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# Is a New Cold War Inevitable? Chinese Perspectives on US–China Strategic Competition

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## Abstract

In recent years, Chinese scholars and policy elites have discussed the ever intensifying strategic competition between the United States and China and its multifaceted implications for Chinese foreign policy. Some even worry about the possibility of a new Cold War between the United States and China. This article aims to offer an analysis of Chinese perspectives on US–China strategic competition. In the view of most Chinese observers, US–China strategic competition is inevitable because China is closing the national power gap between itself and the United States, while the latter resolutely upholds its global primacy. Other factors, including ideological disagreements, may fuel the major power competition that has extended to most aspects of US–China relations. Chinese observers believe that economic and technological rivalry between the United States and China has heightened and that the Western Pacific is the focal point of US–China strategic competition. Meanwhile, certain Chinese scholars attach greater importance to US–China competition over international prestige and leadership. However, Chinese analysts are not overly pessimistic about the prospects for US–China relations and have raised policy recommendations geared to managing US–China strategic competition and restoring a new equilibrium between the two major powers.

## Introduction

In December 2017, the Trump administration unveiled its National Security Strategy report, which proposed that the United States is entering a new era of major power competition. The report labelled China as a ‘revisionist power’ and ‘strategic competitor’ that wants ‘to shape a world antithetical to US values and interests’.<sup>1</sup> In addition,

1 The White House, ‘National Security Strategy of the United States of America’, December 2017, pp. 2–3, 25, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905-2.pdf>.

the Summary of the 2018 National Defence Strategy issued by the US Department of Defence stressed that the ‘central challenge’ to the Pentagon was how to tackle ‘the reemergence of long-term, strategic competition’ with China and other rival states.<sup>2</sup> American senior officials, moreover, have made it quite clear that competition has become the focal point of the Trump administration’s new China policy. In October 2018, while attending the Chinese Embassy in Washington’s National Day celebrations, senior director for Asian affairs on the National Security Council Matt Pottinger unequivocally stated that, ‘We at the administration have updated our China policy to bring the concept of competition to the forefront’.<sup>3</sup> Besides such rhetorical changes, the Trump administration has also exerted far greater pressure on China through a series of moves, and competition now seems to extend across all aspects of American policy towards China.<sup>4</sup> In particular, Washington has launched an unprecedented trade war against China, and there is a ‘decoupling’ trend in the US–China economic relationship.<sup>5</sup> New tensions have flared up over the Taiwan issue, and there is also a risk of escalating US–China friction with regard to Maritime Asia, especially in the South China Sea.<sup>6</sup> The United States continues to advance its ‘Free and Open Indo-Pacific Strategy’, whose main aim is to counterbalance the Belt and Road Initiative that China has been promoting in recent years.<sup>7</sup> Without doubt, competition—comprehensive, long-term, and global—has become the buzzword in the current reorientation of US strategy towards China. Indeed, the executive and legislative branches of US government have reached a new consensus on taking a whole-of-government approach to curbing China’s rising power and international influence through better harnessing America’s various policy tools.<sup>8</sup>

- 2 U.S. Department of Defense, ‘Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge’, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.
- 3 ‘Dealing with China, America Goes for Confucian Honesty’, *The Economist*, 4 October, 2018, <https://www.economist.com/china/2018/10/04/dealing-with-china-america-goes-for-confucian-honesty>.
- 4 Robert Sutter, ‘Pushback: America’s New China Strategy’, *The Diplomat*, 2 November, 2018, <https://thediplomat.com/2018/11/pushback-americas-new-china-strategy/>.
- 5 Timothy R. Heath and William R. Thompson, ‘Avoiding US-China Competition Is Futile: Why the Best Option Is to Manage Strategic Rivalry’, *Asia Policy*, Vol. 13, No. 2 (2018), pp. 105–7; Scott Kennedy, ‘Protecting America’s Technology Industry from China: Tariffs Aren’t the Answer’, *Foreign Affairs*, 2 August, 2018, <https://www.foreignaffairs.com/articles/2018-08-02/protecting-americas-technology-industry-china>.
- 6 Ashley Tellis, ‘Protecting American Primacy in the Indo-Pacific’, Testimony before Senate Armed Services Committee, 25 April, 2017, [https://www.armed-services.senate.gov/imo/media/doc/Tellis\\_04-25-17.pdf](https://www.armed-services.senate.gov/imo/media/doc/Tellis_04-25-17.pdf).
- 7 The White House, *National Security Strategy of the United States of America*, pp. 25, 45–6; Michael D. Swaine, ‘A Counterproductive Cold War with China’, *Foreign Affairs*, 2 March, 2018, <https://www.foreignaffairs.com/articles/china/2018-03-02/counterproductive-cold-war-china>.
- 8 Adam Smith, ‘Fiscal Year 2019 National Defence Authorisation Act Conference Report Summary’, US House Armed Services Committee, p. 5, [https://armedservices.house.gov/\\_](https://armedservices.house.gov/_)

Against this background, there are also more heated debates on US–China strategic competition among American scholars and policy makers. A number of American strategists, including Princeton University Professor Aaron Friedberg and Executive Vice President and Director of Studies at the Centre for a New American Security (CNAS) Ely Ratner, call on the Trump administration to adopt a more competitive policy towards China.<sup>9</sup> Such hawkish views seem to have become the mainstream in Washington’s policy circles. Another group of experts, including former senior officials Jeffrey A. Bader and Susan L. Shirk, argue for more effective American responses to the China challenge and favour ‘smart competition’ with China.<sup>10</sup> Some American pundits engage in this debate through historical perspectives, notably by trying to learn lessons from US–USSR rivalry during the Cold War.<sup>11</sup> For instance, Johns Hopkins University Professor Hal Brands asserts that ‘the long history of strategic competition between the great powers offers a wealth of insights that can inform the conduct of modern statecraft’.<sup>12</sup> In addition, seasoned China watchers in the United States have been studying certain specific issues such as US–China rivalry in the Southeast Asia.<sup>13</sup>

Indeed, Chinese scholars and policy elites have also engaged in discussions on US–China strategic competition that have been driven largely by the China policy pursued by the Trump administration. However, it is noteworthy that Chinese observers predicted well over a decade ago that US–China relations would become more competitive. In the wake of the 2008 global financial crisis, Chinese analysts quickly grasped the potential major shift in US–China relations. That could be taken as the first wave of Chinese debates. The second wave started in 2010–2011, when the Obama administration promoted the ‘Pivot/Rebalance to

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- 9 Ely Ratner, ‘The China Challenge, Part I: Economic Coercion as Statecraft’, Testimony before US Senate Foreign Relations Committee, 24 July, 2018, [https://www.foreign.senate.gov/imo/media/doc/072418\\_Ratner\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/072418_Ratner_Testimony.pdf); Aaron L. Friedberg, ‘Strategic Competition with China’, Testimony before the House Armed Services Committee, 15 February, 2018, <https://docs.house.gov/meetings/AS/AS00/20180215/106848/HHRG-115-AS00-Wstate-FriedbergA-20180215.pdf>.
- 10 Jeffrey Bader, ‘US-China Relations: Is It Time to End the Engagement?’, *Policy Brief*, The Brookings Institution, September 2018, p. 3, <https://www.brookings.edu/research/u-s-china-relations-is-it-time-to-end-the-engagement/>; Orville Schell and Susan L. Shirt, ‘Course Correction: Toward an Effective and Sustainable China Policy’, *Task Force Report*, Asia Society, 2019, pp. 7–14, [https://asiasociety.org/sites/default/files/inline-files/CourseCorrection\\_FINAL\\_2.7.19\\_0.pdf](https://asiasociety.org/sites/default/files/inline-files/CourseCorrection_FINAL_2.7.19_0.pdf).
- 11 Markus Brunnermeier, Rush Doshi, and Harold James, ‘Beijing’s Bismarckian Ghosts: How Great Powers Compete Economically’, *The Washington Quarterly*, Vol. 41, No. 3 (2018), pp. 161–4.
- 12 Hal Brands, ‘The Lost Art of Long-Term Competition’, *The Washington Quarterly*, Vol. 41, No. 4 (2019), p. 32.
- 13 David Shambaugh, ‘US-China Rivalry in Southeast Asia: Power Shift or Competitive Coexistence?’, *International Security*, Vol. 42, No. 4 (2018), pp. 85–127.

Asia' strategy. More tension arose between Beijing and Washington over regional security and economic affairs, in particular those stemming from US–China contestation over the South China Sea disputes. In addition, China's surpassing Japan as the world's second-largest economy in 2010 fuelled Chinese concerns about a more challenging relationship with the United States. The third wave was in large part initiated by the Trump presidency; the Trump administration's overhaul of US policy towards China injected new vitality into discussions in China on US–China strategic competition, especially in late 2017 after publication of the US National Strategy Report. This article aims to review Chinese perspectives on US–China strategic competition. The global context and major drivers of US–China strategic competition are the central topics capturing the attention of Chinese scholars and policy elites, as regards what the United States and China might compete for and how to manage such competition. The original materials I draw upon include papers published in leading Chinese academic journals and opinion pieces authored by Chinese scholars and policy elites. This article may shed new light on understanding how the Chinese perceive the challenges and prospects of shifting US–China relations. It could also reflect Chinese thinking on China's strategies and tactics with regard to repositioning the country on 'the world central stage' while avoiding the so-called 'Thucydides Trap'.

### US–China Strategic Competition: Global Context and Major Drivers

Different from their American counterparts, Chinese scholars and policy elites tend to take the global context of US–China strategic competition as the starting point of their analysis. Most Chinese observers contend that the 2008 global financial crisis constitutes a watershed in the history of US–China relations. The global financial crisis, originating in the core of the capitalist world—the United States—led not only to economic difficulties and political dysfunction there but also damaged America's soft power by exposing the flaws of the 'Washington Consensus' model. More important, it marks the profound transformation of the international order and sets down the simmering competition between China and the United States in a global context. As Tao Wenzhao, senior researcher at the China Academy of Social Sciences (CASS) observes, the global financial crisis altered the state of asymmetry in US–China relations, gradually compelling the United States to treat China as a co-equal.<sup>14</sup> In fact, it was soon after the global financial crisis that Chinese scholars captured the changing nature of US–China relations and highlighted the possibility of increasing competition between the two nations. Tsinghua University professor Zhao Kejin argued that historic changes would be seen in bilateral ties in the post-financial crisis period whereby China and America were neither true friends nor enemies and that a combination of competition and cooperation would define increasingly complex US–China

14 Tao Wenzhao, 'Jinrong weiji yu zhongmei guanxi' ('The Financial Crisis and Sino-US Relations'), *Heping yu fazhan* (*Peace and Development*), No. 4 (2009), pp. 28–30.

relations.<sup>15</sup> China Foreign Affairs University Professor Wang Fan proposes the new term ‘competitive interdependence’ as the appropriate conceptual framework to analyse shifting US–China relations.<sup>16</sup>

A more straightforward declaration comes from Senior Colonel Liu Mingfu of the China National Defence University. He asserts in his 2010 book *Zhongguomeng (The China Dream)* that US–China conflicts are inevitable, no matter how committed China is to a peaceful rise. US–China relations might resemble ‘a marathon’ wherein a ‘face-off of the century’ (*shiji duijue*) between the two sides would be seen.<sup>17</sup> Prominent expert Yuan Peng from the China Institute of International Relations (CICIR) presents a moderate but acuminous assessment. Yuan contends that the 2008 global financial crisis actually initiated a shift in the global order. The United States remains the world’s sole superpower, but its hegemonic foundations have clearly eroded. US–China collaboration in addressing the consequences of the global financial crisis notwithstanding, the two sides began to compete in an inexplicit manner. Yuan holds that the structure of US–China relations will evolve from ‘superpower vs. major power’ to ‘No.1 vs. No.2’. Since 2005, the American side had enhanced its efforts to balance against China’s rise, but since the global financial crisis, Washington might regard Beijing as ‘No.2’ rather than an ordinary major power, and hence strategically consequential, so posing fresh challenges to both countries. Yuan even warns of the possibility of a new Cold War between China and the United States.<sup>18</sup>

Most Chinese observers insist that the many profound changes witnessed on the international strategic landscape in the decade after the global financial crisis might affect the global context of US–China relations. In 2018, Peking University Professor Wang Jisi observed that economic globalisation has lost its momentum and that nationalism and populism is gathering force across many countries, especially in the developed world. World politics is entering a ‘new era’ of growing divisiveness and competition.<sup>19</sup> Former vice Foreign Minister Fu Ying, now a leading CASS think tank researcher, contends that ‘globalism and multilateralism are under attack. The resurgence of geopolitical and power competition, mixed

15 Zhao Kejin, ‘Hou jinrong weiji shiqi de zhongmei guanxi: huayuquan de shijiao’ (‘Sino-US Relations in the Post-Financial Crisis Era’), *Meiguo yanjiu (The Chinese Journal of American Studies)*, No. 1 (2013), p. 48.

16 Wang Fan, ‘Zhongmei jingzhengxing xianghu yicun guanxi tanxi’ (‘Competitive Interdependence Between China and the US’), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 3 (2008), p. 32.

17 Liu Mingfu, *Zhongguo Meng (The China Dream)* (Beijing: Zhongguo youyi chuban gongsi, 2010); Liu Mingfu, ‘The World Is Too Important to Be Left to America’, *The Atlantic*, 4 June, 2015, <https://www.theatlantic.com/international/archive/2015/06/china-dream-liu-mingfu-power/394748/>.

18 Yuan Peng, ‘Zhongmei guanxi xiang hechu qu?’ (‘Whither Are Sino-US Relations Going?’), *Waijiao pinglun (Foreign Affairs Review)*, No. 2 (2010), pp. 2–7.

19 Wang Jisi, ‘Shijie zhengzhi jinru xinjieduan’ (‘The New Era of World Politics’), *Guoji zhanlue yanjiu jianbao (International and Strategic Studies Report)*, No. 62 (2018), pp. 1–4.

with populism and protectionism, are weakening the bonds that have been built among countries in recent decades.’ When elaborating on US–China tensions, she highlights these puzzling changes on the international level.<sup>20</sup> Chinese analysts also find that the profound shifts in the international order and in China–US relations are intertwined, so making the maintenance of a stable relationship between the two countries more difficult. As Xu Jian, Senior Researcher at the China Institute of International Studies (CIIS) points out, US–China strategic competition might become far more complicated and intractable in a would-be multipolar world.<sup>21</sup>

As to the major drivers of US–China strategic competition, Chinese scholars’ analyses raise four approaches in this regard. The first approach is realist in nature, underscoring as a decisive factor the narrowing power gap between China and the United States. When discussing the trajectory of US–China relations, Chinese authors frequently quote the works of John Mearsheimer and other Western realist scholars and are also keen to apply power transition theory.<sup>22</sup> In their eyes, US–China strategic competition should be viewed as a natural outcome of the changing distribution of power in the international system. In 2015, Tsinghua University Professor Hu Angang asserted that China’s comprehensive national strength had overtaken that of the United States.<sup>23</sup> Hu’s assessment is quite controversial in China, and few Chinese International Relations scholars accept his proposition. However, it is generally acknowledged that based on its rapid economic growth over the past four decades, China is now closer to power parity with the United States.

China’s shrinking power gap with the United States is closely related to ‘structural contradictions’ (jiegouxing maodun)—another important term that Chinese scholars often use in their analyses of US–China strategic competition. For instance, Tsinghua University Professor Yan Xuetong points out that US–China strategic competition is inevitable due to the structural contradictions between the hegemon and the rising power. That China has been narrowing the gap between its comprehensive national strength and that of the United States might be the root cause of the growing competition between the two nations. He ascribes

20 Fu Ying, ‘Can US-China Relations Step Back from the Edge?’, 31 October, 2018, <https://www.bloomberg.com/opinion/articles/2018-10-30/can-china-u-s-relations-step-back-from-the-edge>.

21 Xu Jian, ‘Meiguo duihua zhengce tiaozheng yu zhongmei guanxi de san da fengxian’ (‘The Adjustment of US Policy Towards China and Three Major Risks in China-US Relations’), *Guoji wenti yanjiu* (*China International Studies*), No. 4 (2018), pp. 14–8.

22 Zhu Feng, ‘Quanli zhuan yi lilun: baquanxing xianshi zhuyi?’ (‘The Power Shift Theory: Hegemonic Realism?’), *Guoji zhengzhi yanjiu* (*International Politics Studies*), No. 3 (2006), pp. 24–42; Yan Xuetong, ‘Quanli zhongxin zhuan yi yu guoji tixi zhuanbian’ (‘The Shift of Power Centre and the Transformation of International System’), *Dangdai Yatai* (*Contemporary Asia-Pacific*), No. 6 (2012), pp. 4–21.

23 Hu Angang, Zheng Yunfeng, and Gao Yuyu, ‘Dui zhongmei zonghe guoli de pinggu’ (‘Assessing Comprehensive National Strength of China and the United States’), *Qinghua daxue xuebao* (*Journal of Tsinghua University*), No. 1 (2015), pp. 26–39.

the instability of China–US relations to the two powers’ policy of ‘pretending to be friends’.<sup>24</sup> Wang Jisi also mentions ‘structural contradictions’, but his elaboration features nuanced differences. He argues that although a large number of Chinese analysts believe that American power has declined, the Americans themselves cannot accept such a view. Therefore, as the United States is unwilling to acknowledge its weakness vis-à-vis China, a kind of strategic competition between the two sides is inevitable.<sup>25</sup>

The second approach emphasises the ‘mutual perceptions’ factor shaping US–China strategic competition. Nanjing University Professor Zhu Feng, among other Chinese scholars, finds that mutual perceptions exert critical impact on the dynamic between China and the United States.<sup>26</sup> Moreover, such mutual perceptions are largely determined by the domestic politics of both countries. When explaining the perception gap between the two nations, CICIR senior researcher Wang Honggang argues that the combination of a shifting international order and both nations’ challenging domestic transformations makes their respective external environments increasingly uncertain. Accurately interpreting one another’s strategic intentions, therefore, becomes more difficult.<sup>27</sup> Many Chinese scholars observe that the new wave of China threat perceptions in the United States has deepened the anxieties of the hegemon about the rising power. To American eyes, Chinese confidence in the ‘China model’ and its particular political system has soared since the global financial crisis of 2008, and the Chinese government, at both the regional and global level, has undertaken bold and assertive foreign policies. As Wang Jisi notes, ‘the Americans are alarmed at China’s expanded global influence, exemplified by the Belt and Road Initiative, and its reinforcement of the role of the state in economy and society, as well as the consolidation of the Communist Party leadership and its ideology’.<sup>28</sup>

From the Chinese perspective, American politics has become more divided and polarised, so magnifying negative US perceptions of China. Chinese analysts also warn that the stoking of anti-China sentiment and narrative by American populist

24 Yan Xuetong, ‘Dui zhongmei guanxi buwendingxing de fenxi’ (‘The Instability of China-US Relations’), *Shijie jingji yu zhengzhi* (World Economic and Politics), No. 12 (2010), pp. 29–30.

25 Wang Jisi, ‘Zhongmei jiegouxing maodun shangsheng, zhanlüe jiaoliang nanyi bimian’ (‘US-China Strategic Competition Is Inevitable While the Structural Contradictions Between These Two Countries Arise’), *Guoji zhanlüe yanjiu jianbao* (International and Strategic Studies Report), No. 47 (2010), pp. 1–4.

26 Zhu Feng, ‘Zhongmei zhanlüe jingzheng yu dongya anquan zhixu de weilai’ (‘Sino-US Strategic Competition and the Future of East Asian Security’), *Shijie zhengzhi yu jingji* (World Economics and Politics), No. 3 (2013), pp. 9–12.

27 Wang Honggang, ‘Dabianjuxia de zhongmei guanxi yu zhongmei zhanlüe boyi’ (‘Sino-US Relations under Unprecedented Changes and Sino-US Strategic Competition’), *Xiandai guoji guanxi* (Contemporary International Relations), No. 5 (2012), pp. 9–12.

28 Wang Jisi, ‘America and China: Destined for Conflict or Cooperation?’, *National Interest*, 30 July, 2018, <https://nationalinterest.org/feature/america-and-china-destined-conflict-or-cooperation-we-asked-14-worlds-most-renowned-experts?page=0%2C13>.

politicians like Steve Bannon across the United States and the world at large could well exacerbate strategic mistrust between the two nations and make US–China relations more competitive. Having explored US–China strategic competition in East Asia, Nankai University Professor Liu Feng moreover contends that such competition is largely due to changes in US–China perceptions of each other; the United States overestimates China’s capabilities, and the American side’s evident ‘erosion of confidence’ fuels Washington’s overreaction vis à vis China in East Asia.<sup>29</sup>

The third approach attaches more importance to the ideological differences between China and the United States. Chinese scholars generally admit that fundamental differences between the political institutions and value systems of these two countries constitute an important source of ‘structural contradictions’. Americans regard China as an authoritarian nation, contending that the ideology of China’s ruling elite runs counter to American political ideals and values. China’s rise has significantly deepened ideological disagreements between China and the United States.<sup>30</sup> It is apparent from Chinese scholars’ discussions that the ideological factor plays an ever more important role in fuelling US–China strategic competition, something that has become more evident since the 19th National Congress of the Communist Party of China. On the one hand, Washington seeks to abandon its engagement policy towards China due both to its failure to mould China’s modernisation to its liking and its perception of China as more willing to compete, rather than to cooperate with Western democracies. On the other hand, America believes that ideological pride compels China’s efforts to export globally its model of state-capitalism and authoritarian governance.<sup>31</sup>

Chinese analysts often use the phrase ‘Cold war mentality’—one which relates closely to the ideological factor, when discussing China–US relations. Former President of the CIIS and Ambassador Ma Zhengang blames the aggravated strategic competition on America’s ‘Cold war mentality’ and ‘hegemon mindset’. He holds that ‘Cold war mentality’ fuels American hostility towards the Chinese political system and the ideological doctrine of the Chinese Communist Party. By ‘hegemon mindset’, Ma means American intentions to impede the rise of any other major country.<sup>32</sup> Given that the Trump administration has prioritised major power competition, some Chinese scholars worry about a reappearance of

29 Liu Feng, ‘Zhongmei zhanlüe jingzheng yu dongya anquan taishi’ (‘Sino-US Strategic Competition and East Asian Security’), *Xiandai guoji guanxi* (Contemporary International Relations), No. 8 (2017), pp. 27–8.

30 Liu Jianhua, ‘Zhongmei yalengzhan: tezheng, yuanyin ji zhongguo de yingdui’ (‘Sino-US Semi-Cold War: Features, Reasons and China’s Response’), *Xiandai guoji guanxi* (Contemporary International Relations), No. 11 (2012), pp. 39–42.

31 Zhao Minghao, ‘Telangpu zhizheng yu zhongmei guanxi de zhanlüe zhuanxing’ (‘The Trump Doctrine and the Strategic Transformation of US-China Relations’), *Meiguo yanjiu* (The Chinese Journal of American Studies), No. 5 (2018), pp. 34–7.

32 Ma Zhengang, ‘Zhongmei zhanlüe jingzheng pouxī’ (‘Analysis on US-China Strategic Competition’), *Guoji wenti yanjiu* (China International Studies), No. 6 (2010), pp. 30–1.



the ideological rivalry of the Cold War period. As CASS senior researcher Zhao Mei warns, a new ‘political correctness’ is apparent in the spreading of anti-China discourse in the United States. America’s ‘neo-McCarthy’ stance on China is a truly disturbing trend that bodes far-reaching negative impact on US–China relations.<sup>33</sup>

The fourth approach regards ‘conflicts of policy agenda’ between the two countries as a key driver of US–China strategic competition. Many Chinese scholars find that the policy goals pursued by the American side are at odds with those of the Chinese side. This is particularly evident in the two nations’ regional policies towards the Asia-Pacific. Former President of CICIR Cui Liru argues that the high profile ‘Pivot to Asia’ directly promoted by the Obama administration made US–China relations more difficult and complicated. America regards itself as protector of the Asia-Pacific regional order and views China as a natural challenger in this regard. Therefore, US–China strategic competition in Beijing’s home region will inevitably be stormy.<sup>34</sup> Similar to Cui, Yuan Peng highlights the far-reaching implications of the ‘Pivot to Asia’ for US–China relations. But he also points out that China’s proactive neighbourhood policy might potentially collide with American interests in the Asia-Pacific.<sup>35</sup>

Differences and conflicts with regard to the policy priorities of the United States and China go beyond the regional dimension. In analysing the Trump administration’s competitive strategy towards China, Tsinghua University Professor Sun Xuefeng notes that the ‘America First’ doctrine could have decisive impact on China policy of the United States in years to come. In his view, upholding international order is no longer the priority of American foreign policy. The Trump administration is rather ‘interests-driven’, as observable in its focus on economic interests and explicit claim that ‘economic security is national security’. American incentives to compete with China are undoubtedly strengthened by such a major change to its policy agenda.<sup>36</sup> Zhao Minghao asserts that, guided by the ‘America First’ principle, the Trump administration has wrought profound changes on America’s domestic and foreign policies. Taking ‘repressive

33 Zhao Mei, ‘Jingti Maikaxizhuxi zai meiguo chenzhafaanqi’ (‘Neo-McCarthyism May on the Rise in the United States’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 6 (2018), pp. 5–7.

34 Cui Liru, ‘Guanli zhanlüe jingzheng: zhongmei xin guanxi geju de tiaozhan’ (‘Managing Strategic Competition: Challenges with New Sino-US Relations’), *Meiguo yanjiu (The Chinese Journal of American Studies)*, No. 2 (2016), pp. 9–12.

35 Yuan Peng, ‘Zhongguo xinyilun gaige yu zhongmei xinxing daguo guanxi’ (‘China’s New Reforms and the New Type of Sino-US Relations’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 11 (2014), pp. 5–6.

36 Sun Xuefeng, ‘Zhongmei zhanlüe jingzheng shidai de zhongguo anquan zhanlüe’ (‘China’s Security Strategy in the Age of Strategic Competition Between China and the United States’), *Zhanlüe juece yanjiu (Journal of Strategy and Decision-making)*, No. 2 (2018), pp. 29–32.

retrenchment' as its grand strategy not only exerts far-reaching impact on the liberal international order but also complicates US–China relations.<sup>37</sup>

### What Do the United States and China Compete for?

Most Chinese analysts recognise that there is an emerging consensus across the political spectrum in the United States on revising the United States' China policy and adopting a more competitive strategy towards China, although there are still certain disagreements on a tactical level. The shifting mood in favour of a post-engagement policy towards China, however, goes well beyond the Trump administration. To some extent, it is a counter-China coalition composed of far-right populists, security hawks, and hard-to-impress radicals—one which calls for a bellicose approach to dealing with China. It also implies that US strategic competition against China extends to all domains. Moreover, in light of profound changes in world politics, such as the greater importance of geo-economics, US–China strategic competition could be full-fledged and cross-domain.

Chinese scholars identify several major domains wherein US–China strategic competition is rising. First, economic relations between the two countries have become the focal point of US–China rivalry. In the past four decades, since the normalisation of US–China relations, economic cooperation, which Chinese scholars describe as the 'ballasting stone' of the bilateral relations, has been the core pillar of the United States' engagement-centred policy towards China. However, as exemplified by the Trump administration's aggressive trade actions towards China, competition between the two nations in the economic arena has considerably heightened.<sup>38</sup> The rise of China stems from its ever-growing economic clout. That the American side should increase pressure on China on the economic front, therefore, is understandable, bearing in mind Washington's determination to halt rather than manage China's ascendancy. As CASS senior researcher Gao Cheng argues, economic capabilities and influence constitute the focal point of US–China strategic competition.<sup>39</sup> Wuhan University scholar Zhang Xiaotong contends that the American side's emphasis on the relative gains of its economic ties with China makes bilateral economic relations even more competitive.<sup>40</sup>

37 Zhao Minghao, 'Telangu zhiheng yu zhongmei guanxi de zhanlüe zhuanxing' ('The Trump Doctrine and The Strategic Transformation of US-China Relations'), *Meiguo yanjiu (The Chinese Journal of American Studies)*, No. 5 (2018), pp. 28–42.

38 Li Ruogu, 'Zhongmei guanxi fasheng le shizhixing bianhua' ('The Substantive Changes upon China-US Relations'), *Jingji daokan (Economic Herald)*, No. 1 (2019), pp. 68–70.

39 Gao Cheng, 'Zhongmei jingzheng shijiao xia dui wending fazhan zhongmei guanxi de zaishenshi' ('Reconsideration of "Developing Steady Sino-US Relations" from the Perspective of Sino-US Competition'), *Zhanlüe juece yanjiu (Journal of Strategy and Decision-Making)*, No. 2 (2018), p. 17.

40 Zhang Xiaotong, 'Zhongmei jingmao guanxi: guanli jingzhengxing xianghu yicun' ('Sino-US Economic Relations: Managing Competitive Interdependence'), *Guoji wenti yanjiu (China International Studies)*, No. 1 (2013), pp. 123–5.

Prominent CASS economist and expert on US–China relations Zhang Yuyan uses the term ‘confinement’ when describing US competitive strategies towards China. To America, China is a distinctive rival comparable to Nazi Germany, imperial Japan, and the Soviet Union. Given that China is the world’s second-largest economy and an influential world trading power, applying the Cold War-style ‘containment’ strategy to the PRC will not work. The main goal of the United States is to prevent China’s moving up the global value chain to become an advanced manufacturing power.<sup>41</sup> Fudan University Professor Song Guoyou discusses how the 2008 global financial crisis accelerated the reduction of US–China economic interdependence.<sup>42</sup> Jinan University professor Chen Dingding analyses the decoupling trend in the Trump administration’s policy towards China, holding that it taps into the underlying train of thought in the United States that the two nations’ economic interdependence must be reduced in order for America to win its competition against China.<sup>43</sup>

Many Chinese analysts assert that the ‘trade war’ the American side is waging against China is in essence a ‘technology war’.<sup>44</sup> Through punitive tariff measures, the Trump administration seeks to compel American and Western corporations that provide China with important access to advanced technologies to disengage from China. But more and more Americans are accusing China of enhancing its technological capabilities at America’s expense. Technology is vital not only to China’s quest for strength and wealth but also to long-term competition between the major powers. In addition to stricter US regulations on export controls vis-à-vis China, America has also adopted tougher measures with regard to screening and blocking Chinese investments in the United States, especially in the technology sector. Meanwhile, America urges its allies and partner countries neither to buy China’s high-tech products nor permit Chinese acquisition of their technology firms. As Fudan University Professor Wu Xinbo observes, the situation becomes more complex when economic and investment issues are closely linked with national security concerns.<sup>45</sup> Certain Chinese analysts go further in

41 Zhang Yuyan and Feng Weijiang, ‘Cong jiechu dao guisuo: meiguo duihua zhanlue yitu ji zhongmei boyi de sizhong qianjing’ (‘From Engagement to Confinement: US Strategic Intentions Towards China and Four Scenarios of Sino-US Competition’), *Qinghua jinrong pinglun* (Tsinghua Financial Review), No. 7 (2018), pp. 1–2.

42 Song Guoyou, ‘Quanqiu jingji pingheng zengzhang yu zhongmei guanxi de weilai’ (‘A Balanced Global Economy and the Future of China-US Relations’), *Xiandai guoji guanxi* (Contemporary International Relations), No. 1 (2010), pp. 5–7.

43 Wang You and Chen Dingding, ‘Zhongmei jingji yu zhanlue tuogou de qushi ji yingxiang’ (‘Economic and Strategic “Decoupling” of China and the US’), *Xiandai guoji guanxi* (Contemporary International Relations), No. 7 (2018), p. 29.

44 Yu Yongding, ‘Dui zhongmei maoyizhan de jidian kanfa’ (‘Some Observations on China-US Trade War’), *Qinghua jinrong pinglun* (Tsinghua Financial Review), No. 7 (2018), p. 21.

45 Wu Xinbo, ‘Meiguo duihua zhengce jinru xinjiedian’ (‘New Phase of US Policy on China’), *Huanqiu shibao* (Global Times), 24 April, 2018, <http://opinion.huanqiu.com/hqpl/2018-04/11904842.html?agt=15438>.

highlighting the fundamental challenge behind troubled US–China economic relations—one which refers to their opposing stances on the development model. American observers equate the ‘China Model’ with ‘state capitalism plus an authoritarian regime’, which is perceived as running directly counter to the free market model that the Americans so cherish. Although China might adjust its industrial policies, including the ‘Made in China 2025’ plan, Beijing is unlikely to abandon its principled desire to maintain and empower state-owned enterprises. However, certain other Chinese scholars still believe that such tension could be mitigated if China were to agree to give American companies reciprocal market access, strengthen its enforcement of intellectual property rights, and purchase more American products and services.<sup>46</sup>

Another focal point of US–China economic competition is that of the two countries’ contestation of the international rules and institutions governing global trade, investment, and finance. Chinese scholars contend that the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) promoted by the Obama administration is a manifestation of American tactics to counterbalance China’s economic influence by revising international rules. Although the Trump administration has withdrawn from the TPP, the American overhaul of international economic institutions, including the WTO, might pose an even greater threat to Chinese interests. The United States, Europe, and Japan might forge a new economic bloc that adopts more coordinated measures to put pressure on China, especially as regards SOEs. In his study of US–China competition in international financial institutions, Renmin University Professor Li Wei finds that China has undertaken a bold ‘financial diplomacy’ in promoting the reform of existing international financial institutions while establishing new arrangements like the Asian Infrastructure Investment Bank (AIIB). However, these efforts encounter resistance and obstruction from the American side, so prolonging US–China competition as China seeks to be a world financial power.<sup>47</sup>

Secondly, on the geostrategic level, Chinese analysts hold that the Asia-Pacific, especially the Western Pacific, is the focal point of US–China strategic competition. Under the Obama presidency, the United States implemented the ‘Pivot/Rebalancing to Asia’ strategy. As CICIR senior researcher Sun Ru notes, the strategy enhanced the American military presence and its activities in China’s neighbourhood, its aim being to transform the hub-and-spoke alliance system into a more interconnected security network.<sup>48</sup> In addition, the United States undertook

46 Wei Zongyou, ‘Zhongmei zhanlue jingzheng, meiguo diwei jiaolv, yu telangpu zhengfu duihua zhanlue tiaozheng’ (‘China-US Strategic Competition, the US Status Anxiety, and the Trump Administration’s Strategic Adjustment toward China’), *Meiguo yanjiu (The Chinese Journal of American Studies)*, No. 4 (2018), p. 73.

47 Li Wei, ‘Zhongmei jinrong waijiao zhong de guoji zhidu jingzheng’ (‘Sino-US Diplomatic Competition in International Financial Institutions’), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 4 (2016), pp. 113–7.

48 Sun Ru, ‘Meiguo yatai tongmeng tixi de wangluohua ji qianjing’ (‘The Networking of US Asia-Pacific Alliance System and Its Prospects’), *Guoji wenti yanjiu (China International Studies)*, No. 4 (2012), pp. 39–50.

a high-profile intervention in the South China Sea disputes and sought to deploy the THAAD system on the Korea peninsula. In the view of most Chinese scholars, these moves greatly deepened China's suspicions regarding America's 'containment/encirclement' strategy towards China. Meanwhile, China has in recent years carried out a more proactive diplomacy in the Asia-Pacific region. Beijing acted firmly in its response to other regional countries and in addressing territorial and maritime disputes. Therefore, China and the United States face a head-on conflict of interests in the Asia-Pacific.

There is clear disagreement among Chinese analysts with respect to the changing nature of the regional order. Some Chinese scholars believe that the balance of power in the Asia-Pacific has been tilting in China's favour. Guangdong Institute of International Strategy Professor Zhou Fangyin argues that, with the rapid rise of China's economic prowess, a dualistic regional structure, with China as the economic hub and the United States as the security hub, is emerging in East Asia—one which will lead to a long-term mismatch between the region's economic order and security order.<sup>49</sup> CASS scholar Wang Junsheng, meanwhile, contends that American 'dual-dominance' of economic and security affairs in the West Pacific has diminished and been replaced with the 'dual-leadership' of regional affairs jointly held by the United States and China.<sup>50</sup> However, other scholars, such as Liu Feng, question the accuracy of such an assessment of 'dual structure' and 'dual leadership'. Liu Feng argues that treating security and economy as two separate domains when looking into the East Asian regional order is unwise. International system, be it on the global or regional level, can be any one of four types: complete balance of power; partial balance of power; complete hegemony; or partial hegemony. From this theoretical perspective, the East Asian regional system since the end of the Cold War period has shifted from a complete hegemonic order dominated by the United States to a partial hegemony comprising several regional economic powers. US–China competition in the region's economic and security domains has intensified. A complete balance of power might be formed through the rise of China in both the economic and security domains, but uncertainties remain with regard to the process, as well as to the final status of this transition.<sup>51</sup>

In addition to the debates on how US–China relations affect the evolving regional order, a number of Chinese scholars stress the significantly greater

49 Zhou Fangyin, 'Dongya eryuan geju yu diqu zhixu de weilai' ('Dual Structure in East Asia and the Future of Regional Order'), *Guoji jingji pinglun (International Economic Review)*, No. 6 (2013), pp. 106–7.

50 Wang Junsheng, 'Zhongmei shuanglingdao tizhi yu dongbeiya anquan: jiegou shiheng yu zhixu chongjian' ('Sino-US Dual Leadership System and Northeast Asian Security: Structural Imbalance and Order Reconstruction'), *Guoji zhengzhi yanjiu (The Journal of International Studies)*, No. 4 (2013), pp. 99–113.

51 Liu Feng, 'Dongya diqu zhixu zhuanxing: anquan yu jingji guanlian de shijiao' ('Regional Order Transition in East Asia: A Security-Economy Nexus Perspective'), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 5 (2016), pp. 36–51.

prominence of the maritime domain in US–China strategic competition in the region. China is located at the eastern end of the Eurasian landmass and has been viewed geographically and traditionally as a continental power. Under Xi’s leadership, China has vowed to gain a powerful maritime position in the coming decades that is critical to boosting the blue economy and satisfying its national security requirements. Peking University Senior Researcher Hu Bo analyses changes in the balance of power in maritime Asia between China and the United States. He contends that a new strategic equilibrium between the two powers has emerged along the waters near the first island chain, which will be maintained for the coming 10–20 years. Both sides, moreover, have increasingly adopted tit-for-tat military strategies. The United States has to accept China’s military advantages in the country’s coastal waters, and China cannot diminish US military preeminence in the vast waters beyond the first island chain.<sup>52</sup> Renmin University Scholar Zuo Xiyang identifies key factors that might impel US–China conflicts in maritime Asia. He finds that the American side’s willingness and preparedness to use military power has increased under the Trump presidency. In light of the growing actions taken by American naval forces in the South China Sea, therefore, the escalation of small-scale military crisis between the two sides is foreseeable in the coming years.<sup>53</sup>

The interplay between China’s Belt and Road Initiative (BRI) and America’s Indo-Pacific Strategy (IPS), moreover, is a manifestation of US–China strategic competition on a regional level. Without doubt, the Asia-Pacific region will be greatly influenced by the BRI if the project is carried out properly. The maritime component of the BRI also illuminates China’s willingness to deepen ties with maritime Asia. However, as Zhao Minghao contends, although China sees the BRI as a development-oriented endeavour, the United States, among other regional players, is wary that a China-centric regional order might stem from the project. Therefore, a development-security nexus framework should be employed to analyse the implications of the BRI for US–China relations. There have been serious debates in American policy circles on how to formulate competitive strategies vis-à-vis the BRI. American strategists perceive China’s use of the BRI as a means to launch a geo-economic offensive, as well as to expand its security and political influence in the Asia-Pacific, and hence as a threat to the US-led regional order.<sup>54</sup> Meanwhile, according to Chinese scholars’ analyses, the IPS is a counterbalance to the BRI, backed up by a distinct underlying current of maritime power,

52 Hu Bo, ‘Zhongmei zai xitapingyang de junshi jingzheng yu zhanlue pingheng’ (‘Sino-US Military Competition and Strategic Balance in the Western Pacific’), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 5 (2014), pp. 78–84.

53 Zuo Xiyang, ‘Telangu yatai anquan zhanlue de tiaozheng’ (‘The Adjustment of the Trump administration’s Asia-Pacific Security Strategy’), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 5 (2017), pp. 62–3.

54 Zhao Minghao, ‘Daguo jingzheng beijingxia meiguo dui yidaiyilu de zhiheng taishi lunxi’ (‘The Major Power Competition and the US Counterbalance Against the Belt and Road Initiative’), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 12 (2018), pp. 13–25.

which aims to check the emergence of any potential hegemon on the Eurasian continent from either the eastern and western front lines of the Pacific and Indian oceans.<sup>55</sup>

Most Chinese scholars agree that the United States has not entered into symmetrical competition with China and the BRI as regards scale and funding. Through the IPS, Washington rather intends to provide a competing vision vis-à-vis the BRI for the future regional order. As Fudan University Professor Wei Zongyou notes, the United States' deepened coordination of its treaty allies and new partners considerably fuels China's insecurity.<sup>56</sup> In particular, a four-party mechanism for diplomatic, economic, and security cooperation among the United States, Japan, Australia, and India is in place. The security-based grouping, known as the 'Quad', is likely to grow in the future, even to the point of becoming an Asian-style NATO, which certain Chinese analysts believe is what Washington wishes to see.<sup>57</sup> As regards geo-economic competition, the United States has joined Japan and Australia in giving greater support to infrastructure development in the region with the aim of providing a clear alternative to the BRI. For instance, there is concern that the South Pacific region is becoming a new stage for strategic competition between China and the US-centric bloc. Such renewed US efforts to align with Japan, India, and other powers in the Indo-Pacific region in checking Beijing's rise have sounded alarm bells among Chinese policy elites.

Thirdly, many Chinese scholars contend that the emerging competition between the United States and China over international leadership and prestige is vital to the evolution of the world order in the coming decades. Different from the realist approach, which emphasises the distribution of power in an international system, this approach is centred on the 'soft' component of US-China strategic competition. Chinese analysts note that global governance has become a Chinese foreign policy buzzword under Xi's presidency. Against such a background, there are more discussions among Chinese analysts on exactly what kind of international role China should play when it approaches the central stage of world politics. Many Chinese scholars think that the 'withdrawal diplomacy' (*tuichu waijiao*) that the Trump administration has undertaken engenders not only challenges as regards sustaining the momentum of international cooperation but also opportunities for Beijing to enhance its influence in

55 Zhao Qinghai, 'Xinping jiujiu: Telangu zhengfu de yintai zhanlüe' ('Old Stuff with a New Label: The Trump Administration's Indo-Pacific Strategy'), *Xueshu qianyan (Academic Frontiers)*, No. 15 (2018), pp. 8–10.

56 Wei Zongyou, 'Telangu zhengfu de yintai zhanlüe gouxiang jiqi dui diqu zhixu de yingxiang' ('The Indo-Pacific Strategy of the Trump Administration and Its Implications on Regional Order'), *Dangdai shijie (Contemporary World)*, No. 12 (2018), pp. 18–22.

57 Lin Minwang, 'Yintai de jiangou yu yazhou diyuan zhengzhi de zhanglei' ('The Indo-Pacific Narrative and Asia's Geopolitics'), *Waijiao pinglun (Foreign Affairs Review)*, No. 1 (2018), pp. 25–35.

global governance by seeking collaboration with the European Union and other major actors.<sup>58</sup>

As Fudan University Professor Chen Zhimin, among other Chinese scholars, notes, global governance needs international leadership, but the long-lamented deficit of international leadership has been exacerbated by the election of US President Donald Trump and his ‘America First’ policy. Based on in-depth analyses of the international leadership that America has enacted since the end of the Cold War, Chen argues that China should pursue a more facilitative leadership in international affairs, which bears no resemblance to one that is hegemonic, self-serving, or coercive.<sup>59</sup> In explaining rising US–China tensions, Zhou Fangyin stresses that Washington exaggerates Beijing’s aspirations to international leadership while misperceiving such international leadership in zero-sum terms. The international influence China has gained in recent years should not be equated with international leadership. Given that the future world will no longer be a unipolar one, it is unlikely that China would be the same kind of international leader as the United States in the wake of the Cold War, although China might, of course, play a leading role in certain areas such as international development.<sup>60</sup>

Other scholars, like He Kai and Feng Huiyun, assert that the quest for greater international prestige might be at the core of US–China strategic competition. A country’s international prestige is based not just on its capabilities but also hinges on the status and respect it gains. It is an inter-subjective concept/process. In the context of Chinese traditional political thought, international prestige is similar to ‘rule by virtue’ (wangdao), as opposed to ‘rule by coercion’ (badao). Historically speaking, great powers achieve international prestige mainly through winning wars. However, in the current international circumstances, one major country might harvest and enhance its international prestige by facilitating international cooperation. Therefore, in order to address effectively US–China competition, China should promote international cooperation in dealing with global challenges and continue to champion multilateralism. Through this approach, China might more and more make itself a country that others admire and follow and so compel the United States to acknowledge China’s international prestige and eventually share international leadership with China.<sup>61</sup>

58 Liu Zhenye, ‘Meiguo quanqiu zhili zhanlüe xindongxiang jiqi dongyin’ (‘The New Turn of American Global Governance Strategy and Its Motivation’), *Xueshu qianyan (Academic Frontiers)*, No. 11 (2018), p. 25.

59 Chen Zhiming and Zhou Guorong, ‘Guoji lingdao yu zhongguo xiejinxing lingdao juece de goujian’ (‘International Leadership and China as a Facilitative Leader’), *Shijie jingji yu zhengzhi (World Economics and Politics)*, No. 3 (2017), pp. 25–34.

60 Zhou Fangyin, ‘Guoji lingdaoquan zhi zheng de wuqu yu zhongmei guanxi de qianjing’ (‘Misunderstanding of International Leadership Dispute and the Prospect of Sino-US Relations’), *Zhanlüe juece yanjiu (Journal of Strategy and Decision-Making)*, No. 2 (2018), pp. 9–13.

61 He Kai and Feng Huiyun, ‘Zhongmei guoji lingdaoquan de jingzheng he gongxiang’ (‘Competition and Sharing of International Leadership Between China and the United States’), *Zhanlüe juece yanjiu (Journal of Strategy and Decision-Making)*, No. 2 (2018), pp. 42–6.



Moreover, ‘balancing with international institutions’ (zhidu zhiheng) has become a new feature of US–China relations since the Obama administration. Chinese scholars have paid more attention to the competition between the two nations over international institutions. Evidenced by the emphasis in Chinese foreign policy discourse on global governance, Beijing is aware just how imperative using its institutional capabilities is in effectively protecting its economic and investment interests. But China’s pursuit of institutional power meets resistance and impediments from the American side, and such institutional competition is also apparent on the regional level. The United States has developed a number of mini-lateral mechanisms focusing on lower-Mekong countries and the Pacific island countries, while China, in contrast, has tried to enhance its institutional power by propping up the Shanghai Cooperation Organization (SCO), the Conference on Interaction and Confidence-Building Measures in Asia Summit (CICA), and other platforms. Li Wei proposes the theoretical concept of ‘realist institutionalism’ to analyse the competition among major powers, in particular US–China competition, and also that a contest over the provision of public goods is at the core of institutional competition.<sup>62</sup>

### Managing US–China Strategic Competition

At the opening session of the 19th National Congress of the Communist Party of China in October 2017, Xi Jinping declared that China would become a ‘socialist modern powerful country’ by the mid-21st century.<sup>63</sup> Meanwhile, the Trump administration has vowed to make America great again and reaffirmed its resolve to maintain America’s global leadership. US Secretary of State Mike Pompeo defined the mission as ‘rallying the noble nations of the world to build a new liberal order’.<sup>64</sup> As CASS senior researcher Ni Feng notes, America’s National Security Strategy report, released in December 2017, as well as a series of policy statements and moves adopted by the Trump administration, mark ‘the new era of comprehensive and strategic competition between the United States and China’.<sup>65</sup> Indeed, most Chinese analysts agree that US–China strategic competition is highly likely to be intense, holistic, and long term. To use the words of China National

62 Li Wei, ‘Guoji zhixu zhuanxing yu xianshi zhiduzhuyi lilun de shengcheng’ (‘The Transformation of International Order and the Theory of Realist Institutionalism’), *Waijiao pinglun* (Foreign Affairs Review), No. 1 (2016), pp. 36–9.

63 ‘Xi Jinping’s Report at the 19th CCP National Congress’, 28 October, 2017, <http://cpc.people.com.cn/n1/2017/1028/c64094-29613660.html>.

64 Michael R. Pompeo, ‘Restoring the Role of the Nation-State in the Liberal International Order’, Remarks at the German Marshall Fund, 4 December, 2018, <https://www.state.gov/secretary/remarks/2018/12/287770.htm>.

65 Ni Feng, ‘Changgui yinsu yu feichanggui yinsu huihe: meiguo duihua zhengce de zhibian’ (‘Qualitative Change Caused by Regular and Irregular Factors: US China Policy Adjustment’), *Xiandai guoji guanxi* (Contemporary International Relations), No. 7 (2018), p. 22.

Defence University Professor Tang Yongsheng, US–China strategic competition has to be a ‘prolonged battle’.<sup>66</sup>

However, there are different views among Chinese scholars on the prospects for US–China strategic competition. Some pundits, such as Renmin University Professor Shi Yinhong and Yan Xuetong, are relatively pessimistic. Shi predicts that the ‘structural contradictions’ between China and the United States might deepen and that the possibility of a US–China major confrontation and armed conflict can by no means be ruled out.<sup>67</sup> Yan Xuetong emphasises ideological rivalry as a key factor defining the trajectory of US–China relations in the coming decades. In his view, if such ideological rivalry can be managed well, US–China strategic competition could concentrate on pursuing material power, mainly through economic competition and arms race. But if ideological rivalry were to become a core component of US–China strategic competition, proxy wars would break out between the two nations, similar to the US–USSR clashes during the Cold War era.<sup>68</sup> CASS Senior Researcher Liu Weidong worries that a lack of mutual strategic trust might lead to rapid escalation of certain small-scale, irrational, and disastrous conflicts between the two sides.<sup>69</sup> In contrast, another group of Chinese scholars hold relatively optimistic views. Zhang Zhixin and Li Wei note that US–China strategic competition does not involve territorial disputes or existential security threats and that the two sides could engage in ‘peaceful competition’ subject to the logic of ‘live and let live’.<sup>70</sup> Ma Zhengang also says that US–China armed conflict is practically impossible, given the changing conditions of contemporary world politics.<sup>71</sup>

In addition, Zhu Feng, among certain Chinese scholars, argues that US–China strategic competition is unlikely to slide into a new Cold War.<sup>72</sup> He also highlights reasons why China and the United States should avoid a new Cold War. In his and others’ opinion, the past decade of the 21st century has witnessed positive progress in China–US relations, with frequent exchanges between top leaders, enhanced awareness of strategic communication, and strengthened crisis prevention capabilities and experiences. Both sides are fully aware of the possible

66 Tang Yongsheng, ‘Zhongmei zhanlüe jingzheng jiqi keneng zouxiang’ (‘China-US Strategic Competition and Its Prospects’), *Shijie zhishi (World Knowledge)*, No. 24 (2018), pp. 35–6.

67 Shi Yinhong, ‘Zhongmei guanxi de shuangchong xingshi’ (‘Two Trends in US-China Relations’), *Guoji wenti yanjiu (China International Studies)*, No. 3 (2009), p. 3.

68 Yan Xuetong, ‘Zhongmei liangjihua qushi de sikao’ (‘The Bipolarisation of China-US Relations’), *Xiandai guoqi yanjiu (Modern SOEs Studies)*, No. 17 (2018), pp. 84–5.

69 Liu Weidong, ‘Jianshao zhongmei zhanlüe wupan: yizhong jizhi jianshe de changshi’ (‘Reducing China-US Strategic Miscalculation: An Institution-Building Perspective’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 8 (2016), p. 33.

70 Zhang Zhixin and Li Wei, ‘Mairu zhanlüe jingzheng shidai de zhongmei guanxi’ (‘Sino-US Relations in the Age of Strategic Competition’), *Lilun shiye (Theoretical Horizon)*, No. 12 (2014), pp. 55–9.

71 Ma, ‘Competition’, pp. 31–3.

72 Zhu, ‘Sino-US Strategic Competition and the Future of East Asian Security’, pp. 8, 11.

hazards of the ‘Thucydides Trap’, have a mutual need to avoid conflict and confrontation, and want to prevent derailment of the relationship. Chinese analysts find that despite the Trump Administration’s adoption of aggressive economic and trade policies towards China and sanctioning of a series of confrontational manoeuvres in the Taiwan Strait and South China Sea, China–US relations overall remain stable. Moreover, the two sides have made joint efforts to resolve the North Korean nuclear issue.

Nevertheless, the new Cold War narrative serves as an important warning for long-term development of relations between the two powers.<sup>73</sup> From certain Chinese scholars’ perspective, the new Cold War exhibits features similar to those of the original Cold War, such as rivalry between great powers and ideological differences, yet there are obvious differences between the two. First, the United States and the Soviet Union belonged to two different international systems during the Cold War, and there were no economic links between them, whereas under the so-called new Cold War, the major powers are part of one international system, with mutually dependent economic ties. Secondly, confrontation between the major powers during the Cold War was manifested in contests between military forces. The new Cold War, however, is characterised by geo-economic competition between the major powers. Thirdly, the Cold War was framed as a struggle between the ideologies of capitalism and communism, but the new Cold War is more of a struggle between different development models wherein social media and other technologies allow major powers to exert political influence over rivals. Fourthly, there were clear divisions between the two opposing camps during the Cold War, but in the new Cold War, rivals can also be friends, and economic partners can be security rivals. Moreover, the new Cold War is characterised by intense competition among the major powers for control of global commons, such as the Internet and outer space, wherein contests are largely associated with controlling connectivity rather than occupying territory.<sup>74</sup>

Although Chinese analysts take different positions on the trajectories that US–China relations might follow in future, they agree that it is imperative for both sides to manage their competition through conceptual innovation and practical measures. As early as 2008, American policy elites such as Fred C. Bergsten and Zbigniew Brzezinski became advocates of the G2 or Group of Two idea, to which Chinese officials and scholars made a cautious response. Former State Councillor Dai Bingguo proposed the C2, or Concert of Two to replace

73 Da Wei, ‘Zhongmei guanxi zouxiang xinlengzhan haishi zhanlue wending’ (‘China-US Relations: Toward New Cold War or Strategic Stability’), in Wang Jisi, ed., *Zhongguo guoji zhanlue pinglun 2015 (China International Strategy Review 2015)* (Beijing: Shijie zhishi chubanshe, 2016), pp. 35–8.

74 Zhao Minghao, ‘Cong xinlengzhanlun kan zhongmei guanxi mianlin de zhuyao tiaozhan’ (‘New Cold War Narrative and New Challenges Facing China-US Relations’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 6 (2018), pp. 17–9; Xue Li, ‘Zhongmei guanxi de xingzhi: lengchandong erfei xinlengzhan’ (‘The Nature of China-US Relations: Cold Rivalry Rather Than Cold War’), *Shijie zhishi (World Knowledge)*, No. 21 (2018), p. 73.

the G2,<sup>75</sup> whose feasibility most Chinese analysts doubted. Some warned that the G2 might be America's way of forcing China to shoulder more international responsibility. As Yan Xuetong points out, Chinese rejection of the G2 demonstrates that Beijing has no aspirations to global leadership and that Beijing does not believe in Washington's willingness to share its global leadership with China.<sup>76</sup> As it turned out, the G2 failed to act as a viable framework for addressing US–China strategic competition. In 2012, Chinese senior officials proposed the 'New-type major power relationship' framework to guide US–China bilateral relations. Chinese scholars admit that American responses to this Chinese initiative were not positive. Nevertheless, Beijing and Washington must find a way to coexist competitively, no matter how difficult this may be. From Chinese perspectives, there are certain solutions to managing US–China strategic competition. They are as below.

To begin with, both America and China need to adjust their 'strategic mindset' and related policies. In other words, mutual accommodation, based on the redefinition of their respective national interests and rules for US–China interactions, is a necessity. Ma Zhengang and Former President of Shanghai Institute of International Studies Yang Jiemian call on Washington to treat China in a more rational manner by not regarding China as 'potential enemy'.<sup>77</sup> Meanwhile, many Chinese scholars suggest that China needs to exercise strategic restraint. As Yuan Peng notes, in view of growingly tense US–China strategic competition, China must act with humbleness and prudence and display both confidence and patience.<sup>78</sup> Liu Feng contends that it would not be wise for China to expand its influence across the globe at an excessive pace and that China also needs to take a benign approach to enlarging its regional presence.<sup>79</sup> Zuo Xiyong proposes that China adjust its diplomatic approaches in a way that helps make US–China strategic competition healthier.<sup>80</sup>

Secondly, China and the United States should draw a red line with regard to their strategic competition and respect one another's 'core interests'. Wang Honggang insists that, in order for such competition not to be destructive, both

75 Huang Renguo, 'Zhongmei liangguo xietiao pingxi' ('Analysis of the China-US C2 Idea'), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 5 (2012), pp. 35–40.

76 Yan, 'The Instability of China-US Relations', p. 18.

77 Yang Jiemian, 'Zhongmei waijiao hudong moshi de yanbian, jingyan, jiaoxun he qianjing' ('The Evolving Model of China-US Diplomatic Interaction: Practices, Lessons and Prospects'), *Meiguo yanjiu (The Chinese Journal of American Studies)*, No. 4 (2018), pp. 21–2.

78 Yuan Peng, 'Bawo xinjiedian zhongmei guanxi de tedian he guilv' ('Understanding the Features and Patterns of New Phase of Sino-US Relations'), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 6 (2018), pp. 1–2.

79 Liu, 'Sino-US Strategic Competition and East Asian Security', pp. 28–30.

80 Zuo Xiyong, 'Zhanlue jingzheng shidai de zhongmei guanxi tuijin' ('Sino-US Relations in the Age of Strategic Competition'), *Zhanlue juece yanjiu (Journal of Strategy and Decision-Making)*, No. 2 (2018), pp. 83–8.

sides should be aware of a ‘red line’ and conduct ‘transparent and rule-based competition’.<sup>81</sup> Liu Feitao argues that it is critical not to exaggerate the capabilities of the other side or to misinterpret its strategic intentions and that there should be no arbitrary challenges to one another’s bottom line.<sup>82</sup> As to the means of realising this goal, Liu Weidong suggests that both sides work together in figuring out mutually acceptable rules and establishing a mechanism to reduce misinterpretation. He finds this a more feasible approach for both sides than building strategic trust.<sup>83</sup> However, certain other scholars still insist on the importance of strategic trust. For them, despite increasing competitiveness in US–China relations, it remains imperative for the two nations to manage their frictions together and more effectively, with the aim of developing greater ‘strategic trust’. Yan Xuetong stresses that, since there are more conflictual interests than common interests in their bilateral relations, China and the United States should focus on ‘passive cooperation’ geared to conflict prevention.<sup>84</sup>

Thirdly, as the economic decoupling of China and the United States might result in greater confrontation between the two countries, US–China economic relations need to be put to rights. Bilaterally speaking, Washington and Beijing should work together towards a ‘soft landing’ in efforts to ease their trade frictions. China needs to accelerate implementation of the new round of reform and opening-up policy announced in recent years, especially the reduction of barriers to American products and investment. It should also hasten steps to improve its development model and establish a more mature market economy, including deepening reform of state-owned enterprises, empowering non-state enterprises, and promoting market-oriented innovation in high technologies. Meanwhile, America should review the fundamental role of healthy, balanced globalisation in helping the US economy maintain sustainable growth and avoid resorting to protectionism. US–China investment ties could be an emerging pillar to stabilise bilateral relations. The positive contribution of Chinese investment to the American economy should be acknowledged, and there should be broader openness to prospective Chinese investment.

As the world’s two largest economies, China and the United States are responsible for maintaining an open and inclusive world economy, facilitating reforms in international economic governance and correcting the global economic imbalance. Forging an economic bloc vis-à-vis each other would be costly and counter-productive. There is great potential for US–China cooperation in strengthening

81 Wang Honggang, ‘Gongtong jinhua: dui zhongmei zai yatai guanximoshi de zaisikao’ (‘Co-evolution: Reconsideration on Sino-US Interaction in Asia-Pacific’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 1 (2013), p. 60.

82 Liu Feitao, ‘Guanyu zhongmei zhanlüe fenqi guankong de sikao’ (‘The Management of Sino-US Strategic Differences’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 12 (2014), p. 57.

83 Liu, ‘Reducing China-US Strategic Miscalculation’, pp. 33–9.

84 Yan, ‘The Instability of China-US Relations’, p. 4.

global financial architecture.<sup>85</sup> More regular consultations should be held between the two sides to mitigate the negative spillover effects of their respective monetary, fiscal, and industrial policies. Moreover, it is necessary to deescalate emerging US–China rivalries over infrastructure connectivity and to explore potential cooperation in addressing global infrastructure deficits. Constructive solutions are needed to tackle new problems such as the so-called ‘debt trap’ issue. Together with other stakeholders, China and the United States must further discuss international rules, norms, and procedures for better management of debt risks while meeting the huge demands for global infrastructure investments.<sup>86</sup>

Fourthly, China and the United States should step up efforts to develop positive interactions in the Asia-Pacific region, especially with regard to handling the relationship between China’s BRI and America’s IPS. According to most Chinese scholars’ analyses, it is unlikely that a China-centric regional order will emerge in the coming decades, and the United States’ primacy in the region will be difficult to maintain. The United States cannot contain China in the region; nor can China exclude the United States from the Asia-Pacific. China needs to respect US interests and traditional influence in the Asia-Pacific and carefully manage the security implications of its expanding economic footprints. In the meantime, there is no need for the United States to see China’s rising influence in the region through a Cold-War lens and deem it a zero-sum game. The IPS should not become an instrument to encircle China, and both sides must jointly explore the right path towards their competitive co-existence and building up a regional order suited to diversification.

Chinese scholars find that most regional countries are reluctant to pick sides in the event of a China–US standoff. Although keen to establish stronger trade and investment relations with major countries, they do not want to end up in a situation reminiscent of the Cold War. As CIIS senior researcher Zhao Qinghai finds, even US allies like Japan and Australia wish to avoid confrontation with China, and the three countries have not followed the same Indo-Pacific strategies.<sup>87</sup> In particular, Japan has offered a detailed plan for the two countries to work together with third parties, including collective support for the ‘Eastern economic corridor’ project in Thailand. Such a move would also inspire potential Chinese and American cooperation in regional economic affairs. Chinese analysts suggest that a US–China ‘agenda of cooperation’ in regional economic and security affairs should be formulated. China and the United States could thus build a new trilateral or multilateral cooperative ‘China-US+X’ framework.<sup>88</sup>

85 Zhang Monan and Yang Guang, ‘Zhongmei guanxi xinjiedian jidai kaiqi maoyi xinmoshi’ (‘New Phase of China-US Relations Needs a New Model for Their Trade Ties’), *Hongguan jingji guanli* (Macroeconomics and Management), No. 1 (2018), pp. 28–9.

86 Wang Yiwei, ‘Zhongmei jiu yidaiyilu kaizhan hezuo shifou keneng?’ (‘Is China-US Cooperation under the BRI Possible?’), *Xueshu qianyan* (Academic Frontiers), No. 4 (2017), pp. 47–50.

87 Zhao, ‘Old Stuff with a New Label’, p. 11.

88 Zhao Minghao, ‘Yidai yilu yu zhongmei jinghe guanxi de suzao’ (‘The Belt and Road Initiative and Its Implications for China-US Relations’), *Fudan xuebao* (Journal of Fudan University), No. 6 (2017), pp. 131–4.

Last but not least, China and the United States should hold sustained exchanges on their visions for the international order and make joint efforts to address global governance challenges. In the view of Chinese scholars, China and the United States have the responsibility to establish an inclusive, open, and rules-based international order that guarantees the long-term and healthy development of US–China relations. As Former Vice Foreign Minister He Yafei emphasises, global governance is confronting the challenges of ‘disorder’ and ‘fragmentation’. Both nations need to reaffirm their ever-growing common interests and respective responsibilities to safeguard global stability and prosperity.<sup>89</sup> Shared leadership between the two nations entails updating international institutions and making them more efficient. The United States should review its knee-jerk negative response to new international institutions like the China-initiated AIIB, while China must ensure such institutions do not become tools solely to serve its narrow national interests. Moreover, the United States and China should work together in areas where there is an absence of internationally accepted norms and rules. In particular, cyber space and outer space are important domains that could potentially aggravate US–China competition. China and the United States should strive to develop a habit of cooperation and explore new ways to cope with other challenges, such as the weaponisation of Artificial Intelligence. Both countries need to promote new types of cooperation in international peace-keeping, counterterrorism, and public health, among other areas.<sup>90</sup>

## Conclusion

As a growing number of American strategists and policy makers debate how to make and execute a competitive strategy towards China, rich scholarly discussions on US–China strategic competition have been taking place in China as long ago as the period after the global financial crisis of 2008. Such Chinese debates heated up after implementation of the US ‘Pivot to Asia’ policy in 2011–2012. Since the Trump administration’s major policy shift, discussions on US–China strategic competition in Chinese academia and policy circles have entered a new phase. Most Chinese analysts acknowledge the inevitability of US–China strategic competition. In their opinion, the narrowing power gap is its most decisive driver. Ideological disagreements, changes of mutual perceptions, and policy agenda conflicts are key factors fuelling US–China strategic competition. In the Chinese view, the two nations are experiencing competition on multiple fronts. That in the economic and technologic realms becomes more and more salient and could potentially exert fundamental impact on future US–China relations. From the

89 He Yafei, ‘Zhongmei guanxi liangxing hudong jiang youli tuidong quanqiu zhili tixi de tiaozheng yu wanshan’ (‘The Positive Interaction of Sino-US Relations Will Strongly Promote the Adjustment and Improvement of Global Governance’), *Dongnanya yanjiu* (Southeast Asian Studies), No. 1 (2018), pp. 10–2.

90 Meng Honghua, ‘Xinshidai de zhongguo duimei fanglüe’ (‘China’s Strategy Towards the United States in the New Era’), *Dangdai shijie yu shehuizhuyi* (Contemporary World and Socialism), No. 1 (2019), pp. 23–4.

geopolitical perspective, the Western Pacific and Indo-Pacific will be the focal points of US–China strategic competition in the decades to come. In light of China’s heightened profile in global governance, a growing number of Chinese scholars have also started discussing ways in which China and the United States compete for international prestige and leadership.

In the eyes of most Chinese observers, Washington’s China policy seems to have entered a ‘post-engagement’ period. Although some Chinese scholars acknowledge the trend of intensifying US–China strategic competition, they seem less pessimistic than those predicting a new Cold War between the two nations. Both sides need to deal effectively with the transition to a relationship wherein the balance has tilted to a competitive angle and avoid the Thucydides trap. Most Chinese analysts believe that China remains the underdog in this competition, as it lags considerably behind the United States in aggregate national strength. As Tao Wenzhao notes, China should resist ‘the temptation of a strategic showdown with the United States’, as the two nations could reach a new model of interaction after an extended period.<sup>91</sup> From the Chinese perspective, to avoid US–China confrontation, efforts should be made to avoid ‘decoupling’ the two economies. At the same time, China must be prepared for a possible dwindling of the two countries’ interdependence. If both sides seek to prevent a drastic escalation in the event of a conflict, it is also necessary to come up with more effective crisis-management and confidence-building measures. In addition, China’s economic and security interests have made significant headway around the world, thanks, in part, to the BRI. The two sides need to enhance their communication and collaboration in addressing global challenges. More importantly, China and the United States must not let ideological competition become a new defining feature of their relationship.

Without doubt, the United States and China are the most important players in shaping the future international order. US–China strategic competition must have global consequences. Indeed, Chinese observers have noted that other countries are paying greater attention to the implications of US–China strategic competition. As US–China tensions soar, the rest of the world worries about being caught in the crossfire. As such, there is now an urgent need for China and the United States to remain strategically restrained and to demonstrate greater resourcefulness. It also becomes more urgent for Chinese scholars and policy elites, together with their American and other foreign counterparts, to make more efforts towards exploring ways of redefining US–China competitive co-existence, avoiding destructive competition, and reassuring the rest of the world.

## Acknowledgements

The author would like to express his appreciation to two anonymous reviewers for their helpful comments. This research is supported by the National Social Science Fund of China (17CGJ027).

91 Tao Wenzhao, ‘Meiguo duihua zhengce de shendu tiaozheng’ (‘The Profound Adjustment of US Policy Towards China’), *Heping yu fazhan* (Peace and Development), No. 2 (2018), pp. 11–2.