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The Sino-American Competition: How the Goals of Two Superpowers Collide

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Exercise Solo Flight

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The Sino-American Competition: How the Goals of Two Superpowers Collide

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THE SINO-AMERICAN COMPETITION: HOW THE GOALS OF TWO SUPERPOWERS COLLIDE

Great power competition is back. The West's long-held assumption that China will become more democratic, liberal, and acquiescent in tandem with its economic development has not materialized.¹ On the contrary, Xi Jinping's China has veered left, a 'Maoist turn' away from liberalism.² With its newfound power, the 'middle kingdom' is increasingly assertive in the defence of its interests and development ambitions. While China goes to great lengths to portray itself as a country that poses no threat to the world, its actions indicate the contrary; the time to keep a low profile, to "conceal one's capacities and bide one's time" is over. China is no longer a status quo power.³

Some argue that the "US-China strategic competition has just begun"⁴; however, it started long ago but the US has just recently realized it is competing. US relative national strength advantage has eroded to the point where China is increasingly capable of challenging US hegemony and influencing global order across multiple domains. This shifting balance of power is arguably the most important geopolitical phenomena of our time; history has shown that great powers rarely transition without systemic conflict.⁵ The stakes are high for the two superpowers and for the rest of the world that will follow in their wakes as they compete to achieve their respective goals and ambitions.⁶

¹ Rowen, H. "The Tide Underneath the 'Third Wave'". *Journal of Democracy*, vol. 6, no. 1, Jan. 1995, pp. 52-64.

² The Washington Post, "Xi Jinping's disturbing Maoist turn," last accessed on 17 March 2022, <https://www.washingtonpost.com/opinions/2021/09/21/xi-jinpings-disturbing-maoist-turn/>

³ Anonymous, *The Longer Telegram: Toward a New American China Strategy: Atlantic Council*, 2021, 18.

⁴ He, Kai and Mingjiang Li, "Understanding the Dynamics of the Indo-Pacific: US-China Strategic Competition, Regional Actors, and Beyond," *International Affairs* (London) 96, no. 1 (2020), 2. <https://web-p-ebshost-com.cafvl.idm.oclc.org/ehost/detail/detail?vid=0&sid=5d5f2f4e-5255-40c3-a443-a0b763bb7c19%40redis&bdata=JnNpdGU9ZWwhvc3QtbGl2ZSZzY29wZT1zaXRl#AN=141288278&db=tsh>

⁵ Lebow, Richard Ned, "The Past and Future of War," *International Relations* (London) 24, no. 3 (2010): 243-270. <https://journals-sagepub-com.cafvl.idm.oclc.org/doi/10.1177/0047117810377277>

⁶ Allison, Graham T., Richard Ferrone, OverDrive audiobook, and Inc OverDrive. *Destined for War: Can America and China Escape Thucydides's Trap?* Prince Frederick, Md.: Recorded Books, Inc, 2018.

This paper aims to answer two overarching questions. First, what are Chinese and US goals and how do they collide? Second, what should the United States do about it? In answering the first question, this paper argues that as China grows more powerful, assertive, and influential, US and Chinese goals increasingly collide resulting primarily in a zero-sum competition between the two great powers. To the second question, this paper argues that the US should strive to win this strategic competition by setting conditions favorable to the defence of its values and interests.

This paper has three main parts. Part One highlights China's key goals and ambitions by synthesizing and analyzing documents, speeches, action plans, and ongoing efforts in four key areas, namely; China's economy, ideology, regional ambitions, and the international order. Part Two highlights the key strategic goals of the US in these four areas and demonstrates how the goals of the two great powers collide. Part Three begins with several recommendations on how the US should respond to the Chinese challenge, then, it finishes with a brief section on Canada as a middle power player within this great power competition.

PART I – CHINA'S GOALS AND AMBITIONS

Context

One must first look back in history to get a sense of how today's China views itself and its place in the world. China has been a great power for most of its long history, in fact, its relegation to a middle power status in the 19th and 20th is an anomaly.⁷ The 'century of humiliation' and unfair treaties that characterize China's 19th century and part

⁷ History Extra, "Has China always been the world's greatest superpower?" last accessed on 17 March 2022. <https://www.historyextra.com/period/modern/has-china-always-been-world-greatest-global-superpower/>

of its 20th century left deep marks as China found itself humiliated, partly colonized and conquered. Arguably, China's collective memory gained through the 'Century of Humiliation' fuels strong nationalist sentiments, reinforces its mistrust of the outside world, and continues to shape China's foreign policy to this day.⁸ China, 'the middle kingdom', is determined to regain its great power status and honor it lost during the century of humiliation.

Now, "after a couple of bad centuries, China is back."⁹ China has changed and developed tremendously since the Chinese Communist Party (CCP) took control in 1949; however, its ambitions have been consistent, "every CCP leader since Mao Zedong has proclaimed the Party would ultimately prove the superiority of its Marxist-Leninist system."¹⁰ Today's China under Xi Jinping is more determined than ever to regain its 'rightful place' in the world hierarchy and never again be humiliated by outside powers.¹¹

The Chinese Dream and the 'Two Century Goals'

Xi Jinping and the CCP have high ambitions for China, what Xi has coined the "Chinese Dream."¹² In essence, the Chinese dream refers to achieving the socialist modernization of China and transforming China into "a great modern socialist country that is prosperous, strong, democratic [CCP's interpretation of democratic], culturally

⁸ Wang, Yi, "'the Backward Will be Beaten': Historical Lesson, Security, and Nationalism in China," *The Journal of Contemporary China* 29, no. 126 (2020): 900. <https://www.tandfonline.com/cfvl.idm.oclc.org/doi/pdf/10.1080/10670564.2020.1744387?needAccess=true>

⁹ Middle East Policy Council, "China's Challenge to American Hegemony," last accessed on 17 March 2022. <https://mepc.org/speeches/chinas-challenge-american-hegemony>

¹⁰ U.S.-China economic and Security Review Commission, *The China Model: Return of the Middle Kingdom*, last accessed on 17 March 2022, 80. https://www.uscc.gov/sites/default/files/2020-12/Chapter_1_Section_2--The_China_Model-Return_of_the_Middle_Kingdom.pdf

¹¹ Ibid.

¹² China Daily, "Full text of Xi Jinping's report at 19th CPC National Congress", last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

advanced, harmonious, and beautiful by the middle of the century.”¹³ To that end, two century goals were set. The first was ‘building a moderately prosperous society’, which was achieved at the 100 years anniversary of the CPC in 2021.¹⁴ Xi then added that China has entered a new era and “is now marching in confident strides toward the second centenary goal of building China into a great modern socialist country in all respects.”¹⁵ China’s goal is to complete ‘national rejuvenation’ by 2049, in time for the 100th anniversary of the People’s Republic of China (PRC).¹⁶ In essence, the ‘rejuvenation’ of the Chinese nation is a “humiliation-inspired quest” to restore China’s wealth, power and international status.¹⁷ Necessary to the achievement of its strategic ambitions is the expansion of its national power composite and the creation of a “favorable international environment for China’s national rejuvenation.”¹⁸ The remainder of this section analyses China’s goals and approach to fulfilling the ‘Chinese dream’ in four areas.

China’s Economic Goals

China prioritizes economic development to turn itself into a “great modern socialist country” by 2049. The CCP is cognizant that the economy is the “force that drives China’s modernization across all areas,”¹⁹ and is the essential driver to increase China composite national strength; therefore, the CCP makes “economic development the

¹³ China Daily, “Full text of Xi Jinping's report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

¹⁴ The 100th Anniversary of the Founding of The Communist Party of China, “Full Text: Speech by Xi Jinping at a ceremony marking the centenary of the CPC,” last accessed on 17 March 2022. http://www.xinhuanet.com/english/special/2021-07/01/c_1310038244.htm

¹⁵ Ibid.

¹⁶ Hu, Angang, Yilong Yan, Xiao Tang, and Shenglong Liu. 2050 China: Becoming a Great Modern Socialist Country. Singapore: Springer Singapore Pte. Limited, 2020, 45-60.

¹⁷ Zhang, Feng. "The Xi Jinping Doctrine of China’s International Relations." *Asia Policy* 14, no. 3 (2019): 14, 23.

¹⁸ United States, Department of Defense, *Military and Security Developments Involving the People's Republic of China 2020*, Washington, DC: U.S. Government Printing Office, 2020, xi.

¹⁹ Ibid., v.

central task.”²⁰ If China meets its 2049 economic goal, its “per capita GDP will equal 70–89% of the US rate,” in other words, its economy will be three times the size of America’s.²¹

China’s “socialist market economy”²² or state-run capitalism has delivered on the economic front. The country’s average annual GDP grew by 9.5 percent between 1979 and 2018.²³ Moving ahead, however, Beijing aims to shift from its aggressive growth model to a “sustained and sound economic growth”²⁴ to move beyond what is known as the “middle-income trap”²⁵ and transition to the “medium–high end of the global value chain.”²⁶ To that end, China aims to reform its economic model to improve sustainability, and self-sufficiency, and to transition over time to a 21st-century economy by focusing on private domestic consumption and innovation as key drivers of economic growth.²⁷ Xi

²⁰ China Daily, “Full text of Xi Jinping's report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

²¹ Hu, Angang, Yilong Yan, Xiao Tang, and Shenglong Liu. 2050 China: Becoming a Great Modern Socialist Country. Singapore: Springer Singapore Pte. Limited, 2020, 57.

²² China Daily, “Full text of Xi Jinping's report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

²³ Wayne M. Morrison, “China’s Economic Rise: History, Trends, Challenges, and Implications for the United States,”2019, 1. https://www.everycrsreport.com/files/20190625_RL33534_088c5467dd11365dd4ab5f72133db289fa10030f.pdf

²⁴ China Daily, “Full text of Xi Jinping's report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

²⁵ The term middle-income trap (MIT) usually refers to countries that have experienced rapid growth and thus quickly reached middle-income status, but then failed to overcome that income range to further catch up to the developed countries. The Middle-Income Trap: Definitions, Theories and Countries Concerned—A Literature Survey | SpringerLink

²⁶ China Daily, “Full text of Xi Jinping's report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

²⁷ Wayne M. Morrison, “China’s Economic Rise: History, Trends, Challenges, and Implications for the United States,”2019, 25. https://www.everycrsreport.com/files/20190625_RL33534_088c5467dd11365dd4ab5f72133db289fa10030f.pdf

Jinping, the chairman of the CCP, is the force that move China's economy into a new era of Marxist-socialist economics.²⁸

To pursue its economic ambitions, the CCP is implementing several reforms, policies, and initiatives. Of special economic importance are two key initiatives. The first is China's Belt and Road Initiative (BRI), which aims to enhance China's "economic integration and connectivity"²⁹ with several partners in "Asia, Africa, Europe, and beyond."³⁰ The second initiative to note is the Made in China (MIC) 2025 policy. The MIC is to spearhead China's goal of becoming a "global powerhouse in high-tech industries."³¹ It is a 10-year strategy aimed at increasing China's self-sufficiency and competitive advantage in key tech-related sectors. Both the MIC and BRI support China's goal of "building a modern economic system" and moving China up the economic "global value chain ladder."³² For Xi Jinping and the CCP, the economy not an end in itself but an essential driver that support an integrated national strategy.

China and the Ideological Realm

Since its creation in 1921, the CCP has made realizing Communism its ultimate goal.³³ Xi era is a continuation of previous Maoist and post-Maoist uses of ideology,

²⁸ Dhar, Bablu Kumar, and Mahazan Mutalib. "Leadership of Xi Jinping behind Unstoppable Sustainable Economic Growth of China." *International Journal of Organizational Leadership*, (2020): 46.

²⁹ Wayne M. Morrison, "China's Economic Rise: History, Trends, Challenges, and Implications for the United States," 2019, 43.
https://www.everycrsreport.com/files/20190625_RL33534_088c5467dd11365dd4ab5f72133db289fa10030f.pdf

³⁰ Ibid., 34.
https://www.everycrsreport.com/files/20190625_RL33534_088c5467dd11365dd4ab5f72133db289fa10030f.pdf

³¹ Institute for Security & Development Policy, "Made in China 2025," 2020, 1.
<https://isdp.eu/content/uploads/2018/06/Made-in-China-Backgrounder.pdf>

³² Hu, Angang, Yilong Yan, Xiao Tang, and Shenglong Liu. 2050 China: Becoming a Great Modern Socialist Country. Singapore: Springer Singapore Pte. Limited, 2020, 50.

³³ China Daily, "Full text of Xi Jinping's report at 19th CPC National Congress", last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

primarily aimed at strengthening the CCP's one-party rule.³⁴ "As Xi stated at the 19th CPC national congress in 2017 "we must uphold Marxism, firm up and further build the ideal of Communism and a shared ideal of socialism with Chinese characteristics."³⁵ Of note, the CCP's ability to stay in power largely rests on its ability to prove the superiority of its ideology and model of governance. To that end, the CCP regularly reminds the Chinese people that only socialism can save and develop China.³⁶ Xi has remarked that "System advantages are the greatest advantages of a country, and the competition of different systems is the most fundamental competition between countries."³⁷ In short, Xi and the CCP are determined to prove that their model of governance, "socialism with Chinese characteristics", is superior to liberal democracies.

China's ideological ambitions go beyond its borders. China's goal is simple; to portray the western democracies as harmful to the world, and to trust instead China's socialist model.³⁸ To that end, China increasingly attempts to undermine the world's democracies: it interferes in democratic processes, uses disinformation, and "wolf-warrior" diplomacy tactics on countries who dare to criticize China's illiberal model of governance.³⁹ Not surprisingly, "an autocracy that feels free to ignore the rule of law at

³⁴ Klimeš, Ondřej and Maurizio Marinelli. "Introduction: Ideology, Propaganda, and Political Discourse in the Xi Jinping Era." *Chinese Journal of Political Science* 23, no. 3 (2018): 313.

³⁵ China Daily, "Full text of Xi Jinping's report at 19th CPC National Congress", last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

³⁶ The 100th Anniversary of the Founding of The Communist Party of China, "Full Text: Speech by Xi Jinping at a ceremony marking the centenary of the CPC," last accessed on 17 March 2022. http://www.xinhuanet.com/english/special/2021-07/01/c_1310038244.htm

³⁷ Los Angeles Times, "Dreams of a Red Emperor: The relentless rise of Xi Jinping," last accessed on 17 March 2022. <https://www.latimes.com/world-nation/story/2020-10-22/china-xi-jinping-mao-zedong-communist-party>

³⁸ Insikt group, "China's Narrative War on Democracy," last accessed on 17 March 2022. <https://www.recordedfuture.com/chinas-narrative-war-democracy/>

³⁹ The Washington Post, "China's efforts to undermine democracy are expanding worldwide," last accessed on 17 March 2022. <https://www.washingtonpost.com/opinions/2019/06/27/chinas-efforts-undermine-democracy-are-expanding-worldwide/>

home is unlikely to defer to international law and procedure abroad.”⁴⁰ In short, for Beijing, the systemic competition between autocracy and democracy is the most fundamental aspect of the Sino-American competition; the CCP’s survival may depend on the outcome.

China’s Regional Ambitions

Beijing aims to restore the territorial integrity of the ‘middle kingdom’ and increase its control and influence in Asia. As a first step towards that end, Xi has set national reunification as a top priority for the CCP and one that is essential to realizing national rejuvenation of the Chinese nation.⁴¹ More precisely, this means to complete the “unification with Taiwan on Beijing’s terms and completing Hong Kong and Macau’s integration by the end of 2049.”⁴² The CCP also claims a large part of the South China Sea, known as the 9-dash line, which Beijing has militarized in recent past.

China wishes to confirm, in time, its position as the uncontested regional hegemon in Asia.⁴³ China’s ability to assert its territorial claims hinges on the ability to impose itself as the dominant country in the Indian Ocean and Western Pacific. To that end, China is using a “mixture of inducement, coercion, and political manipulation”⁴⁴ to erode gradually the counter-balancing coalition led by the United States that keeps China

⁴⁰ Middle East Policy Council, “China’s Challenge to American Hegemony,” last accessed on 17 March 2022. <https://mepc.org/speeches/chinas-challenge-american-hegemony>

⁴¹ China Daily, “Full text of Xi Jinping’s report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

⁴² United States, Department of Defense, *Military and Security Developments Involving the People’s Republic of China 2020*, Washington, DC: U.S. Government Printing Office, 2020, 3.

⁴³ Dobbins, James, et al. *Choices for America in a Turbulent World: Strategic Rethink*. Santa Monica: RAND Corporation, 2015, 95. doi:10.7249/j.ctt17mvhfj

⁴⁴ Carnegie Endowment for International Peace, “China Has Two Path to Global Domination,” last accessed on 17 March 2022. <https://carnegieendowment.org/2020/05/22/china-has-two-paths-to-global-domination-pub-81908>.

in check. Ultimately, China's goal is to shift the regional balance of power in its favour and create a regional environment more conducive to its security and economic interests. In all, China's regional strategy balances two critical goals, the promotion of regional stability and economic growth and the minimization of US influence while avoiding conflict.

China and the International Order

China sees "regional primacy as a springboard to global power,"⁴⁵ but Beijing is not waiting to secure its position as a regional hegemon to enhance its global influence. China is trying actively to reform the current "liberal-oriented, democracy-supporting"⁴⁶ international order to create one that is more favorable to its "state-centric, authoritarian model."⁴⁷ As such, Beijing is taking an active role in establishing "Chinese centrality in global institutions."⁴⁸ In all, Beijing's goal is to "isolate the United States and reshape governance", into a system where the Chinese model is the global standard.⁴⁹

Beijing, however, does not seek to overthrow the current system. Instead, it wants to maintain elements that have contributed to its remarkable economic growth, while

⁴⁵ Carnegie Endowment for International Peace, "China Has Two Path to Global Domination," last accessed on 17 March 2022. <https://carnegieendowment.org/2020/05/22/china-has-two-paths-to-global-domination-pub-81908>.

⁴⁶ Journal of Indo-Pacific Affairs, "Rewriting the Rules: Analyzing the People's Republic of China's Efforts to Establish New International Norms," last accessed on 17 March 2022. <https://www.airuniversity.af.edu/JIPA/Display/Article/2528526/rewriting-the-rules-analyzing-the-peoples-republic-of-chinas-efforts-to-establi/>

⁴⁷ Ibid.

⁴⁸ Carnegie Endowment for International Peace, "China Has Two Path to Global Domination," last accessed on 17 March 2022. <https://carnegieendowment.org/2020/05/22/china-has-two-paths-to-global-domination-pub-81908>.

⁴⁹ Insikt group, "China's Narrative War on Democracy," last accessed on 17 March 2022. <https://www.recordedfuture.com/chinas-narrative-war-democracy/>

exporting its illiberal model of governance.⁵⁰ To that end, China has begun to “construct and lead supplementary institutions and arrangements” to shape and develop a new world order centered on the ‘middle kingdom’.⁵¹ China’s carefully crafted diplomatic initiatives (e.g. SCO, BRICS, BRI, AIIB, GEP),⁵² helps bring other like-minded nations into its embrace to “shape a new Sino-centric world order.”⁵³

The Chinese Communist Party (CCP) will continue its whole-of-government efforts to spread China’s influence, undercut that of the United States, drive wedges between Washington and its allies and partners, and foster new international norms that favor the authoritarian Chinese system.⁵⁴

China’s economic, ideological, regional and international goals support the realization of the ‘Chinese Dream’ and ‘national rejuvenation’; however, they directly and increasingly collide with US national goals and interests.

PART II – HOW DO US AND CHINESE GOALS COLLIDE

Background

The US has enjoyed a ‘unipolar moment’ since the end of the Cold War and the fall of the Soviet Union, but now finds itself in a relative decline.⁵⁵ Relative because while the US still has the upper hand but China is narrowing the gap in terms of national

⁵⁰ Council on Foreign Relations, “China’s Digital Silk Road: Strategic Technological Competition and Exporting Political Illiberalism,” last accessed on 17 March 2022. <https://www.cfr.org/blog/chinas-digital-silk-road-strategic-technological-competition-and-exporting-political>

⁵¹ Dobbins, James, et al. *Choices for America in a Turbulent World: Strategic Rethink*. Santa Monica: RAND Corporation, 2015, 96. doi:10.7249/j.ctt17mvhfj

⁵² SCO: Shanghai cooperation organization, BRICS: Brazil, Russia, India, China, South Africa, BRI: Belt and Road Initiative, AIIB: Asian Infrastructure Investment Bank, GEP: Greater Eurasian Partnership.

⁵³ Tamiz, Ahmad, "Russia and China Place Eurasia at the Heart of the Post-Pandemic World Order," *Asian Journal of Middle Eastern and Islamic Studies* 15, no. 1 (2021), 1.

⁵⁴ Office of the Director of National Intelligence, *Annual Threat Assessment of the US Intelligence Community*, April 2021, 6. <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2021-Unclassified-Report.pdf>

⁵⁵ Krauthammer, Charles. "The Unipolar Moment." *Foreign Affairs* (New York, N.Y.) 70, no. 1 (1991): 23

power composite.⁵⁶ China, the dissatisfied rising power, may reach parity or overtake the US at the top of the global hierarchy in the coming decades.⁵⁷ Power transition theory suggests that with its newfound power, Beijing will challenge the system and international order in the pursuit of its goals and ambitions.⁵⁸ China's rise, because of its scale and its radically different worldview, "now profoundly impacts every major US national interest."⁵⁹

The United States' Overarching Goals

In simple terms, the central national goals of the US are security, freedom, and prosperity.⁶⁰ The US aims to continue to grow its national strength and retain its favorable position in the global hierarchy. Fundamentally, the US's goals can be grouped in three categories, as laid out in the 2021 US Interim National Security Strategic Guidance;

- "Defend and nurture the underlying sources of American strength,"⁶¹ this includes elements such as the economy, the military, and democracy.
- "Promote a favorable distribution of power."⁶²

⁵⁶ RAND Corporation, *US Strategic Competition with China*, 2021, 3. <https://www.rand.org/pubs/perspectives/PEA290-3.html>

⁵⁷ Allison, Graham T., Richard Ferrone, OverDrive audiobook, and Inc OverDrive. *Destined for War: Can America and China Escape Thucydides's Trap?* Prince Frederick, Md.: Recorded Books, Inc, 2018.

⁵⁸ David, Lai, *The United States and China in Power Transition*, 2011, 6.

⁵⁹ Anonymous, *The Longer Telegram: Toward a New American China Strategy: Atlantic Council*, 2021, 6.

⁶⁰ Colby, Elbridge A, *The Strategy of Denial: American Defense in an Age of Great Power Conflict. New Haven*: Yale University Press, 2021, 6.

⁶¹ United States, National Security Strategy of the United States of America, Washington, DC: U.S. Government Printing Office, 2017, 9.

⁶² Ibid.

- “Lead and sustain a stable and open international system, underwritten by strong democratic alliances, partnerships, multilateral institutions, and rules.”⁶³

US Economic Goals

Not surprisingly, the US wants to enhance its economic well-being and prosperity, and like most countries, the nation has three primary macroeconomic goals: “economic growth, full employment, and price stability.”⁶⁴ Unlike China, the US does not have long-term targets for its economy in terms of GDP per capita or the like. Domestically, the US National Security Strategy (NSS) stresses the need to reduce internal economic inequalities and develop its economy to grow the American middle class.⁶⁵ Internationally, it emphasizes the need to protect and develop the rules of the international economy to ensure fairness and create the conditions for the US economy to be competitive on the world stage.⁶⁶

For the most part, Chinese and US economic goals are compatible, a strong and prosperous China can be good for the US and the world, and vice versa; however, to achieve its economic goals, China often uses unfair trade practices, which erodes US economic competitiveness over time. China’s predatory economics aim to “skew global standards for trade and investment in its favor to the disadvantage of its competitors.”⁶⁷ For example, China employs state-driven protectionism extensively and this harms the

⁶³ United States, National Security Strategy of the United States of America, Washington, DC: U.S. Government Printing Office, 2017, 9.

⁶⁴ BC Campus, “Macroeconomics: The Big Picture,” last accessed on 17 March 2022. <https://opentextbc.ca/businessopenstax/chapter/macroeconomics-the-big-picture/>

⁶⁵ United States, Interim National Security Strategic Guidance, Washington, DC: U.S. Government Printing Office, 2021, 15.

⁶⁶ Ibid.

⁶⁷ Timothy R. Heath, RAND Corporation, *US Strategic Competition with China*, 2021, 4. <https://www.rand.org/pubs/perspectives/PEA290-3.html>

US economy and distorts global markets.⁶⁸ Moreover, within the economic umbrella, there is fierce competition between the two in the technological sphere. Here again, China uses unfair practices to gain the advantage via a “variety of tools, from public investment to espionage and theft, to advance its technological capabilities.”⁶⁹ In short, the economic goals of Beijing and Washington are not fundamentally opposed; however, there is a fierce competition in certain areas and the unfair practices employed by Beijing directly undermine the US economic well-being over-time.

China’s tools of economic statecraft include inducements such as infrastructure investments under OBOR; industrial and technology policies such as Made in China 2025 that seek foreign technology transfers in exchange for market access; protectionist policies and legal barriers for foreign firms to compete in China’s domestic market; selective observance of trade commitments; and economic coercion against other states.⁷⁰

US Goal in the Ideological Realm

Despite recent turmoil at home, the US remains the leader of the “free world”, and is “committed to realizing and defending” democracy and protecting its way of life.⁷¹ On the one hand, the US seeks to revitalize its democracy internally, what the NSS describes as their “most fundamental advantage.”⁷² On the other hand, burgeoning democracies do

⁶⁸ United States, *United States Strategic Approach to the People’s Republic of China*, Washington, DC: U.S. Government Printing Office, 2019, 2.

⁶⁹ Office of the Director of National Intelligence, *Annual Threat Assessment of the US Intelligence Community*, April 2021, 7. <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2021-Unclassified-Report.pdf>

⁷⁰ United States, Department of Defense, *Military and Security Developments Involving the People’s Republic of China 2020*, Washington, DC: U.S. Government Printing Office, 2020, 11.

⁷¹ United States, *Interim National Security Strategic Guidance*, Washington, DC: U.S. Government Printing Office, 2021, 9.

⁷² *Ibid.*, 3.

not fare well when surrounded by autocracies. As such, Washington has stakes in supporting democracies around the world, as it is foundational to the liberal international order. The NSS describes the world at a crossroads, in a “midst of an historic and fundamental debate about the future direction of our world”; the winner of the ideological competition will shape the future world order. While it may not yet be as prevalent as it was during the Cold War with the Soviet Union, the importance of ideology in the Sino-American competition should not be understated.

Washington and Beijing’s stances on ideology collide. The Sino-American competition is increasingly about ideology, especially with Beijing’s Maoist turn to the left. U.S. intelligence agencies describe Xi as “a man in a hurry to secure China’s supremacy in the hierarchy of nations and prove the superiority of its autocratic system.”⁷³ At a speech marking the anniversary of the assault on the U.S. Capitol, Biden said “From China to Russia and beyond, they’re betting the democracies days are numbered, ” adding that they believe that “democracy is too slow, too bogged down by division to succeed in today’s rapidly changing, complicated world.”⁷⁴

Both Washington and Beijing have made it clear that they are engaged in an ideological competition.⁷⁵ Xi declared that “capitalism is bound to die out and socialism is bound to win.”⁷⁶ At the 19th CCP national congress, he added, “we [the CCP] must

⁷³ The Washington Post, “Biden doesn’t want to change China. He wants to beat it,” last accessed on 17 March 2022. <https://www.washingtonpost.com/opinions/2022/02/10/biden-china-strategy-competition/>.

⁷⁴ The White House, “Remarks By President Biden To Mark One Year Since The January 6th Deadly Assault On The U.S. Capitol,” last accessed on 17 March 2022. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/01/06/remarks-by-president-biden-to-mark-one-year-since-the-january-6th-deadly-assault-on-the-u-s-capitol/>

⁷⁵ United States, *United States Strategic Approach to the People’s Republic of China*, Washington, DC: U.S. Government Printing Office, 2019, 4.

⁷⁶ Ibid.

uphold Marxism, firm up and further build the ideal of Communism.”⁷⁷ In fact, the NSS describes democracies around the world as being “under siege.”⁷⁸ The ideological aspect of the Sino-American competition is increasingly dividing the world into two camps: with the US and its allies on one side, and China and its like-minded friends on the other. In short, the ideological ‘tug of war’ is a zero-sum game and is at the core of the competition.

The US and the Regional Balance of Power in Asia

An important geostrategic goal of the US is to prevent any other state from achieving hegemony over any strategically important region of the world. Asia represents approximately 40 percent of the world’s GDP and over 60 percent of current economic growth, making the region the world’s most important for the US.⁷⁹ China is the natural hegemon in Asia because of its size and latent potential; in fact, China enjoyed regional hegemony for the majority of its long history.⁸⁰ China becoming the regional hegemon in Asia could limit US access to markets and ultimately contribute to an economic decline.⁸¹ Moreover, without a favorable balance of power, the US would be limited in its ability to support its regional allies such as Japan and Taiwan. Ensuring that China does not become Asia’s regional hegemon is, therefore, a cardinal strategic aim for the US.⁸²

⁷⁷ China Daily, “Full text of Xi Jinping's report at 19th CPC National Congress”, last accessed on 17 March 2022. https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

⁷⁸ United States, Interim National Security Strategic Guidance, Washington, DC: U.S. Government Printing Office, 2021, 7.

⁷⁹ Colby, Elbridge A, *The Strategy of Denial: American Defense in an Age of Great Power Conflict*. New Haven: Yale University Press, 2021, 5.

⁸⁰ Ibid., 8.

⁸¹ United States, Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge*, 2018, 1. <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>

⁸² Colby, Elbridge A, *The Strategy of Denial: American Defense in an Age of Great Power Conflict*. New Haven: Yale University Press, 2021, 15.

If a state such as China could establish hegemony over a key region such as Asia, it would have substantial incentives to use its power to disfavor and exclude the United States from reasonably free trade and access to these wealthy regions in ways that would undermine America's core purposes, shift the balance of power against the United States, and ultimately open the country to direct coercion in ways that would compromise Americans' freedom, prosperity, and even physical security.⁸³

The regional goals of Beijing and Washington in Asia are directly opposed. On the one hand, China seeks regional hegemony and strives to push the US away from the region; on the other hand, the US' goal is to prevent that from happening. To that end, both countries endeavor to establish a favorable balance of power in the region. As the composite national power of Washington and Beijing approach parity, in a bid to tip the scale, the two aim to sway other countries to join their camp. China seeks to "reorder the region to its advantage by leveraging military modernization, influence operations, and predatory economics to coerce other nations."⁸⁴ Washington is working on nurturing and reinforcing its network of allies to contain China's influence and counterbalance its growing power.

China has modified its assertive policies towards its neighbours in order to prevent the establishment of an anti-China containment camp led by the United States in the Indo-Pacific. Other major powers, such as Australia, India, Indonesia, Japan and the ten ASEAN member states as a whole, are now forced to choose sides between the United States and China.⁸⁵

The US-Led International Order

⁸³ Colby, Elbridge A, *The Strategy of Denial: American Defense in an Age of Great Power Conflict*. *New Haven*: Yale University Press, 2021, 10.

⁸⁴ He, Kai and Mingjiang Li, "Understanding the Dynamics of the Indo-Pacific: US-China Strategic Competition, Regional Actors, and Beyond," *International Affairs* (London) 96, no. 1 (2020), 2. <https://web-p-ebscohost-com.cafvl.idm.oclc.org/ehost/detail/detail?vid=0&sid=5d5f2f4e-5255-40c3-a443-a0b763bb7c19%40redis&bdata=JnNpdGU9ZWwhvc3QtbGl2ZSZzY29wZT1zaXRl#AN=141288278&db=tsh>

⁸⁵ *Ibid.*, 6.

Washington wants to preserve the US-led liberal international order that has emerged since the end of the Second World War, an order primarily based on international cooperation, human equality, free trade economy, and democracy.⁸⁶ It is one that continues to benefit the United States to this day: “The International order protects U.S. values by maintaining an environment in which the ideals of a free and democratic society—like that of the United States—can flourish.”⁸⁷ In all, the US aims to maintain the current order to support its prosperity, protect its values, strengthen security and bolster democracy.

The goals of the “architect of the rules-based order,” the US, and the “leading revisionist peer competitor,” China, are in conflict.⁸⁸ In fact, the US-led international order is under threat.⁸⁹ China sees many elements of current order as constraining its power and supporting US hegemony.⁹⁰ Beijing recognizes that elements of the current order have been largely beneficial for China, and as such, it does not seek to completely overthrow the US-led order, instead it seeks to ‘renovate’ it.⁹¹ Regionally, China is working on fabricating an alternative structure through various initiatives (e.g. SCO, BRICS, BRI, AIIB, GEP). In other words, China has begun to shape an alternative order, placing itself at the centre, and is working on bringing other nations into its embrace and

⁸⁶ Lake, David A., Lisa L. Martin, and Thomas Risse. "Challenges to the Liberal Order: Reflections on International Organization." *International Organization* 75, no. 2 (2021): 225-230.

⁸⁷ Mazarr, Michael J. et al, *Understanding the Current International Order: Building a Sustainable International Order Series*. Santa Monica: The RAND Corporation, 2016, 47.

⁸⁸ Timothy R. Heath, RAND Corporation, *US Strategic Competition with China*, 2021, 13. <https://www.rand.org/pubs/perspectives/PEA290-3.html>

⁸⁹ Mazarr, Michael J. et al, *Understanding the Current International Order: Building a Sustainable International Order Series*. Santa Monica: The RAND Corporation, 2016, 2.

⁹⁰ *Ibid.*, ix.

⁹¹ Timothy R. Heath, RAND Corporation, *US Strategic Competition with China*, 2021, 6. <https://www.rand.org/pubs/perspectives/PEA290-3.html>

away from US influence.⁹² Despite the emerging rift in the global order, there is still potential and time for the creation of a ‘shared global order’ so that the world does not evolve into two diametrically opposed camps led by the US and China.

PART III – RECOMMENDATIONS

General Recommendations

A common pre-requisite to addressing the challenge that lays ahead is for the US and its allies to make a “clear-eyed assessment of the CCP’s intentions and actions.”⁹³ China is not a US ally, and it is unlikely that this will change for the foreseeable future. The approach that the US should take towards China is a mixture of cooperation (albeit limited), competition (predominantly), and confrontation (if required). Washington should seek to cooperate in areas of mutual interests, it should compete to win in areas of opposing interests, and should confront China and draw hard red lines where Beijing behavior and actions are clearly unacceptable to the US (e.g. a forceful reunification of Taiwan). At the same time, the US should ‘manage the competition’ and mitigate the risks of escalation to a ‘hot war’.

Recommendation #1: Prioritize the Economy

The US should prioritize the economic aspect of the competition with China. Ultimately, the economy is the main driver of national power; the country that gets the upper hand on the economic front will gain the means to support its ambitions. Economic

⁹² Tamiz, Ahmad. "Russia and China Place Eurasia at the Heart of the Post-Pandemic World Order." *Asian Journal of Middle Eastern and Islamic Studies* 15, no. 1 (2021), 1.

⁹³ United States, *United States Strategic Approach to the People’s Republic of China*, Washington, DC: U.S. Government Printing Office, 2019, 1.

power can be used to gain influence or to coerce and subjugate other countries, or in times, be converted into hard military power. Economic strength is also a measure of the effectiveness of a country's system. China's autocratic model of governance, "socialism with Chinese characteristics," is judged in part by the success of its economy; Chinese people may be willing to sacrifice freedom only as long as the CCP delivers on the economic front. In essence, the economy is the center of gravity for the two countries alike. With the goal of retaining its economic and technological superiority, the US should focus on the following key elements:

- First, focus on domestic renewal by ensuring that the economy works for "all Americans, not just the privileged few."⁹⁴ To that end, Washington must ensure that its economic policies support the middle class and those working to join it. Closing the income gap in the US is good for overall prosperity and critical to mending the political divide in the country. In all, the US domestic renewal "is not only a necessary end in itself but also a prerequisite for a successful foreign policy."⁹⁵
- Second, level the economic playing field. Washington should continue to take steps to protect the fairness of the global trading system and address China's unfair trading practices. For example, the US must do more to prevent Chinese theft of intellectual property from American firms and the erosion of their technological advantage over time.⁹⁶ Moreover, the US and its allies must break through China's protectionism to

⁹⁴ United States, Interim National Security Strategic Guidance, Washington, DC: U.S. Government Printing Office, 2021, 15.

⁹⁵ Carnegie Endowment for international Peace, "Biden's Forthcoming National Security Strategy: Making It Real," last accessed 17 March 2022. <https://carnegieendowment.org/2021/11/10/biden-s-forthcoming-national-security-strategy-making-it-real-pub-85734>

⁹⁶ Foreign Affairs, "The Innovation Wars: America's Eroding Technological Advantage," last accessed 30 March 2022, <https://www.foreignaffairs.com/articles/united-states/2021-02-10/technology-innovation-wars>

gain access to the Chinese market on acceptable terms. The argument is that a free market economy will win over a state-run system when competing on a level playing field.

- Third, reduce supply chain vulnerabilities while avoiding a spiral economic decoupling with China. A complete decoupling would be detrimental to both countries and to the global economy. Moreover, “economic interdependence also tends to favor (although not guarantee) a more peaceful global order.”⁹⁷ Instead, the US should seek to reduce vulnerabilities by redirecting strategically important economic activities out of China and towards ‘like-minded’ countries, and to repatriate high-value activities to the US. As such, the US should reindustrialize its economy in key areas to reduce dependencies and increase innovation.⁹⁸ Moreover, Washington should further economic ties with ASEAN countries; and, attempt to rejoin the Trans-Pacific Partnership to check China’s economic influence in the region.⁹⁹

Recommendation #2: Protect the International Order by Including China

Protecting the current system calls for a more nuanced approach, one that includes China. The US must lead the defence of current liberal rule-based world order, and reform it where needed, because no one else will take the lead.¹⁰⁰ This does not mean

⁹⁷ Carnegie Endowment for international Peace, “Biden’s Forthcoming National Security Strategy: Making It Real,” last accessed 17 March 2022. <https://carnegieendowment.org/2021/11/10/biden-s-forthcoming-national-security-strategy-making-it-real-pub-85734>

⁹⁸ Altex, “Bringing Manufacturing Back Home: The Reindustrialization of America,” last accessed 30 March 2022. <https://altexwireandcable.com/bringing-manufacturing-back-home-the-reindustrialization-of-america/>

⁹⁹ Foreign Affairs, “America Must Return to the Trans-Pacific Partnership,” last accessed 17 March 2022. <https://www.foreignaffairs.com/articles/2021-09-10/america-must-return-trans-pacific-partnership>

¹⁰⁰ Dobbins, James, et al. Choices for America in a Turbulent World: Strategic Rethink. Santa Monica: RAND Corporation, 2015, 119. doi:10.7249/j.ctt17mvhfj

excluding China; instead, the US should aim to carve space for China within current order, increasing Chinese participation in current system to reduce its desire to shape a parallel order. A functional ‘shared-order’ could in effect de-incentivize China from becoming “aggressively revisionist” and tearing down “most of the institutions, rules, and norms that have arisen since 1945.”¹⁰¹ A strong multilateral international order, one that includes China, is arguably the key to constructively influencing and constraining a rising China.¹⁰²

In a probable future in which the US is number two, it is in Washington’s “interests to strengthen the world’s *multilateral* order, which will then constrain the next number one, China.”¹⁰³ As such, in developing a shared-order, the US must offer China a viable ‘multilateral path’ to the influence it seeks.¹⁰⁴ The US must also draw red lines and leverage multilateralism to prevent China from shaping the shared-order in an illiberal way. In all, accommodating China within current international order is a lesser threat to stability than a China completely alienated from the US-led system and that seeks to establish a parallel Sino-centric order.¹⁰⁵

Recommendation #3: Prevent China’s Regional Hegemony

¹⁰¹ Mazarr, Michael J., Timothy R. Heath, and Astrid Stuth Cevallos. *China and the International Order*. Santa Monica: RAND Corporation, 2018, 120.

¹⁰² Mazarr, Michael J., Timothy R. Heath, and Astrid Stuth Cevallos. *China and the International Order*. Santa Monica: RAND Corporation, 2018, 122.

¹⁰³ K. Mahbubani, *The Asian 21st Century, China and Globalization*, 2022, 113. https://link.springer.com/content/pdf/10.1007%2F978-981-16-6811-1_21.pdf

¹⁰⁴ Mazarr, Michael J., Timothy R. Heath, and Astrid Stuth Cevallos. *China and the International Order*. Santa Monica: RAND Corporation, 2018, 124.

¹⁰⁵ *Ibid.*, 122.

To prevent China from establishing its position as the regional hegemon in Asia, the US and its allies should maintain a favourable balance of power in the Indo-Pacific.

¹⁰⁶ To that end, a number of steps would offer a counterweight to China's power:

- First, the US must continue its ongoing effort to reprioritize its military spending towards peer-to-peer confrontation and re-assess its military “structure, capabilities, and sizing of the force,”¹⁰⁷ to address China's growing military might.
- Second, the US should continue to develop and nurture a counter-balancing coalition, which is arguably the most effective step taken by the US to keep China in check. The AUKUS agreement is an important step towards that end, but the US must go further with ASEAN¹⁰⁸ and QUAD¹⁰⁹ countries, paying special attention to the ‘swing countries’ to ensure they do not fall into China's embrace. In short, “cultivating a broader counter-balancing coalition” is the most effective way of dealing with Beijing.¹¹⁰
- Third, the US must consistently challenge Beijing's illegitimate territorial claims and prove to be a reliable partner in times of crisis. This means continuing to challenge Beijing's claims in the South China Sea and exercising freedom of

¹⁰⁶ Dobbins, James, et al. *Choices for America in a Turbulent World: Strategic Rethink*. Santa Monica: RAND Corporation, 2015, 95. doi:10.7249/j.ctt17mvhfj

¹⁰⁷ The White House, *Interim National Security Strategic Guidance March 2021* (Washington, DC, U.S. Government printing Office, 2021), <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>

¹⁰⁸ The Association of Southeast Asian Nations is a political, economic and cultural organization of ten Southeast Asian countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

¹⁰⁹ The Quadrilateral Security Dialogue (QUAD) include Australia, India, Japan, and United States

¹¹⁰ Jacob, Stokes and Julianne, Smith, "Facing Down the Sino-Russian Entente," *The Washington Quarterly* 43, no. 2 (2020): 151.

navigation in the region. This also means maintaining sufficient hard military power in support of a deterrence by denial strategy to check China's expansionist ambitions. Of note, this means reinforcing Taiwan's defence ahead of an eventual crisis to alter Beijing's calculus, making it unpalatable to proceed with a forceful annexation of Taiwan. In short, the US "should remain prepared to cope with a more assertive and militant China."¹¹¹

Recommendation #4: Defend democracy at home and Abroad

The US must reinforce democracy at home and mend the political divide in the country. America today is highly divided, the January 6 attack on Capitol Hill is a reminder that democracy should not be taken for granted. Washington must show the world that democracy is a better alternative than authoritarianism and that democracy is "essential to meeting the challenges of our time."¹¹² In short, "democratic revitalization will be essential to the United States' strategic competitiveness."¹¹³

The fight to protect democracy starts at home but must extend overseas, because "authoritarianism is on the global march."¹¹⁴ Attacks on democracies by hostile authoritarian regimes take many forms, it ranges "from cross-border aggression, cyberattacks, disinformation, and digital authoritarianism to infrastructure and energy

¹¹¹ RAND Corporation, "Interpreting China's Grand Strategy," last accessed 17 March 2022, https://www.rand.org/pubs/research_briefs/RB61.html

¹¹² United States, Interim National Security Strategic Guidance, Washington, DC: U.S. Government Printing Office, 2021, 18.

¹¹³ Carnegie Endowment for international Peace, "Four Principles to Guide U.S. Policy Toward China," last accessed 17 March 2022. <https://carnegieendowment.org/2020/10/30/four-principles-to-guide-u.s.-policy-toward-china-pub-83074>.

¹¹⁴ United States, Interim National Security Strategic Guidance, Washington, DC: U.S. Government Printing Office, 2021, 21.

coercion.”¹¹⁵ The democratic world must stand up to all forms of aggression. For example, this includes unwavering support for Ukraine and Taiwan and openly calling out human rights abuses in Hong Kong, Xinjiang and Tibet. The democratic world must hold China to account, relentlessly fight disinformation and defend the ideological underpinnings of democracy around the world, with a special focus on Asia.

The US must take battle in the ideological realm one step further by prosecuting a “full-fledged, global ideological battle in defense of political, economic, and societal freedoms against China’s authoritarian state-capitalist model.”¹¹⁶ That is because the CCP is most vulnerable in the realm of ideology; their long-term survival hinges on demonstrating the superiority of their system.¹¹⁷ While a “full-fledged” ideological battle necessitates a multi-pronged approach, the biggest threats to the CCP’s authoritarian regimes are striving democracies around the world, where freedom, human right, and prosperity coexist. Taiwan is a case in point and its democratic success is harmful to the CCP.

The best ideological antidote to “socialism with Chinese characteristics” is democracies with Asian characteristics. It is the marvel of Indian democracy, the resolve of Taiwan, the strength of Japan and South Korea, the soundness of Australia and New Zealand, and the aspirations of movements and leaders in the Association of Southeast Asian Nations and Central Asia. And an expanded G10 gives new voice to these Asian democracies.¹¹⁸

¹¹⁵ Ibid, 20.

¹¹⁶ Anonymous, *The Longer Telegram: Toward a New American China Strategy: Atlantic Council, 2021, 9.*

¹¹⁷ Atlantic Council, “The Free World vs. China and Friends: It’s ideology, stupid,” last accessed 17 March 2022. <https://www.atlanticcouncil.org/blogs/new-atlanticist/the-free-world-vs-china-and-friends-its-ideology-stupid/>

¹¹⁸ Ibid.

Lastly, while technological supremacy is at the core of the economic competition with China, it has spillover effects into the ideological realm. China develops technologies to “enable surveillance and repression.”¹¹⁹ For example, China’s ‘Digital Silk Road’ is a way for China to spread its influence and its illiberal model of governance.¹²⁰ In response, the US and its Allies should provide an alternative that supports liberal political values.¹²¹ Washington should increase investments on digital infrastructure projects, “with a particular emphasis on Asia and Africa.” to counter China’s growing influence in the ideological realm.¹²²

Recommendation #5: Work with China in Areas of Mutual Interests

The Sino-American competition is largely as a zero-sum game; however, the two “cannot afford to take a zero-sum approach to every issue.” The US and China should carve up space, albeit limited, for cooperation towards common goals, such as “nuclear non-proliferation, the suppression of terrorism, the prevention of another pandemic, and the mitigation of climate change.”¹²³ This intense strategic competition should not preclude pragmatic cooperation in key areas of mutual interest, as strong incentives remain for Washington to cooperate with Beijing in key areas.¹²⁴

¹¹⁹ Brookings, “U.S.-China technology competition,” last accessed 17 March 2022. <https://www.brookings.edu/essay/u-s-china-technology-competition/>

¹²⁰ Cheney, Clayton, Pacific Forum, *China’s Digital Silk Road: Strategic Technological Competition and Exporting Political Illiberalism*, Vol. 19, 2019, 25. https://pacforum.org/wp-content/uploads/2019/08/issuesinsights_Vol19-WP8FINAL.pdf

¹²¹ Ibid., 22.

¹²² Cheney, Clayton, Pacific Forum, *China’s Digital Silk Road: Strategic Technological Competition and Exporting Political Illiberalism*, Vol. 19, 2019, 25. https://pacforum.org/wp-content/uploads/2019/08/issuesinsights_Vol19-WP8FINAL.pdf

¹²³ The Diplomat, “Welcome to the All-Consuming Great Power Competition,” last accessed 17 March 2022. <https://thediplomat.com/2021/02/welcome-to-the-all-consuming-great-power-competition/>.

¹²⁴ United States, Interim National Security Strategic Guidance, Washington, DC: U.S. Government Printing Office, 2021, 21.

Implications for Canada as a Middle Power within a Great Power Competition

Canada is a small player but it not an independent bystander in this great power competition. In fact, Canada is a trading nation that benefits from global security, and safeguarding a rules-based international order remains Canada's overriding interest.¹²⁵ Canada must do its part to fight the rise of authoritarianism and attacks on the liberal international order.¹²⁶ This paper propose two overarching recommendations to guide Canada's foreign policy through this great power competition.

First, Canada should do more to back Washington. Canada's interests are closely aligned with those of the US. At the same time, American unipolarity is no longer, the balance of power is shifting, and Washington increasingly needs Canada's help. Canada's contribution should be primarily a diplomatic one, using its soft power to unite the democratic world and defend the liberal world order against authoritarian regimes. Canada must also enhance its military posture to regain credibility with its closest Allies and be part of important defense agreements (e.g. AUKUS). In short, Canada should meaningfully contribute to the collective deterrence capability of the democratic West.

Second, Canada should pursue a "multi-partner hedging" strategy.¹²⁷ Canada should diversify to insulate its economic interests. On the one hand, the United States is Canada's main trading partner, but Canada is not immune to American protectionism and economic pressure, as was made evident during the Trump administration. On the other hand, China is Canada's second largest trading partner, which makes Canada's economy

¹²⁵ Network for Strategic Analysis (NSA), " Navigating Great Power Rivalry: Canadian Strategy for a New Decade," last accessed 17 March 2022. <https://ras-nsa.ca/publication/navigating-great-power-rivalry-canadian-strategy-for-a-new-decade/>.

¹²⁶ Global Brief, "Great Power Rivalry and Canada's Global Strategy," last accessed 17 March 2022. <https://globalbrief.ca/2019/11/great-power-rivalry-and-canadas-global-strategy/>

¹²⁷ Ibid.

vulnerable to potential economic coercion; it is not unthinkable that China would use similar tactics against Canada as it did against Australia.¹²⁸ Ultimately, the solution to Canada's economic vulnerabilities is through greater economic diversification with emerging economies like Mexico and India, but also stronger trade relationships with European, ASEAN, and South American countries.

CONCLUSION

Great power competition is back and at the forefront of international relations. The world is at an inflection point; the result of the ongoing Sino-American competition may determine the future direction of our world. This paper examined the goals of Beijing and Washington and assessed how they collide in four key areas: economic, regional influence, the international system, and the realm of ideology.

On the economic front, the two countries aim to improve their respective prosperity, but in doing so, they are in direct competition in key areas, such as their quest for technological supremacy. The two economies are intertwined and interdependent, as such, this paper advises against a complete economic decoupling. Instead, it argues for the need to level the playing field by stopping Beijing's unfair trade practices, so that the economic competition can be played fairly between the two systems: the free market economy of the US and the state-run capitalism of China.

Within the ideological realm, the goals of Washington and Beijing are fundamentally opposed. The two are set to prove the superiority of their own system.

¹²⁸ Reuters, "Australia facing economic coercion from China – Treasurer," last accessed 17 March 2022. <https://www.reuters.com/world/asia-pacific/australia-facing-economic-coercion-china-treasurer-2021-12-17/>

Here, the US should lead and defend the democratic world and “prosecute a full-fledged, global ideological battle . . . against China’s authoritarian state-capitalist model.”¹²⁹

Regarding the regional balance of power in Asia, the goals of Beijing and Washington are at odds; the US strategic aim is to prevent China’s regional hegemony, while China aims to push the US away from the region. There, the most important step the US should take is to continue to cultivate a “broader counter-balancing coalition,”¹³⁰ to maintain a favourable balance of power in the region and check China’s regional hegemony.

Lastly, the US aims to maintain the current liberal world order that emerged since 1945, while China seeks to ‘renovate’ it to play a role commensurate with its strength and shape the system in a way that is more conducive to its national interest. On that front, this paper argues that the US should adopt a more nuanced approach, and carve a larger space for China within current order to de-incentivize Beijing from establishing a parallel, Sino-centric world order.

Ultimately, what should be the results of a successful US strategy towards China?

That, by midcentury, the United States and its major allies continue to dominate the regional and global balance of power across all the major indices of power; that China has been deterred from taking Taiwan militarily, and from initiating any other form of military action to achieve its [illegitimate] regional objectives; that the rules-based liberal international order has been consolidated, strengthened, and expanded [in line with its ideological underpinnings], . . .the growing illiberalism of the present time [has been rolled back]; that Xi has been replaced by a more

¹²⁹ Anonymous, *The Longer Telegram: Toward a New American China Strategy*: Atlantic Council, 2021, 9.

¹³⁰ Jacob, Stokes and Julianne, Smith, "Facing Down the Sino-Russian Entente," *The Washington Quarterly* 43, no. 2 (2020): 151.

moderate party leadership; and that the Chinese people themselves have come to question and challenge the Communist Party's century-long proposition that China's ancient civilization is forever destined to an authoritarian future.¹³¹

The realization of this potential future requires a multi-pronged approach that leverages the strengths of the democratic world. The premise being that united liberal democracies can better address the challenges of the 21st century than can the authoritarian and totalitarian regimes.

¹³¹ Anonymous, *The Longer Telegram: Toward a New American China Strategy*: Atlantic Council, 2021, 78.

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