would lead. On the conventional military front, the administration came to recognize the rising problem of China's maritime assertiveness and, more than that, its deployment of capabilities to counter U.S. power-projection forces at sea, in the air, and in space. Secretary of Defense Gates endorsed the AirSea Battle doctrine on asymmetrical threats in the Western Pacific and the Persian Gulf, established in February 2010 and renamed the Joint Concept for Access and Maneuver in the Global Commons (JAM-GC). This was seen as a military strategy to contain Chinese expansion and was deeply criticized by Beijing. U.S. analysts claimed, however, that China had developed a propensity for gray-zone conflict.[5]

President Trump has charted multiple courses in China policy and the overall trajectory is difficult to discern. The administration has pursued the trade war threatened in Trump's presidential campaign, and, on regional-security policy, has sought Chinese cooperation to end the North Korean nuclear threat. Trump's military policy toward China expresses a clear commitment to regaining military dominance in the Western Pacific and out-competing China for military advantage. Some provocative arguments appear in the current National Security Strategy (NSS), e.g., "China and Russia challenge American power, influence and interests, attempting to erode American security and prosperity. They are determined to make economies less free and less fair, to grow their militaries, and to control information and data to repress their societies and extend their influence."[6] With reference to China, the NSS states that "China has mounted a rapid military modernization campaign designed to limit U.S. access to the region and provide China a freer hand there"[7] and describes the PRC as a "revisionist power that uses technology, propaganda, and coercion to shape a world antithetical to our interests and values." The NSS also specifies that the United States should maintain an "overmatch" against competing powers, including China and Russia.

The Trump administration's National Defense Strategy characterizes China "as a strategic competitor using predatory economics to intimidate its neighbors while militarizing features in the South China Sea." The report calls for the development of a "tailored strategy for China… that will maintain the capability to credibly threaten intolerable damage

as Chinese leaders calculate costs and benefits, such that the costs incurred as a result of Chinese nuclear employment, at any level of escalation, would vastly outweigh any benefit."[8] The current NPR specifies the need for low-yield, high-accuracy, submarine-launched ballistic missiles and sea-based cruise missiles that seem intended to negate China's A2/AD strategy by means of more usable limited nuclear capabilities with a more credible deterrent than high-yield systems.

1. This policy was crafted at a time of rising debate among policy analysts as to whether some basic premises of the U.S. China strategy are valid. These premises include the following:
2. The power of the market will liberalize the Chinese economy.
3. Economic liberalization will induce political liberalization.
4. A combination of U.S. diplomacy and military power will deter China from challenging the United States for primacy in East Asia.
5. China will have a stake in the institutions of the international order as established by the U.S. after World War II.
6. The "pivot to Asia" will focus essential U.S. resources on the region, both military and political.

Many of these premises stand up poorly to experience.[9] A lack of Chinese movement toward democratization, coupled with incremental expansionism, suggests that the range of policies to be applied to China in years ahead may emphasize competition over cooperation. This harder line was reflected in a speech by defense secretary Mattis at the Shangri-La Dialogue on June 2, 2018. Mattis stated,

We cannot accept Chinese actions that impinge on the interests of the international community, undermining the rules-based order that has benefitted all countries represented here today, including and especially China...We oppose countries militarizing artificial islands and enforcing excessive maritime claims unsupported by international law. We cannot and will not accept unilateral, coercive changes to the status quo.[10]

The Trump administration is testing an advanced ballistic-missile-defense interceptor (designated the SM3IIa) against ICBMs, which China will almost certainly claim is a threat to its nuclear deterrent. Moreover, the administration has shown limited willingness to engage in discussions about constraints on space-based systems.

China in U.S. Nuclear Policy

In the Cold War, China was largely a footnote to U.S. nuclear policy, which dealt with a bipolar world order and intense military standoff in Europe. While the United States was troubled by China's entry into the nuclear ranks in 1964, American nuclear policy in the Cold War focused principally on the Soviet threat. The United States relied significantly on nuclear weapons to keep the Cold War peace.[11] U.S. nuclear weapons were deployed to (1) deter a Soviet nuclear attack on the U.S. homeland; (2) deter Soviet nuclear attack on U.S. allies; (3) deter massive Soviet conventional attack in Western Europe; and (4) reassure U.S. allies of the credibility of U.S. security guarantees, in part to obviate nuclear proliferation among allies. The United States and Soviet Union seemed to develop a shared understanding of strategic stability, its requirements, and approaches to the management of military forces that reinforced stability. But such thinking had little to do with China, whose graduation to nuclear-armed state received little attention.

In the post–Cold War era, the first major review of U.S. nuclear policy and posture was conducted by the George H. W. Bush administration and led to major changes in the structure and operation of U.S. nuclear forces. These included the withdrawal of all nuclear weapons from East Asia and naval surface combatants, under the auspices of the presidential nuclear initiatives pledged reciprocally with Russia.

The first formal Nuclear Posture Review (NPR) was issued in 1994 by the Clinton administration, following a broad review of U.S. defense strategy. The NPR refocused attention from bipolar confrontation to rising concerns about major theater war that might be initiated by WMD-armed rogue states. The 1994 NPR[12] was classified and not publicly released; but unclassified summaries contain no specific language about China. Notably during this period, China signed the Nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Nuclear Test Ban Treaty (CTBT). Beijing agreed with Washington not to target each other with their nuclear arsenals.[13]

The next NPR was carried out by the George W. Bush administration.[14] Although it too was classified, it was leaked to the press and much discussed by the external expert community. One U.S. think tank asserted that China was explicitly listed as a target, because of its nuclear modernization program.[15] China's concerns were ampli-

fied by the Bush administration's decision to withdraw from the ABM treaty and pursue both theater and national ballistic-missile defense, in a manner that China feared would undermine the credibility of its nuclear deterrent. The Chinese government issued a public response declaring that, "Like many other countries, China is deeply shocked by this report. The U.S. side bears the responsibility to make an explanation on this matter."[16]

The Obama administration's 2010 NPR[17] was centered on the president's commitment to reducing the danger of nuclear attack by terrorist and regional proliferators. China featured prominently but differently in this NPR. The report repeatedly emphasizes a commitment to strategic stability as the central organizing concept in the U.S.–China nuclear relationship and called for sustained official bilateral dialogue on the topic. It urges China to increase the transparency of its nuclear-modernization program and participate in international efforts to strengthen the control of nuclear materials. The report also describes the administration's approach to strengthening regional deterrence architectures to deal with regional challengers, but does not specifically identify China as such. In its missile-defense policy, the Obama administration continued the Bush-era commitment not to jeopardize strategic stability by deploying homeland missile defenses in a way that might be perceived as negating China's strategic nuclear deterrent. Obama also expressed a new commitment to protecting U.S. forces abroad from regional missile threats, whatever their source.

China's response was mixed. While embracing a leadership role in nuclear-materials security, Beijing rejected official dialogue on strategic stability, preferring unofficial talks. It also rejected greater nuclear transparency, consistent with China's fundamental strategy of opaqueness and deception. China reacted strongly to the regional missile-defense architecture and quietly to improvements in U.S.-homeland missile defense. It embraced competition in the space and cyber domains while pressing the United States and others to agree to its preferred rules of the road.[18]

The Trump administration's 2018 NPR is centered on the renewal of major power rivalry and the problems of extended deterrence, especially in Europe. Like its predecessor, the report expresses concern over China's expanding nuclear capabilities and arsenal, as well as a desire for substantive dialogue on nuclear competition and risk.[19]

However, it also notes frustration with America's having "long sought a dialogue with China" without a positive response from Beijing. After establishing that the United States "does not wish to regard either Russia or China" as adversaries, the NPR argues that these states seek to revise the post–Cold War international order and norms of behavior.[20] Citing a "return of great-power competition," the report opposes the expansionist behavior of China and announces a tailored U.S. strategy in response.

In answer to the 2018 NPR, China complained of an expansion of the role of nuclear weapons in U.S. military strategy, the proposed development of supplemental low-yield weapons, and an apparent move away from strategic stability as the central organizing concept of the bilateral nuclear relationship. China urged the United States to abandon its "Cold War mentality" and to correctly understand its strategic intentions.[21]

Most American specialists agree that the analysis that informs U.S. nuclear policy toward China today bears little or no resemblance to that which shaped policy toward the Soviet Union in the Cold War. The continuing role of nuclear weapons may appear reminiscent. But during the Cold War, nuclear weapons were at the very center of the U.S. competition with the Soviet Union and Warsaw Pact, whereas they are essentially marginal in the contemporary competition with China.[22] The overall U.S. approach to Sino–American relationship, and to the challenges of deterring Chinese aggression and escalation, is shaped to different political and military circumstances.

U.S. nuclear policy toward China remains partial in a key respect. As Chinese officials regularly inquire, does the United States accept or reject the concept of mutual vulnerability as a basis of the strategic relationship?

In the American strategic military relationship with Russia, the United States accepts mutual vulnerability, as affirmed in various strategic-arms-control measures and agreements codifying mutually assured destruction. In strategic military relationships with regional challengers (i.e., rogue states), the United States rejects mutual vulnerability because it rejects mutual deterrence. In the case of the strategic military relationship with China, the United States has chosen not to choose. America has not responded to developments in China's strategic military posture over the last three decades by developing

new defensive or offensive capabilities that could negate China's confidence in its strategic deterrent. Each administration since the Cold War has determined not to undermine strategic stability with China and to pursue homeland missile defense. But none has accepted or rejected mutual vulnerability. This ambiguity implies to Beijing that the United States might yet try to close out China's nuclear deterrent and return to a time (the 1950s, as China recalled by Beijing) when Washington could freely bully Beijing by threatening nuclear attack. Thus China hedges against such a possibility while building up and diversifying its strategic forces to minimize vulnerability.

China's place in U.S. security policy has grown ever more important as China becomes more explicit about remaking the regional order and challenging the United States and its allies militarily. As a general matter, Washington has been reluctant to see China as an enemy and has pursued policies that favor regional peace, security, and stability, with some measures for containing Chinese influence. But American concern has risen to the point where China is seen by the Trump administration a near-peer military rival.

China's place in U.S. nuclear policy has also evolved. The tailoring of U.S. deterrence strategy (promised by each post–Cold War NPR) has yielded an approach to prevent conflict and escalation without precipitating war through an unwelcome action–reaction cycle. Beijing's consistent refusal of official dialogue on nuclear issues and strategic stability has, however, generated concern in the United States about its own commitment to a stable strategic relationship. Additionally, Washington's consistent refusal to accept or reject mutual vulnerability in the strategic military relationship with China has proven unhelpful in establishing a more positive footing.

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U.S. Competitive Strategies and China

The Trump administration's new approach to China raises some fundamental questions.

1. How should the United States engage in strategic competition? How should a more competitive mindset be applied to China–U.S. relations?

As a point of departure, the new emphasis recalls Cold War-vintage efforts to formulate an approach that would ease costly and risky competition in the conventional and nuclear domains. The resulting competitive strategies were organized around the idea that the United States and its allies should compete in select areas where the Soviet Union and its allies (1) could not afford not to compete but (2) could not gain a long-term advantage by competing. Theoretically, this would impose costs that the Soviet Union and its allies would be unwilling or unable to bear and, in time, compel Moscow to change course—to adjust its ambitions and expectations so as to reduce competition and lay the foundation for political accommodation.[1] As these ideas were developed in the 1970s and early 1980s, so too was the technology of space-based missile defense. The short interval from the Strategic Defense Initiative, announcement by President Reagan in 1983, to the collapse of the USSR in 1991 is considered by some competitive strategists a validation of their conceptual approach.

2. How might the competitive strategies of the 1980s fit the China challenge of the 2010s and 2020s?

Not well. As a rising power with a robust, growing economy capable of world-class technical innovation, China is prepared to compete in ways the Soviet Union was not. It is difficult to imagine a technical domain in which the United States and its allies could so out-compete or dominate China as to compel political change in Beijing. And although the CCP struggles with performance and legitimacy issues, as did the Soviet Communist Party, its grip on power seems firm. Indeed, the CCP embraces foreign provocations as a means to excite nationalism and motivate popular support for the party. Moreover, resentment of American bullying and a deep ambition to settle historical scores and humiliation is deeply engrained in both party and people. All this implies significant risk that new, overt forms of competition with China in the military domain will simply increase Beijing's resolve to remake the regional security order to the disadvantage of the United States.

If there be too competitive a U.S. response, there is also the possibility of a response too passive. The United States cannot sit by while China grows its military potential, economic dominance, and political leverage to the end of shifting the regional balance. Were America to back away, partners and allies in the region would feel rising pressure to comply with Beijing's policies and to show deference in many ways. The United States would lose the ability to influence events in the region constructively and would pay a tremendous price in lost credibility that would resonate globally. A perception held by many would be affirmed—that of America in hegemonic decline.

To be sound and effective in generating the restraint that the United States prizes, strategic competition between the United States and China should be guided by a short set of key principles.

First, the primary focus of competition should be political and economic. Both countries have much to gain from such competition, which requires fair rules jointly arrived at through negotiation. It also requires a willingness to search for mutually beneficially solutions in the trade, financial, and diplomatic realms.

Second, the primary focus of military competition should be conventional. Regional security and stability depend on the credibility of the U.S. commitment to defending its interests and alliances in the

region. China's military modernization is aimed partly at stripping away American credibility by exposing the United States to new risks and reducing Chinese vulnerabilities.

But competition at the conventional level must also reflect certain forms of U.S. military restraint.

- The United States should not seek conventional military capabilities that China would see as threatening its sovereignty.
- The United States should not posture itself for a major land war in Asia against China.
- More importantly, the U.S. should articulate a long-term vision of how military competition in the region could create conditions for a long-term improvement in political relations.

By ensuring a stable balance of power and secure regional order, military competition could create positive conditions if the United States and its allies also define and promote a vision of regional security that includes China, rather than defining China as a threat and object of war preparations. In their interactions, the United States and allies must demonstrate unflaggingly high standards of military professionalism and transparency.

Third, competition at the strategic level of war must be approached more cautiously. An action–reaction cycle is already evident in the strategic military postures of the United States and China. This dynamic is not tightly coupled, and there is no current arms race to some new threshold of capability. But China's nuclear modernization is clearly influenced by America's pursuit of missile defense and conventional-strike capabilities. And both sides' pursuit of better capabilities in cyber- and outer space is clearly influenced by a commitment not to fall behind. Mismanagement of the new forms of competition could amplify the risk that a military flashpoint ignite into a military confrontation. It could also make political and economic cooperation more difficult. Nonetheless, it is axiomatic that the United States must maintain parity, if not superiority, in space- and cyber technologies, which are the vanguard of advanced military capabilities in the 21st century. If competition in these domains can be ameliorated through agreed and verifiable codes of conduct, so much the better.

3. In practice, what do these high-level principles of strategic competition imply for U.S. nuclear policy?

The most critical question posed in this monograph is how the Trump administration should advance its commitment to a stable strategic relationship with China while also competing militarily. The administration has three basic options:

1. Set aside strategic stability as the organizing concept and compete aggressively for new forms of military advantage.
2. Accept China's agenda for strategic stability, address its concerns about potential developments in the U.S. strategic military posture, and compete in a subdued manner to create a modern deterrent posture tailored minimally to China.
3. Continue the traditional U.S. approach. Emphasize common exploration of the emerging requirements of strategic stability in a multidomain environment. Tailor U.S. competitive approaches to signal resolve and restraint.

The first option assumes a shift in core organizational concepts, from stability, restraint, and mutual vulnerability to preeminence, dominance, and strategic advantage. Elements of this strategy would include

- A commitment to deploying homeland missile defenses that could negate a large-scale Chinese strike;
- Developing and deploying hypersonic glide and other precision-strike capabilities with numbers and ranges sufficient to threaten strategic assets across China;
- Counter-space and offensive cyber capabilities to cripple China's ability to prosecute war and sustain economic competitiveness and social stability;
- New INF systems, or other new nuclear-strike systems with new military capabilities.

The United States might gain some select military advantages under intensive competition. But whether they would prove enduring is an open question. China would certainly respond by intensifying its own development and deployment of advanced military capabilities.[2] If China's economy continues to expand at the current pace—an uncertain assumption, given China's growing demographic pressures and national debt—it could compete vigorously, since an authoritarian regime can make decisions without consulting broader bureaucratic or political voices. China might respond with more aggressive moves, such as forward-deployed military capabilities, increase the opacity of its decision-making and red lines, mix conventional and nuclear systems to bolster deterrence, and perhaps expand its nuclear capabilities—e.g., reinstate its air-launched nuclear-weapon capabilities, deploy missiles at a faster rate, or improve its nuclear technology.

The likely result of this form of competition would be to eliminate cooperation in the political and economic realms and in global challenges such as proliferation and climate change. It might increase the focus of the two sides on potential military flashpoints, increase the expectation of war, and exacerbate tension with Russia, which has regional stakes and would fear the use of U.S. and Chinese capabilities against Moscow.

The second option also involves a shift in core concepts, away from traditional approaches and toward China's. Until recently, Chinese policy makers has been suspicious of the U.S. emphasis on strategic stability, seeing it as a way to draw China into a Cold War-like nuclear competition and reinforce American encirclement and containment.[3] China promotes a vision of strategic stability in which the U.S. agrees to a mutual NFU doctrine and formally accepts mutual vulnerability as the foundation of the strategic military relationship.[4]

This option might possibly alleviate Chinese concerns over potential U.S. nuclear attack, leading it to slow nuclear modernization and increase transparency as regards its nuclear forces. But this slowing might go unnoticed, given the secrecy surrounding China's nuclear program, and modernization certainly would not stop. Moreover, significant cultural barriers to improved transparency exist and will not soon be overcome.

The likely result of this subdued competition would be to exacerbate concerns among allies as to American decline, Washington's com-

mitment to stay engaged in the region, and U.S. submission to future Chinese blackmail, nuclear or otherwise.

The third option assays to tailor competition to signal both resolve and restraint. It would signal resolve by demonstrating that the United States will compete to preserve credibility, a stable and secure regional order, and the existing balance of strategic military power. It would signal restraint by avoiding developments that would (a) reduce or eliminate the credibility of China's nuclear deterrent (as perceived by Beijing) or (b) be perceived as the U.S. trying to coerce China by military means—the "nuclear bullying" decried by Mao in the 1950s.

This option balances competition and cooperation consistent with the strategic approach that has governed U.S. policy for decades. Both China and the United States would continue to modernize and diversify their strategic forces, but also avoid reactions that aspire to major new advantages.

This approach would have downsides. Recognizing China as a major regional power would counter Chinese claims that the U.S. intends to contain China and would demonstrate U.S. willingness to accept a security situation other than "ultimate security." This might belie assertions in Beijing and Moscow that the United States seeks to dominate the international security environment. But it might also be read by Beijing as appeasement, which would invite new tests of U.S. resolve.[5] Moreover, U.S. regional allies would find mutual vulnerability unacceptable if they believed it foreshadowed U.S. disengagement in a time of crisis because the risks were too high (a retreat known as "decoupling"). Because the United States would have effectively prioritized its relationship with China over the security of its allies, U.S. security guarantees would likely be gravely undermined, leading perhaps to a decision by one or more allies to acquire military capabilities of their own, potentially including nuclear.[6] China might exacerbate this scenario by calling for limits on American BMD.

In sum, there are various ways a more competitive relationship with China might be approached, revolving around different concepts of strategic stability. In our assessment, the approach most unsettling to the status quo is also the approach with the greatest potential downsides. Competition for strategic preeminence is not in America's best interests. Nor is acquiescence to China's views of strategic stability in the U.S. interest, not least because it looks like appeasement. We find

the most beneficial approach is to (a) balance resolve and restraint while modernizing and diversifying military capabilities and (b) build consensus through dialogue about the requirements of strategic stability.

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Conclusions

The Trump administration has given strategic competition a central place in the U.S. security strategy toward China. This policy reflects the increasingly adversarial attitude that China has adopted toward the U.S.-backed regional order, as well as its military modernization, which calls the credibility of U.S. security commitments into question. Strategic competition also reflects a commitment to defending U.S. interests and allies in the region against encroachment and anticipates the possibility that China's gray-zone confrontations may give way to a more aggressive approach, whether calculated or not. And it reflects skepticism that political liberalism will follow economic liberalization in China.

To empower competition, Washington has called for a commitment "to out-think, out-maneuver, out-partner, and out-innovate" rivals, including China. To out-think China, the United States should disaggregate the elements of competition with China and the different forms of competition—some of which serve U.S. interests. To out-maneuver, the United States should modernize its military forces to ensure that its security guarantees in the Western Pacific remain credible, along with its ability to defend the global commons. To out-partner China, the United States must engage with allies and regional partners to define the means and ends of policy and cooperative action. To out-innovate, the United States must sort out its overall policy direction, identify those capabilities needed, and supply them expeditiously.

In pursuing a more competitive approach, the United States must do whatever may be possible to allay Chinese concerns that the goal is absolute security for the United States at the expense of the whole world and U.S. military advantages are intended to bully China.

Washington should affirm its resolve not to be bullied by China in

turn—or allow allies to be bullied. But the U.S. should beware precipitating a new arms race and new forms of crisis instability. All would lose from such competition; and the risks of inadvertent conflict would only rise.

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“This paper is a timely addition to dialogue and debate about how the United States should interpret and respond to China’s aspirations and growing military capabilities. Nacht, Laderman, and Beeston ask the right questions and provide much useful detail on the challenges China faces and the steps it has taken to enhance its military capabilities and political influence.”

Thomas Fingar
Lecturer, Stanford University

“As the United States and China intensify their competition across a range of spheres, it is vital to understand how these tensions interact with—and are affected by—the strategic dynamic between them. This timely manuscript integrates an investigation of Chinese strategy and aspirations with an evaluation of how those and military technologic changes have complicated the US-China relationship. These interlocking challenges are overlaid upon the complex and contested geography of East Asia. The authors provide valuable insight into factors that might contribute to dangerous strategic interactions and inadvertent escalations as well as offering constructive recommendations for policymakers.”

Chris Twomey
Associate Professor, Naval Postgraduate School

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