

Most threatening when weak?

The risks China poses to global security

By Niall Ferguson

It is usually clear when a war breaks out. Even if there is no formal declaration, the work of invasion or destruction begins. The outbreak of war can be given a date, even a time. This is not true of a cold war. We now recall as prophetic Winston Churchill's speech at Fulton, Missouri, on March 5, 1946, in which he referred to an "iron curtain" descending across the European continent "from Stettin in the Baltic to Trieste in the Adriatic". In fact, Churchill was simply giving a vivid name to what was already happening. At the time, however, few Americans shared his pessimism about Soviet intentions. The *New York Times's* commentary on the speech implied that the US had to choose between an alliance with the British Commonwealth or one with the Soviet Union, making it seem like a finely balanced choice. And just days before the address, the Republican Senator Arthur Vandenberg – who would later play a vital role in the creation of NATO – was still willing to offer Stalin "a direct treaty of mutual defense, under the United Nations", and to affirm his belief that the US and USSR could "live together in perfect harmony". Only gradually did it become clear to most Americans that the "cold war" George Orwell had predicted as early as October 1945 – an indefinitely prolonged "peace that is no peace" – was a reality.

Are we now in Cold War II, with the People's Republic of China taking the place of the Soviet Union? Most scholars of relations between the US and China dislike that analogy. Yet even Henry Kissinger, who began the work of creating a relationship between Washington and Beijing fifty years ago this month, acknowledged in November 2019 that the two governments were now "in the foothills of a cold war". Even if they prefer other terms ("cool war", "hot peace"), a growing number of commentators implicitly accept this – which is to say, they accept that China under Xi Jinping is behaving in ways that recall Churchill's characterization of the Soviet Union's "expansive and proselytizing tendencies" under Stalin. Not only was everything east of the Iron Curtain being brought under the control of Moscow; in western Europe Communist fifth columns were hard at work, while Stalin's ambitions also menaced Turkey, Iran and China. As Churchill said, the Soviets did not want "hot" war. They wanted the peaceful but "indefinite expansion of their power and doctrines".

Churchillian warnings that China has a grand strategy for world domination are now a favourite with publishers. An early and influential example of the genre was *The One Hundred Year Marathon: China's secret strategy to replace America as the global superpower* (2015) by Michael Pillsbury of the Hudson Institute. This, along with Jonathan T. Ward's *China's Vision of Victory* (2019), furnished the administration of Donald J. Trump with a more compelling rationale for its new and a more combative policy towards China than the President's own quixotic protectionism. The latest contribution from the American right comes from the American Enterprise Institute's Dan Blumenthal, who argues in *The China Nightmare: The grand ambitions of a decaying state* (American Enterprise Institute; paperback, £14.95) that "a Chinese world order would look ... like the [Chinese Communist Party's] China" – "malign", "repressive" and "reliant on tools of social control, coercion and repression".

Perhaps the most remarkable thing about such arguments is that, at a time when partisan polarization characterizes almost every aspect of American life, they are just as likely to be made by Democrats as Republicans. Rush Doshi's new book *The Long Game: China's grand strategy to displace American order* (Oxford University Press; £21.99), begins with the propositions that China "now poses a challenge unlike any the U.S. has ever faced" and that "Beijing's ultimate objective is to displace the U.S. order globally ... to emerge as the world's dominant state by 2049". Of all the books to appear on this subject in 2021, this will be the one most closely read, as Doshi is now the director for China on President Joe Biden's National Security Council and a protégé of Biden's "Asia tsar", Kurt Campbell.

What is the nature of the Chinese challenge? Clearly, it is quite different in a number of respects from the Soviet challenge of the late 1940s. Stalin believed in imposing Soviet control over neighbouring countries by establishing puppet regimes and backing them with the Red Army. That, as Doshi notes, is not the style of the CCP. Long before Xi came to power, China's leaders – appalled by the "trifecta" of Tiananmen Square, the First Gulf War and the Soviet collapse – had set out to "blunt" the spearpoints of American hegemony. This was the real point of Deng Xiaoping's maxim of *Tao Guang Yang Hui* ("hide one's capabilities and bide one's time"). China invested in asymmetric "assassin's mace" (*shashoujian*) weapons such as submarines, mines and missiles. It sought to join and at the same time weaken regional organizations, notably the Association of Southeast Asian Nations. And it assiduously pursued its own economic integration into the US-led global trade order, culminating in its admission to the World Trade Organization in 2001.

Phase two came when the global financial crisis of 2008–9 appeared to present an opportunity to build new forms of influence – to "Actively Accomplish Something", in Hu Jintao's phrase. China's navy acquired surface vessels, amphibious capability and overseas bases. China created new international institutions, notably the Asia Infrastructure Investment Bank. And Xi's Belt and Road Initiative (BRI) began to project Chinese resources, soft power and propaganda beyond East Asia.

Most recently, Doshi argues in his new book, in the context of "great changes unseen in a century" (Brexit, Trump's election and the Covid-19 pandemic), China's leadership has embarked on overt global expansion, "moving closer to the world's centre stage", as Xi put it in a speech to 19th Party Congress in October 2017. This has manifested itself most startlingly in the new, aggressive "wolf-warrior" style of Chinese diplomacy, but the substantive changes include attempting to create a "world-class army", trying to take control of international standard-setting institutions (such as the International Telecommunication Union), investing heavily in the technology of the "fourth industrial revolution" (e.g. artificial intelligence and quantum computing) and making BRI a truly global programme comparable in its spirit to Mao's civil war strategy of "surrounding the cities from the countryside". Unlike many other Western writers on Chinese strategy, Doshi draws on a deep knowledge of the CCP's voluminous internal and public deliberations. (Such knowledge is not easily acquired. The late Belgian Sinologist Simon Leys once likened reading Party speeches and guidelines to "swallowing sawdust by the bucketful".) But is he right? Or is his argument just a more deeply researched and academically pukka version of those by Pillsbury, Ward and Blumenthal?

An important dissenting voice is the Yale historian Odd Arne Westad, who acknowledges China's expansionist tendencies from Tibet to Hong Kong to the South China Sea but sees "little evidence that the regime is out to destroy the international system designed by and still

dominated by Western power”. My colleague at the Hoover Institution, Elizabeth Economy, recently argued in *Foreign Affairs* (May 28, 2021) that China is in fact much weaker than it looks, spending \$30 billion more on domestic security than on the People’s Liberation Army, the price of keeping an increasingly unequal and fractious population under the Party’s control. (For a startling depiction of Chinese inequality today, Scott Rozelle and Natalie Hell’s ***Invisible China: How the urban-rural divide threatens China’s rise*** – University of Chicago Press; £22 – is not to be missed.) And Minxin Pei of Claremont McKenna noted in a column for Bloomberg (May 27, 2021) that, in terms of wealth and military (especially nuclear) capability, China is still far behind the US. In his view, “manifold internal weaknesses, which range from rapid demographic deterioration to social unrest, ethnic tensions and an inefficient state-capitalist system ... will limit the growth of Chinese power”.

China is diplomatically isolated, too, and has grown more so as a result of its clumsy mishandling of the initial outbreak of Covid-19 as well as its subsequent shrill attempts to deny responsibility and obscure what really went wrong in Wuhan. It is a sign of the times that a veteran journalist of the British left, Ian Williams, in his new book ***Every Breath You Take: China’s new tyranny*** (Birlinn; paperback, £16.99), should describe the country under Xi as “an aggressive and expansionary power that not only represses its own people but is now the biggest threat to western democracies, their like-minded allies, and to democratic values in general”. Luke Patey, of the Danish Institute for International Studies, argues in ***How China Loses: The pushback against Chinese global ambitions*** (Oxford University Press; £22.99) that it is precisely this kind of sentiment, not only in the UK but in Europe too, that will cause China to lose its bid for world power – “not because it lacks global power ... but because the actions and visions of its leaders elicit ... pushback across the world”. Eyck Freymann’s definitive study of BRI, ***One Belt One Road: Chinese power meets the world*** (Harvard University Press; £48.95), reveals a motley array of projects wrapped in a great deal of propaganda, sometimes losing money, sometimes losing friends as quickly as it gains them, though Freymann still thinks it “represents a working model for a future geopolitical bloc led by China, structured along the lines of a modern tributary system”.

The argument that the PRC is a paper tiger is alluring. How convenient it would be if the Chinese challenge simply evaporated in a sudden collapse of the one-party empire state. In ***China Coup: The great leap to freedom*** (University of California Press; £18.99), the former British diplomat Roger Garside imagines a version of the Soviet internal crisis of 1991, with Li Keqiang joining forces with Wang Qishan to overthrow Xi in response to a crisis triggered by US financial sanctions. Well, it’s not beyond the bounds of possibility and it would be a foolish pundit who failed to learn from the suddenness of the Soviet collapse. On the other hand, Gordon Chang published *The Coming Collapse of China* in 2001. A compendium of all the articles predicting a Chinese collapse over the past twenty years would be a fat one.

The only way to reconcile the two apparently contradictory positions – “China is a threat” and “China is weak” – is to argue, with Blumenthal, that “China’s growing internal weaknesses” are in fact “pushing forward [its] grand strategic ambitions”. The PRC is both “hostile and unstable”. “Frustration” with internal problems “leads to lashing out”. This, too, is not an argument to be dismissed lightly. The world wars began not because the rising powers – Germany, later Japan – felt confident, but because they felt insecure and saw their strategic windows of opportunity closing. A year ago, in the *National Interest* (June 11, 2020), Graham Allison, the author of the hugely influential *Destined for War* (2017), drew a parallel between

US economic sanctions against Japan prior to Pearl Harbor and the current measures directed against China – not so much Trump’s tariffs as the measures targeted against Chinese technology companies such as Huawei.

China spends as much money on imported semiconductors as it does on imported oil and the US controls the crucial chokepoints of the chip industry, including semiconductor manufacturing equipment and intellectual property rights. China cannot design cutting-edge chips without using American electronic design automation software. It cannot manufacture them without the extreme ultraviolet lithography machines made by the Dutch firm ASML. And no Chinese-made semiconductor can rival the 5- nanometer chips made by Taiwan’s TSMC. As one veteran American politician put it last year: “China is going to eat our lunch? Come on, man. I mean, you know, they’re not bad folks, folks. But guess what? They’re not competition for us”.

Joe Biden (for it was he) very hurriedly changed his tune when it was explained to him that, if he wanted to win the presidency, he had to be more hawkish than Trump on China, not less. It might be said that the shift in popular sentiment Trump himself had catalysed forced a U-turn on Biden, but it would be more accurate to say that Biden was just a little late to the anti-Chinese party. Other members of Barack Obama’s administration who are now serving under the new President – not only Kurt Campbell but also Secretary of State Antony Blinken and National Security Adviser Jake Sullivan – had all changed their tune about China well before the 2020 election campaign. Now the line is firmly established. As Biden told reporters in March, China would not become “the leading country in the world, the wealthiest country in the world, and the most powerful country in the world” on his watch.

It is one thing to make such a declaration; another to formulate a coherent policy capable of thwarting China’s rise at a politically acceptable cost. What exactly are America’s strategic options, assuming the PRC does not obligingly keel over? There are still those (such as Robert Zoellick or Henry Paulson) who believe that the old spirit of “strategic dialogue” and “win-win diplomacy” can somehow be revived (see *TLS*, January 29, 2021), but they are a dwindling band in Washington, if not on Wall Street. Then there are those, such as Peter Beinart (see the *Atlantic*, September 16, 2018) and Stephen Wertheim (see *Foreign Affairs*, March/April 2020), who seem ready to accommodate China’s rise in some kind of “grand bargain” that would, among other things, abandon Taiwan to Beijing, conceding parity if not primacy to China in the recently renamed “Indo-Pacific” region. As in the 1930s, appeasement is often presented as the realist’s strategy. In the words of Columbia University’s Richard Hanania (see *Defense Priorities*, May 2021), any attempt by the US to resist China’s ascendancy “will fail and increase the possibility of a cataclysmic war”. Such arguments are not much liked in the Biden White House.

Much more congenial to the administration are economic arguments that chime with its domestic agenda. In *The Great Decoupling: China, America and the struggle for technological supremacy* (Hurst; £25) Nigel Inkster – a veteran of UK intelligence now at the International Institute for Strategic Studies – notes that the biggest difference between the Cold War and the present is the extent of the economic interdependence between the US and China, something Trump’s tariffs predictably failed to diminish. As Inkster notes, a better analogy might be with the UK and Germany prior to the First World War. If so, high levels of bilateral trade and investment by themselves cannot prevent conflict; decoupling is already underway (see the Trump administration’s measures directed against Huawei) and could easily accelerate in a crisis.

The corollary of decoupling is to restore the US manufacturing base that was so rapidly eroded in the era of what Moritz Schularick and I called “Chimerica”. Clyde Prestowitz’s *The World Turned Upside Down: America, China, and the struggle for global leadership* (Yale University Press; £25) proposes a lengthy list of new measures and institutions designed to restore the United States to economic independence and predominance: a markets-access charge on all investment from abroad; an American Rejuvenation Program; a merged National Economic and Security Council; a Department of Competitiveness; a state-sponsored rival to Huawei; a national development board or authority. Sometimes the models are from the American past (e.g. Woodrow Wilson’s creation of the Radio Corporation of America to rival the British subsidiary American Marconi, or the 1958 National Defense Education Act); sometimes they are of European provenance (such as the proposal to reconfigure American multinationals as German-style *Aktiengesellschaften* with organized labour represented on supervisory boards). The reader is left to ponder how any of this would actually deter China from, say, invading Taiwan.

The big difference between Biden’s China strategy and that of Trump would seem to be diplomatic rather than economic. As Campbell and Doshi argued on the eve of Biden’s inauguration (*Foreign Affairs*, January 12, 2021), “to deter Chinese adventurism ... Washington will have to work with others”. However,

rather than form a grand coalition focused on every issue, the US should pursue bespoke or ad hoc bodies focused on individual problems, such as the D-10 proposed by the United Kingdom (the G-7 democracies plus Australia, India, and South Korea) [or] ... the so-called Quad currently composed of Australia, India, Japan, and the United States.

Doshi believes the US and its allies should adopt Chinese methods of blunting and building, for example copying the Chinese “anti-access/area-denial” approach to defence. The question is how far these approaches can ever produce something remotely as effective as NATO was during the Cold War. Asia is not Europe and the Pacific is not the Atlantic. China looms much larger in East Asia than the Soviet Union did in Western Europe, and San Francisco is twice as far away from Taipei as New York is from Paris. A South Korean official recently compared the need to pick sides in a US-Chinese dispute to “asking a child whether you like your dad or your mom”.

Cold War I had its Berlin crisis, its Cuban crisis, its Middle Eastern crises. Cold War II has the potential to roll all these into a single Taiwan crisis. The island has the symbolic significance of the German capital, the geographic sensitivity of the Caribbean island, and the economic centrality of the Persian Gulf. No one should have any doubt that terminating Taiwan’s de facto autonomy and democracy is Xi’s ultimate goal, nor that China has been flexing its air and naval muscles menacingly in the past year. Oriana Skylar Mastro, Elbridge Colby and Jim Mitre, Philip Zelikow and Robert Blackwill: the list of experts warning about a war over Taiwan gets longer every month. The number arguing (with Patrick Porter and Michael Mazar; see their report for the Lowy Institute, May 20, 2021) that the game is not worth the candle for either side is much smaller. It is in this context that Elliot Ackerman and James Stavridis’s novel *2034* (Penguin; \$27) is well worth reading. Stavridis imagines a surprise Chinese naval encirclement of Taiwan as one of the opening ploys of World War III. The US sustains such heavy naval losses in the ensuing maritime struggle that it is driven to hit Zhanjiang (in Guangdong province) with a nuclear missile, which leads in turn to the obliteration of San Diego and Galveston. “For China to seize Taiwan by force”, Westad has argued, “would be a bit like

wanting to fly and jumping off a cliff to prove that it is possible: the war that would follow would be cataclysmic for China and the world”. But Norman Angell made similar arguments about the illusory nature of German aggression just five years before 1914.

The problem, as Hal Brands has recently pointed out (in Bloomberg, June 7, 2021), is that 2034 may be an unrealistically distant date for a Sino–American showdown. A more plausible date, in terms of the relative balance of forces, might be 2025. The tech investor Peter Thiel has suggested that a Chinese move on Taiwan might come as early as next year, after the Beijing Winter Olympics (just as Russia invaded Ukraine after the 2014 Games in Sochi). It is not that the US lacks the financial resources to deter China from risking a cross-Strait invasion (or even the less risky seizure of the outlying islands of Kinmen and Matsu). It is more (as Michael Beckley has pointed out; see *Foreign Affairs*, June 12, 2021) that the Pentagon is spending money on the wrong things – large warships and short-range fighter aircraft operating from exposed bases, rather than a high-tech “minefield” of prepositioned missile launchers, armed drones and sensors.

When Churchill depicted the world divided by an iron curtain, it was to sell to Americans the idea of a “special relationship” between the US and the British Commonwealth and Empire. This rump of the wartime alliance that had defeated the Axis powers would, he argued, provide the new United Nations with “the sinews of peace” necessary to contain Soviet expansionism. What emerged instead, as the Empire unravelled and western Europe recovered, was a transatlantic alliance. But NATO did the job much as Churchill had intended, even if it took George Kennan to call that job “containment”.

In their different ways, many academics, journalists and diplomats aspire to be the Kennan of Cold War II. None of the books reviewed here, however, comes close to the clarity of Kennan’s article “The Sources of Soviet Conduct”, published in *Foreign Affairs* a year after Churchill’s Iron Curtain speech. It bears re-reading today. “Who can say with assurance that the strong light still cast by the Kremlin on the dissatisfied peoples of the western world”, Kennan asked, “is not the powerful afterglow of a constellation which is in actuality on the wane? ... the possibility remains ... that Soviet power ... bears within it the seeds of its own decay, and that the sprouting of these seeds is well advanced”. Some might ask the same question of China today. Yet Kennan was forty-three when he wrote those words and eighty-seven when the Soviet Union was finally dissolved in December 1991.

Just as no one can quite be sure when a cold war begins, nor can there be any certainty about the duration of such a war. Just because Cold War I lasted around forty years is no guarantee that the same will be true of Cold War II. Those making US foreign policy today must hope for the best but prepare for the worst. It may indeed be a long game.

Niall Ferguson’s latest book is Doom: The politics of catastrophe, 2021