



# FOREIGN AFFAIRS

## Short of War

### How to Keep U.S.-Chinese Confrontation From Ending in Calamity

**BY KEVIN RUDD    March/April 2021**

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Officials in Washington and Beijing don't agree on much these days, but there is one thing on which they see eye to eye: the contest between their two countries will enter a decisive phase in the 2020s. This will be the decade of living dangerously. No matter what strategies the two sides pursue or what events unfold, the tension between the United States and China will grow, and competition will intensify; it is inevitable. War, however, is not. It remains possible for the two countries to put in place guardrails that would prevent a catastrophe: a joint framework for what I call “managed strategic competition” would reduce the risk of competition escalating into open conflict.

The Chinese Communist Party is increasingly confident that by the

decade's end, China's economy will finally surpass that of the United States as the world's largest in terms of GDP at market exchange rates. Western elites may dismiss the significance of that milestone; the CCP's Politburo does not. For China, size always matters. Taking the number one slot will turbocharge Beijing's confidence, assertiveness, and leverage in its dealings with Washington, and it will make China's central bank more likely to float the yuan, open its capital account, and challenge the U.S. dollar as the main global reserve currency. Meanwhile, China continues to advance on other fronts, as well. A new policy plan, announced last fall, aims to allow China to dominate in all new technology domains, including artificial intelligence, by 2035. And Beijing now intends to complete its military modernization program by 2027 (seven years ahead of the previous schedule), with the main goal of giving China a decisive edge in all conceivable scenarios for a conflict with the United States over Taiwan. A victory in such a conflict would allow President Xi Jinping to carry out a forced reunification with Taiwan before leaving power—an achievement that would put him on the same level within the CCP pantheon as Mao Zedong.

Washington must decide how to respond to Beijing's assertive agenda—and quickly. If it were to opt for economic decoupling and open confrontation, every country in the world would be forced to take sides, and the risk of escalation would only grow. Among policymakers and experts, there is understandable skepticism as to whether Washington and Beijing can avoid such an outcome. Many doubt that U.S. and Chinese leaders can find their way to a framework to manage their diplomatic relations, military

operations, and activities in cyberspace within agreed parameters that would maximize stability, avoid accidental escalation, and make room for both competitive and collaborative forces in the relationship. The two countries need to consider something akin to the procedures and mechanisms that the United States and the Soviet Union put in place to govern their relations after the Cuban missile crisis—but in this case, without first going through the near-death experience of a barely avoided war.

Managed strategic competition would involve establishing certain hard limits on each country's security policies and conduct but would allow for full and open competition in the diplomatic, economic, and ideological realms. It would also make it possible for Washington and Beijing to cooperate in certain areas, through bilateral arrangements and also multilateral forums. Although such a framework would be difficult to construct, doing so is still possible—and the alternatives are likely to be catastrophic.

## **BEIJING'S LONG VIEW**

In the United States, few have paid much attention to the domestic political and economic drivers of Chinese grand strategy, the content of that strategy, or the ways in which China has been operationalizing it in recent decades. The conversation in Washington has been all about what the United States ought to do, without much reflection on whether any given course of action might result in real changes to China's strategic course. A prime example of this type of foreign policy myopia was an address that then Secretary of State Mike Pompeo delivered last July, in which he effectively called for the overthrow of the CCP. "We, the

freedom-loving nations of the world, must induce China to change,” he declared, including by “empower[ing] the Chinese people.”

The only thing that could lead the Chinese people to rise up against the party-state, however, is their own frustration with the CCP’s poor performance on addressing unemployment, its radical mismanagement of a natural disaster (such as a pandemic), or its massive extension of what is already intense political repression. Outside encouragement of such discontent, especially from the United States, is unlikely to help and quite likely to hinder any change. Besides, U.S. allies would never support such an approach; regime change has not exactly been a winning strategy in recent decades. Finally, bombastic statements such as Pompeo’s are utterly counterproductive, because they strengthen Xi’s hand at home, allowing him to point to the threat of foreign subversion to justify ever-tighter domestic security measures, thereby making it easier for him to rally disgruntled CCP elites in solidarity against an external threat.

That last factor is particularly important for Xi, because one of his main goals is to remain in power until 2035, by which time he will be 82, the age at which Mao passed away. Xi’s determination to do so is reflected in the party’s abolition of term limits, its recent announcement of an economic plan that extends all the way to 2035, and the fact that Xi has not even hinted at who might succeed him even though only two years remain in his official term. Xi experienced some difficulty in the early part of 2020, owing to a slowing economy and the COVID-19 pandemic, whose Chinese

origins put the CCP on the defensive. But by the year's end, official Chinese media were hailing him as the party's new "great navigator and helmsman," who had prevailed in a heroic "people's war" against the novel coronavirus. Indeed, Xi's standing has been aided greatly by the shambolic management of the pandemic in the United States and a number of other Western countries, which the CCP has highlighted as evidence of the inherent superiority of the Chinese authoritarian system. And just in case any ambitious party officials harbor thoughts about an alternative candidate to lead the party after Xi's term is supposed to end in 2022, Xi recently launched a major purge—a "rectification campaign," as the CCP calls it—of members deemed insufficiently loyal.

Meanwhile, Xi has carried out a massive crackdown on China's Uighur minority in the region of Xinjiang; launched campaigns of repression in Hong Kong, Inner Mongolia, and Tibet; and stifled dissent among intellectuals, lawyers, artists, and religious organizations across China. Xi has come to believe that China should no longer fear any sanctions that the United States might impose on his country, or on individual Chinese officials, in response to violations of human rights. In his view, China's economy is now strong enough to weather such sanctions, and the party can protect officials from any fallout, as well. Furthermore, unilateral U.S. sanctions are unlikely to be adopted by other countries, for fear of Chinese retaliation. Nonetheless, the CCP remains sensitive to the damage that can be done to China's global brand by continuing revelations about its treatment of minorities. That is why Beijing has become more active in international forums, including the UN Human Rights Council, where it has

rallied support for its campaign to push back against long-established universal norms on human rights, while also regularly attacking the United States for its own alleged abuses of those very norms.

Xi is also intent on achieving Chinese self-sufficiency to head off any effort by Washington to decouple the United States' economy from that of China or to use U.S. control of the global financial system to block China's rise. This push lies at the heart of what Xi describes as China's "dual circulation economy": its shift away from export dependency and toward domestic consumption as the long-term driver of economic growth and its plan to rely on the gravitational pull of the world's biggest consumer market to attract foreign investors and suppliers to China on Beijing's terms. Xi also recently announced a new strategy for technology R & D and manufacturing to reduce China's dependence on imports of certain core technologies, such as semiconductors.

The trouble with this approach is that it prioritizes party control and state-owned enterprises over China's hard-working, innovative, and entrepreneurial private sector, which has been primarily responsible for the country's remarkable economic success over the last two decades. In order to deal with a perceived external economic threat from Washington and an internal political threat from private entrepreneurs whose long-term influence threatens the power of the CCP, Xi faces a dilemma familiar to all authoritarian regimes: how to tighten central political control without extinguishing business confidence and dynamism.

Xi faces a similar dilemma when it comes to what is perhaps his

paramount goal: securing control over Taiwan. Xi appears to have concluded that China and Taiwan are now further away from peaceful reunification than at any time in the past 70 years. This is probably correct. But China often ignores its own role in widening the gulf. Many of those who believed that China would gradually liberalize its political system as it opened up its economic system and became more connected with the rest of the world also hoped that that process would eventually allow Taiwan to become more comfortable with some form of reunification. Instead, China has become more authoritarian under Xi, and the promise of reunification under a “one country, two systems” formula has evaporated as the Taiwanese look to Hong Kong, where China has imposed a harsh new national security law, arrested opposition politicians, and restricted media freedom.

With peaceful reunification off the table, Xi’s strategy now is clear: to vastly increase the level of military power that China can exert in the Taiwan Strait, to the extent that the United States would become unwilling to fight a battle that Washington itself judged it would probably lose. Without U.S. backing, Xi believes, Taiwan would either capitulate or fight on its own and lose. This approach, however, radically underestimates three factors: the difficulty of occupying an island that is the size of the Netherlands, has the terrain of Norway, and boasts a well-armed population of 25 million; the irreparable damage to China’s international political legitimacy that would arise from such a brutal use of military force; and the deep unpredictability of U.S. domestic politics, which would determine the nature of the U.S. response if and when such a crisis arose. Beijing, in projecting its own deep strategic realism

onto Washington, has concluded that the United States would never fight a war it could not win, because to do so would be terminal for the future of American power, prestige, and global standing. What China does not include in this calculus is the reverse possibility: that the failure to fight for a fellow democracy that the United States has supported for the entire postwar period would also be catastrophic for Washington, particularly in terms of the perception of U.S. allies in Asia, who might conclude that the American security guarantees they have long relied on are worthless—and then seek their own arrangements with China.

As for China's maritime and territorial claims in the East China and South China Seas, Xi will not concede an inch. Beijing will continue to sustain pressure on its Southeast Asian neighbors in the South China Sea, actively contesting freedom-of-navigation operations, probing for any weakening of individual or collective resolve—but stopping short of a provocation that might trigger a direct military confrontation with Washington, because at this stage, China is not fully confident it would win. In the meantime, Beijing will seek to cast itself in as reasonable a light as possible in its ongoing negotiations with Southeast Asian claimant states on the joint use of energy resources and fisheries in the South China Sea. Here, as elsewhere, China will fully deploy its economic leverage in the hope of securing the region's neutrality in the event of a military incident or crisis involving the United States or its allies. In the East China Sea, China will continue to increase its military pressure on Japan around the disputed Diaoyu/Senkaku Islands, but as in Southeast Asia, here too Beijing is unlikely to risk an armed conflict, particularly given the unequivocal nature of the



U.S. security guarantee to Japan. Any risk, however small, of China losing such a conflict would be politically unsustainable in Beijing and have massive domestic political consequences for Xi.

## **AMERICA THROUGH XI'S EYES**

Underneath all these strategic choices lies Xi's belief, reflected in official Chinese pronouncements and CCP literature, that the United States is experiencing a steady, irreversible structural decline. This belief is now grounded in a considerable body of evidence. A divided U.S. government failed to craft a national strategy for long-term investment in infrastructure, education, and basic scientific and technological research. The Trump administration damaged U.S. alliances, abandoned trade liberalization, withdrew the United States from its leadership of the postwar international order, and crippled U.S. diplomatic capacity. The Republican Party has been hijacked by the far right, and the American political class and electorate are so deeply polarized that it will prove difficult for any president to win support for a long-term bipartisan strategy on China. Washington, Xi believes, is highly unlikely to recover its credibility and confidence as a regional and global leader. And he is betting that as the next decade progresses, other world leaders will come to share this view and begin to adjust their strategic postures accordingly, gradually shifting from balancing with Washington against Beijing, to hedging between the two powers, to bandwagoning with China.

But China worries about the possibility of Washington lashing out at Beijing in the years before U.S. power finally dissipates. Xi's concern is not just a potential military conflict but also any rapid

and radical economic decoupling. Moreover, the CCP's diplomatic establishment fears that the Biden administration, realizing that the United States will soon be unable to match Chinese power on its own, might form an effective coalition of countries across the democratic capitalist world with the express aim of counterbalancing China collectively. In particular, CCP leaders fear that President Joe Biden's proposal to hold a summit of the world's major democracies represents a first step on that path, which is why China acted rapidly to secure new trade and investment agreements in Asia and Europe before the new administration came into office.

Mindful of this combination of near-term risks and China's long-term strengths, Xi's general diplomatic strategy toward the Biden administration will be to de-escalate immediate tensions, stabilize the bilateral relationship as early as possible, and do everything possible to prevent security crises. To this end, Beijing will look to fully reopen the lines of high-level military communication with Washington that were largely cut off during the Trump administration. Xi might seek to convene a regular, high-level political dialogue, as well, although Washington will not be interested in reestablishing the U.S.-China Strategic and Economic Dialogue, which served as the main channel between the two countries until its collapse amid the trade war of 2018–19. Finally, Beijing may moderate its military activity in the immediate period ahead in areas where the People's Liberation Army rubs up directly against U.S. forces, particularly in the South China Sea and around Taiwan—assuming that the Biden administration discontinues the high-level political visits to Taipei that became a defining feature of the final year of the Trump administration. For Beijing, however,

these are changes in tactics, not in strategy.

As Xi tries to ratchet down tensions in the near term, he will have to decide whether to continue pursuing his hard-line strategy against Australia, Canada, and India, which are friends or allies of the United States. This has involved a combination of a deep diplomatic freeze and economic coercion—and, in the case of India, direct military confrontation. Xi will wait for any clear signal from Washington that part of the price for stabilizing the U.S.-Chinese relationship would be an end to such coercive measures against U.S. partners. If no such signal is forthcoming—there was none under President Donald Trump—then Beijing will resume business as usual.

Meanwhile, Xi will seek to work with Biden on climate change. Xi understands this is in China's interests because of the country's increasing vulnerability to extreme weather events. He also realizes that Biden has an opportunity to gain international prestige if Beijing cooperates with Washington on climate change, given the weight of Biden's own climate commitments, and he knows that Biden will want to be able to demonstrate that his engagement with Beijing led to reductions in Chinese carbon emissions. As China sees it, these factors will deliver Xi some leverage in his overall dealings with Biden. And Xi hopes that greater collaboration on climate will help stabilize the U.S.-Chinese relationship more generally.

Adjustments in Chinese policy along these lines, however, are still likely to be tactical rather than strategic. Indeed, there has been remarkable continuity in Chinese strategy toward the United States

since Xi came to power in 2013, and Beijing has been surprised by the relatively limited degree to which Washington has pushed back, at least until recently. Xi, driven by a sense of Marxist-Leninist determinism, also believes that history is on his side. As Mao was before him, Xi has become a formidable strategic competitor for the United States.

## **UNDER NEW MANAGEMENT**

On balance, the Chinese leadership would have preferred to have seen the reelection of Trump in last year's U.S. presidential election. That is not to say that Xi saw strategic value in every element of Trump's foreign policy; he didn't. The CCP found the Trump administration's trade war humiliating, its moves toward decoupling worrying, its criticism of China's human rights record insulting, and its formal declaration of China as a "strategic competitor" sobering. But most in the CCP's foreign policy establishment view the recent shift in U.S. sentiment toward China as structural—an inevitable byproduct of the changing balance of power between the two countries. In fact, a number have been quietly relieved that open strategic competition has replaced the pretense of bilateral cooperation. With Washington having removed the mask, this thinking goes, China could now move more rapidly—and, in some cases, openly—toward realizing its strategic goals, while also claiming to be the aggrieved party in the face of U.S. belligerence.

But by far the greatest gift that Trump delivered to Beijing was the sheer havoc his presidency unleashed within the United States and between Washington and its allies. China was able to exploit the many cracks that developed between liberal democracies as they

tried to navigate Trump's protectionism, climate change denialism, nationalism, and contempt for all forms of multilateralism. During the Trump years, Beijing benefited not because of what it offered the world but because of what Washington ceased to offer. The result was that China achieved victories such as the massive Asia-Pacific free-trade deal known as the Regional Comprehensive Economic Partnership and the EU-China Comprehensive Agreement on Investment, which will enmesh the Chinese and European economies to a far greater degree than Washington would like.

China is wary of the Biden administration's ability to help the United States recover from those self-inflicted wounds. Beijing has seen Washington bounce back from political, economic, and security disasters before. Nonetheless, the CCP remains confident that the inherently divisive nature of U.S. politics will make it impossible for the new administration to solidify support for any coherent China strategy it might devise.

Biden intends to prove Beijing wrong in its assessment that the United States is now in irreversible decline. He will seek to use his extensive experience on Capitol Hill to forge a domestic economic strategy to rebuild the foundations of U.S. power in the post-pandemic world. He is also likely to continue to strengthen the capabilities of the U.S. military and to do what it takes to sustain American global technological leadership. He has assembled a team of economic, foreign policy, and national security advisers who are experienced professionals and well versed in China—in stark

contrast to their predecessors, who, with a couple of midranking exceptions, had little grasp of China and even less grasp of how to make Washington work. Biden's advisers also understand that in order to restore U.S. power abroad, they must rebuild the U.S. economy at home in ways that will reduce the country's staggering inequality and increase economic opportunities for all Americans. Doing so will help Biden maintain the political leverage he'll need to craft a durable China strategy with bipartisan support—no mean feat when opportunistic opponents such as Pompeo will have ample incentive to disparage any plan he puts forward as little more than appeasement.

To lend his strategy credibility, Biden will have to make sure the U.S. military stays several steps ahead of China's increasingly sophisticated array of military capabilities. This task will be made more difficult by intense budgetary constraints, as well as pressure from some factions within the Democratic Party to reduce military spending in order to boost social welfare programs. For Biden's strategy to be seen as credible in Beijing, his administration will need to hold the line on the aggregate defense budget and cover increased expenses in the Indo-Pacific region by redirecting military resources away from less pressing theaters, such as Europe.

As China becomes richer and stronger, the United States' largest and closest allies will become ever more crucial to Washington. For the first time in many decades, the United States will soon require the combined heft of its allies to maintain an overall balance of power against an adversary. China will keep trying to peel countries away from the United States—such as Australia, Canada, France,

Germany, Japan, South Korea, and the United Kingdom—using a combination of economic carrots and sticks. To prevent China from succeeding, the Biden administration needs to commit itself to fully opening the U.S. economy to its major strategic partners. The United States prides itself on having one of the most open economies in the world. But even before Trump’s pivot to protectionism, that was not the case. Washington has long burdened even its closest allies with formidable tariff and nontariff barriers to trade, investment, capital, technology, and talent. If the United States wishes to remain the center of what until recently was called “the free world,” then it must create a seamless economy across the national boundaries of its major Asian, European, and North American partners and allies. To do so, Biden must overcome the protectionist impulses that Trump exploited and build support for new trade agreements anchored in open markets. To allay the fears of a skeptical electorate, he will need to show Americans that such agreements will ultimately lead to lower prices, better wages, more opportunities for U.S. industry, and stronger environmental protections and assure them that the gains won from trade liberalization can help pay for major domestic improvements in education, childcare, and health care.

The Biden administration will also strive to restore the United States’ leadership in multilateral institutions such as the UN, the World Bank, the International Monetary Fund, and the World Trade Organization. Most of the world will welcome this after four years of watching the Trump administration sabotage much of the machinery of the postwar international order. But the damage will not be repaired overnight. The most pressing priorities are fixing

the World Trade Organization's broken dispute-resolution process, rejoining the Paris agreement on climate change, increasing the capitalization of both the World Bank and the International Monetary Fund (to provide credible alternatives to China's Asian Infrastructure Investment Bank and its Belt and Road Initiative), and restoring U.S. funding for critical UN agencies. Such institutions have not only been instruments of U.S. soft power since Washington helped create them after the last world war; their operations also materially affect American hard power in areas such as nuclear proliferation and arms control. Unless Washington steps up to the plate, the institutions of the international system will increasingly become Chinese satrapies, driven by Chinese finance, influence, and personnel.

## **MANAGED STRATEGIC COMPETITION**

The deeply conflicting nature of U.S. and Chinese strategic objectives and the profoundly competitive nature of the relationship may make conflict, and even war, seem inevitable—even if neither country wants that outcome. China will seek to achieve global economic dominance and regional military superiority over the United States without provoking direct conflict with Washington and its allies. Once it achieves superiority, China will then incrementally change its behavior toward other states, especially when their policies conflict with China's ever-changing definition of its core national interests. On top of this, China has already sought to gradually make the multilateral system more obliging of its national interests and values.

But a gradual, peaceful transition to an international order that



accommodates Chinese leadership now seems far less likely to occur than it did just a few years ago. For all the eccentricities and flaws of the Trump administration, its decision to declare China a strategic competitor, formally end the doctrine of strategic engagement, and launch a trade war with Beijing succeeded in making clear that Washington was willing to put up a significant fight. And the Biden administration's plan to rebuild the fundamentals of national U.S. power at home, rebuild U.S. alliances abroad, and reject a simplistic return to earlier forms of strategic engagement with China signals that the contest will continue, albeit tempered by cooperation in a number of defined areas.

The question for both Washington and Beijing, then, is whether they can conduct this high level of strategic competition within agreed-on parameters that would reduce the risk of a crisis, conflict, and war. In theory, this is possible; in practice, however, the near-complete erosion of trust between the two has radically increased the degree of difficulty. Indeed, many in the U.S. national security community believe that the CCP has never had any compunction about lying or hiding its true intentions in order to deceive its adversaries. In this view, Chinese diplomacy aims to tie opponents' hands and buy time for Beijing's military, security, and intelligence machinery to achieve superiority and establish new facts on the ground. To win broad support from U.S. foreign policy elites, therefore, any concept of managed strategic competition will need to include a stipulation by both parties to base any new rules of the road on a reciprocal practice of "trust but verify."

The idea of managed strategic competition is anchored in a deeply

realist view of the global order. It accepts that states will continue to seek security by building a balance of power in their favor, while recognizing that in doing so they are likely to create security dilemmas for other states whose fundamental interests may be disadvantaged by their actions. The trick in this case is to reduce the risk to both sides as the competition between them unfolds by jointly crafting a limited number of rules of the road that will help prevent war. The rules will enable each side to compete vigorously across all policy and regional domains. But if either side breaches the rules, then all bets are off, and it's back to all the hazardous uncertainties of the law of the jungle.

The first step to building such a framework would be to identify a few immediate steps that each side must take in order for a substantive dialogue to proceed and a limited number of hard limits that both sides (and U.S. allies) must respect. Both sides must abstain, for example, from cyberattacks targeting critical infrastructure. Washington must return to strictly adhering to the “one China” policy, especially by ending the Trump administration’s provocative and unnecessary high-level visits to Taipei. For its part, Beijing must dial back its recent pattern of provocative military exercises, deployments, and maneuvers in the Taiwan Strait. In the South China Sea, Beijing must not reclaim or militarize any more islands and must commit to respecting freedom of navigation and aircraft movement without challenge; for its part, the United States and its allies could then (and only then) reduce the number of operations they carry out in the sea. Similarly, China and Japan could cut back their military deployments in the East China Sea by mutual agreement over time.

If both sides could agree on those stipulations, each would have to accept that the other will still try to maximize its advantages while stopping short of breaching the limits. Washington and Beijing would continue to compete for strategic and economic influence across the various regions of the world. They would keep seeking reciprocal access to each other's markets and would still take retaliatory measures when such access was denied. They would still compete in foreign investment markets, technology markets, capital markets, and currency markets. And they would likely carry out a global contest for hearts and minds, with Washington stressing the importance of democracy, open economies, and human rights and Beijing highlighting its approach to authoritarian capitalism and what it calls "the China development model."

Even amid escalating competition, however, there will be some room for cooperation in a number of critical areas. This occurred even between the United States and the Soviet Union at the height of the Cold War. It should certainly be possible now between the United States and China, when the stakes are not nearly as high. Aside from collaborating on climate change, the two countries could conduct bilateral nuclear arms control negotiations, including on mutual ratification of the Comprehensive Nuclear Test Ban Treaty, and work toward an agreement on acceptable military applications of artificial intelligence. They could cooperate on North Korean nuclear disarmament and on preventing Iran from acquiring nuclear weapons. They could undertake a series of confidence-building measures across the Indo-Pacific region, such as coordinated disaster-response and humanitarian missions. They could work together to improve global financial stability, especially

by agreeing to reschedule the debts of developing countries hit hard by the pandemic. And they could jointly build a better system for distributing COVID-19 vaccines in the developing world.

That list is far from exhaustive. But the strategic rationale for all the items is the same: it is better for both countries to operate within a joint framework of managed competition than to have no rules at all. The framework would need to be negotiated between a designated and trusted high-level representative of Biden and a Chinese counterpart close to Xi; only a direct, high-level channel of that sort could lead to confidential understandings on the hard limits to be respected by both sides. These two people would also become the points of contact when violations occurred, as they are bound to from time to time, and the ones to police the consequences of any such violations. Over time, a minimum level of strategic trust might emerge. And maybe both sides would also discover that the benefits of continued collaboration on common planetary challenges, such as climate change, might begin to affect the other, more competitive and even conflictual areas of the relationship.

There will be many who will criticize this approach as naive. Their responsibility, however, is to come up with something better. Both the United States and China are currently in search of a formula to manage their relationship for the dangerous decade ahead. The hard truth is that no relationship can ever be managed unless there is a basic agreement between the parties on the terms of that management.

## **GAME ON**

What would be the measures of success should the United States and China agree on such a joint strategic framework? One sign of success would be if by 2030 they have avoided a military crisis or conflict across the Taiwan Strait or a debilitating cyberattack. A convention banning various forms of robotic warfare would be a clear victory, as would the United States and China acting immediately together, and with the World Health Organization, to combat the next pandemic. Perhaps the most important sign of success, however, would be a situation in which both countries competed in an open and vigorous campaign for global support for the ideas, values, and problem-solving approaches that their respective systems offer—with the outcome still to be determined.

Success, of course, has a thousand fathers, but failure is an orphan. But the most demonstrable example of a failed approach to managed strategic competition would be over Taiwan. If Xi were to calculate that he could call Washington's bluff by unilaterally breaking out of whatever agreement had been privately reached with Washington, the world would find itself in a world of pain. In one fell swoop, such a crisis would rewrite the future of the global order.

A few days before Biden's inauguration, Chen Yixin, the secretary-general of the CCP's Central Political and Legal Affairs Commission, stated that "the rise of the East and the decline of the West has become [a global] trend and changes of the international landscape are in our favor." Chen is a close confidant of Xi and a central figure in China's normally cautious national security

apparatus, and so the hubris in his statement is notable. In reality, there is a long way to go in this race. China has multiple domestic vulnerabilities that are rarely noted in the media. The United States, on the other hand, always has its weaknesses on full public display—but has repeatedly demonstrated its capacity for reinvention and restoration. Managed strategic competition would highlight the strengths and test the weaknesses of both great powers—and may the best system win.

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