

Are US and China On the Verge Of a Cold War 2.0?¹

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Abstract

A few months ago, China's foreign minister Wang Yi recently declared that "some political forces in the US" are pushing US and China "to the brink of a new Cold War." More recently, US National Security Advisor Robert C. O'Brien has called for the US and its allies to "resist the Chinese Communist Party's efforts to manipulate our people and our governments, damage our economies, and undermine our sovereignty." (White House Briefings, National Security Council 2020). Many analysts have concluded that Washington and Beijing are poised for a contentious ideological struggle that could unravel the world as it exists today. The fact, however, is we are still at a flux. Neither Beijing or Washington have truly come to terms with the next chapter in their interactions or its implications for the future international order. Each side will have a vote on the future course of the relationship.

Foreign offices around the world are trying to make sense of the deterioration in the Sino-American relationship. The uncertainty revolves around some fundamental questions: will the two erstwhile allies during the first Cold War, wage a similar struggle against one another? What will be the normative basis of their rivalry? Is it about power or incongruent visions of world order?

Keywords

US-China Relations, International Relations, Beijing, Washington

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The Failure of America's Success?

The US national security advisor has recently articulated what has become the new narrative on US's China policy in recent years:

“For decades, conventional wisdom in both U.S. political parties, the business community, academia, and media, has held that it was only a matter of time before China would become more liberal, first economically and, then, politically. The more we opened our markets to China, the thinking went, the more we invested capital in China, the more we trained PRC bureaucrats, scientists, engineers, and even military officers, the more China would become like us... As China grew richer and stronger, we believed, the Chinese Communist Party would liberalize to meet the rising democratic aspirations of its people...Unfortunately, it turned out to be very naïve.” (White House Briefings, National Security Council 2020).

The problem with the above claim is it is not entirely true. China policy, from the outset, was a far more realistic though still ambitious enterprise. The goal envisaged by the American grand strategists four decades ago was precisely this: socialise a rising China into the mainstream international relations framework and embed it in a set of norms that were supported from within the Chinese political system. Contrary to popular belief US strategy did not entirely fail. Bringing liberal democracy to China was never actually on the

horizon of clear-eyed US policymakers. It would have been the icing on the cake. Besides, the 1989 Tiananmen Square crackdown put an end to that delusion. Instead, engagement was premised on expanding the avenues for US businesses along with re-orienting China's approach to world order and globalization after the end of the Cold War.

Claims that China failed to liberalize at home are all ex-post rationalizations to elude the fact that it is the US that finds itself unable to sustain the open international order and seeks revisions in how its benefits are allocated to key stakeholders. This is because the open liberal framework has accelerated the power transition and re-distributed economic power from the Atlantic to the Indo-Pacific. The American people no longer support a globalist venture that yields disproportionate material advantages to a tiny minority at home. US businesses now have to compete with a rival power on more and more technology fronts.

Since US policymakers cannot advance a plausible pretext for disrupting the open world order, the blame is placed on a failed democracy promotion experiment, which was always peripheral to the overall conception of China policy and held by a few who were “blinded by an idealistic if not narcissistic faith that the Chinese dream equaled their own.” (Responsible State Craft 2020). The nub of the problem is China integrated into the post-1945 and subsequently the post-1991 order, not as a client or junior partner but as an independent

state. It is this basic reality that the US elite cannot countenance. As the most recent US National Security Strategy candidly admits, US engagement with and inclusion of China into the international order was predicated on converting the latter into a “benign” actor. This naïve expectation, if it was truly held, has been belied over the past decade.

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This is where the debate on the US-China equation gets complicated. Is the main driver for competition merely to secure US national interests and preserve advantages that are seen to be fading away? Or is there a world order basis for the growing rivalry?

Those who advance the Cold War thesis naturally rely on a deep normative struggle that is underway – between a democratic America and an authoritarian China. To assert that a difference in political systems, which of course is real, extends to clashing international visions is less easy to argue. Unlike the US-Soviet rivalry that was built on a world order contest underpinned by zero-sum ideological visions and sharp dividing lines on the political economy, China’s mixed economy, albeit state-led, has incorporated select capitalist precepts

into its economic governance framework as well as liberal ideas into China’s engagement with international institutions. Put another way, China’s international identity is not a coherent whole but an amalgam of contradictions that cannot be confronted or ‘othered’ by relying on a simplistic Cold War rhetoric.

When stripped of its grandiose foreign policy discourse, China has been unable to truly distinguish its world order vision. Claims to advance a universal community of shared benefits is not markedly different to the universalism of US liberalism. Ironically, China’s attempt to reform the globalized order might even echo some of the ideas of liberals like Franklin D. Roosevelt who, in a not dissimilar context, advocated balancing a hard nosed out-of-control capitalism with principles to secure social stability and economic sustainability, a core priority for the Communist Party of China today. We often forget that FDR’s “vision was originally global in spirit and scope”, and envisioned a concert of great powers managing the post-war order. The sudden outbreak of the Cold War propelled an alternative hegemonic vision of an “American-led and Western-centred system” (Foreign Affairs 2011). It is the latter imperial variant that China no longer supports. But China wants the basic tenets of the liberal world order to continue long after the decline of US hegemony and international primacy.

Chinese discourse reflects this. The “vision espoused by China does not deviate much from the legal and political foundations of the existing international order but rather provides a moderate blueprint for the betterment of the international order.” (National Bureau of Asian Research 2020). Broadly, China seeks to maintain the open globalized framework after revising some rules and nudging the system towards a more sustainable course based on a balance of interests between the major powers. For example, in “international finance, China certainly does not want to see the US dollar occupying a hegemonic position forever.” (Global Times 2020). In the geopolitical realm, China will not behave like a Germany or Japan who have accepted a subordinated role in a world designed by the US. China does aspire for a privileged geopolitical position in Asia.

On a broader setting, China wants to make its mark felt, not by advancing radical ideas but parroting what was ironically heard not long ago by western elites. Xi Jinping’s famous Davos speech of 2017 is one of several instances where China has made a sharp distinction between “two distinct outlooks”. One of a “United States bent on ‘making America great again’ by putting itself first, and, China who believes “what economic globalization needs now is not a bullet in the head, but a better compass in the hand.” (XinhuaNet 2020). When Wang Yi recently remarked, “China will firmly follow the path of socialism with Chinese characteristics that has been proven successful in practice, but will not

export its system or development model”, this was partly to reassure Cold Warriors in the west but it was also an admission – China does not even possess an exportable model after its own complex mutations of socialism.

Old- Fashioned Competition

If the argument that China has accommodated itself to some key, though certainly not all, pillars of the open international order is plausible then the entire discourse on Sino-American competition needs to be recast. Can there really be another Cold War if the underlying ideological disagreements are less severe and not always discernible between the two? It is instructive that the White House strategy document on China that was released in May 2020 falls short of attacking China’s domestic system: “Our approach is not premised on determining a particular end state for China...United States policies are not premised on an attempt to change the PRC’s domestic governance model...” (White House 2020).

To be sure, US policymakers continue to espouse the democracy versus autocracy narrative to rally support within the US body politic and internationally to wean states towards the US. But the democracy argument is too tainted to be a normative fulcrum of a US-led charge on China. Few in Asia and the developing world will buy into that binary. Traditional US allies in Western Europe and

East Asia too would merely pay lip service to such a mantra while continuing to do business with a rising China (The Diplomat 2020).

Germany's Chancellor Angela Merkel recently spoke of the European Union's "great strategic interest" in maintaining "constructive" cooperation with China. "We Europeans will need to recognize the decisiveness with which China will claim a leading position in the existing structures of the international architecture" (Bloomberg 2020).

What we are witnessing is something more in sync with the long durée of history. A cycle of power transition that has played out in several instances. Some were peaceful and others intensely violent. Violent episodes like Napoleonic France or Nazi Germany or imperial Japan all reflected one common feature: the rising power found no avenue to flourish and buttress its power potential under the prevailing international order. In contrast, China's rise has occurred within the liberal international order and a culture of interdependence enabled this process to occur. This negates the very meaning of a Cold War – a clash of irreconcilable ideas – towards competition over the reins of the international order. The script of how US-China competition will unfold is yet to be written.

It is easier to conjecture what US-China relations will not look like in the foreseeable future. It will not ensue like the British

accommodation of America's rise in the nineteenth century. Neither would it play out like the violent Anglo-German clash in the early twentieth century. Nor would it resemble the US-Soviet ideological rivalry during the first Cold War. The Sino-American relationship is *sui generis*. The present US policy is one of balancing against select components of Chinese power but "remain open to constructive, results-oriented engagement and cooperation from China where our interests align."

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"We do not seek to contain China's development, nor do we wish to disengage from the Chinese people. The United States expects to engage in fair competition with the PRC, whereby both of our nations, businesses, and individuals can enjoy security and prosperity." (White House 2020).

World Order Without a Hegemon

As other states grapple with the disruption in US China relations, we should not lose sight of the broader historical need for a fresh outlook to organize international relations. The

experience of past several centuries has accustomed us to accept that world order requires a hegemon – a central organizing power – and that such authority could only emerge from within the Euro-Atlantic community of states. While the post-1945 balance of power did reveal it was no longer possible to order the planet without cooperation with the non-western world, we never really questioned the assumption that superpowers are pillars for international order.

So when the unipolar moment came, despite the discomfort and uncertainty it produced, few really challenged the notion that the world required a hegemon to supply public goods and enforce rules of the game for others to buy into. That premise broke down in the late 2000s with the relative decline in US material capacity to play such a role, the resurgence of Asia and Eurasia, and the misuse of the unipolar moment and failure to create a true liberal and inclusive international order. The 2008 global economic crisis only strengthened this trend. And collectively, it led to the upheavals in the US body politic we can witness today and the collapse of the establishment consensus and authority inside the US.

However, this is where the power transition cycle is breaking with the patterns of past centuries, when the baton was passed from one western power to another more capable western power that resumed the responsibility of upholding order. But those previous power

transitions were within the same cultural and intellectual milieu so to speak. Asia, and China in particular, has been unable and unwilling, to assume such a formidable and expansive role. Its complex identity constrains such a path for as the most astute observers of China recognise, Chinese internationalism is still vague and couched in lofty rhetoric to be a true universal force.

Chinese scholars admit, “a hegemon must have a vision for the whole world’s development and interests beyond its own geopolitical interests.” Yet, so far, China lacks such a “broad, open, and progressive culture and an ideology of inclusiveness.” (National Bureau of Asian Research 2020).

That Beijing has renewed its focus on domestic stability and its regional periphery – exemplified most recently by violent incidents on the border with India – attests to China’s inability to sustain a vision that can transcend its geopolitical interests. At any rate, China is unlikely to ever possess material power on a scale necessary to supply public goods on its own even if it could develop a universal or pan-Asian vision with finesse.

The only alternative normative pathway to a sustainable world order is a multipolar polycentric framework. For this order to be stable and legitimate, it cannot be exclusive, bloc-based, or driven by norms that emanate from a few major states. It has to be open, plural, multi-civilizational, decentred and

regionalized, and yet simultaneously global on issues like strategic stability, financial sustainability, and ecological security. Great powers that are most sensitive to this emerging and complex world and respond creatively with norms and public goods will become the pillars of the emerging world order.

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