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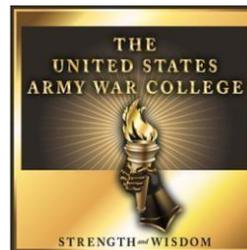
Did the U.S. Lose China Again?

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Abstract

Since the end of the Cold War, China has been executing a two pronged strategy to achieve rejuvenation, primacy in the Asia-Pacific and a multi-polar global order more reflective of its interests. The strategy involves simultaneously working within the international system to maintain U.S. strategic acquiescence while engaging the U.S. in peacetime conflict in preparation for when Washington's support either no longer exists or is no longer needed. The United States' endorsement of China's rise validates both components of the strategy and unleashes a challenge the system is not equipped to manage, a China that is able to maximize the benefits of inclusion, while simultaneously spearheading system transformation. Washington needs to either acknowledge this dilemma and extricate itself or accept the transformation of the existing international order as it accommodates China's rise.

Did the U.S. Lose China Again?

The big question coming out of the establishment of the People's Republic of China (PRC) in 1949, was 'how did the U.S. lose China?' Although the situation was certainly beyond U.S. control, one answer that has surfaced from time to time is that the U.S. may have backed the wrong side. Cooperating with the Chinese Communist Party (CCP) rather than the Nationalists once the tide had turned may have fostered a post-World War II order in which mainland China, one of Roosevelt's four policemen, could have helped ensure peace and stability in the Asia Pacific from within or astride the U.S. camp. Fortunately for those who perceived a lost opportunity, the U.S. got a second chance and since 1979¹ has been backing the 'the other side', the CCP.

The rationale to back China in the 1970's and 80's was well grounded in geopolitical reality and U.S. strategic culture. The U.S. needed another ally to counter the Soviet Union² and believed once exposed to the West, China would continue to liberalize economically and politically. As such, the U.S. based its strategy towards China on three fundamental assumptions:

1. benefits from the current system would induce Beijing's 'buy in' and responsible behavior;
2. the U.S. could substantially shape China's rise through engagement and inclusion³; and,
3. a strong and prosperous China would be a net good for the U.S. and the world.⁴

These assumptions have not changed in 20 years raising two questions, do they still make geopolitical sense in 2016 and how has Beijing viewed the whole process?

As it turns out, China, a country with a long, proud history and interests of its own, was not enamored with Washington's vision for its rise, only U.S. help in facilitating it. The relative power disparity restrained the visible level of friction, but behind the scenes, the nature of the relationship was changing. As China's perception of its primary strategic adversary changed, it was growing in comprehensive national power and modifying its strategy to achieve its desired end-state⁵—rejuvenation, primacy in the Asia Pacific, and a multi-polar world more reflective of its interests. Beijing's foreign policy strategy to achieve this end-state involves simultaneously working within the international system to maintain U.S. strategic acquiescence while engaging the U.S. in peacetime conflict in preparation for when Washington's support either no longer exists or is no longer needed. China's method of peacetime conflict involves using all of the levers of national power short of kinetic warfare to target U.S. vulnerabilities, reduce U.S. war potential and erode the U.S. led security architecture in Asia. The United States' endorsement of China's rise validates both components of the strategy and unleashes a challenge the system is not equipped to manage, a China that is able to maximize the benefits of inclusion, while simultaneously spearheading system transformation. Washington needs to either acknowledge this dilemma and extricate itself or accept the transformation of the existing international order as it accommodates China's rise.

How Did We Get Here—Shi, [勢]?

When trying to determine when the U.S. lost China the second time, it is helpful to start with a Chinese philosophical concept represented by the character *shi* [勢]. Although the term is frequently used by Chinese scholars and philosophers, English

translations often fall short in capturing its essence. Ralph Sawyer and Samuel Griffith's translations from Sun Tzu's *The Art of War* are "strategic configuration of power"⁶ and "force, influence, authority, energy (or potential)"⁷ respectively. The writings of Francois Jullien⁸, Henry Kissinger⁹ and Michael Pillsbury¹⁰ all emphasize the importance of *shi* [勢] in Chinese decision making and yet the concept is still not appreciated to the extent it deserves. For the purpose of this paper, *shi* [勢] is defined as strategic advantage, tendency, momentum and potential centered on foundational alternation points.¹¹

Shi [勢] is ingrained in China's strategic culture and thus serves as a window into China's conceptual framework for assessing the contemporary and potential future environment.¹² China's current geopolitical *shi* [勢] paradigm revolves around two historical alternation points, the establishment of the People's Republic of China and the end of the Cold War. The establishment of the PRC is the point which ended China's century plus downfall and began its return to prominence in the Asia-Pacific. The end of the Cold War is a multi-faceted alternation point as at the same time China was identifying the United States as its new primary strategic adversary, the rise of the U.S. was culminating in a brief unipolar moment which would eventually result in decline. China has used these trend lines to set and measure progress on its objectives, recalibrate its grand strategy and ultimately decide to engage in long-term, peacetime conflict with the United States. Although China is confident in its reading of the first alternation point, the second is more precarious, and if incorrectly assessed, may drastically alter what China views as possible over the coming century.

According to the philosophy inherent to *shi* [勢], the world cannot be conquered¹³, therefore once the alternation points and relevant strategic trend lines are identified, nations are best served by adjusting to and maximizing the benefits of the prevailing tendency until it runs its course.¹⁴ As such, China's rejuvenation and vision for the Asia Pacific are only possible if current trend lines continue and China is able to harmonize with them. Preplanned or unexpected events may facilitate or hinder the tendency or even cause a nation to reevaluate the trend line itself. Since the end of the Cold War, the primary trend enhancing events have been China's reclamation of Hong Kong in 1997, its accession into the World Trade Organization (WTO) in 2001, U.S. wars in Afghanistan and Iraq and the 2007 financial crisis. On the other hand, the first Gulf War was certainly a trend hampering or unipolar extending event and the combination of the rebalance, Trans Pacific Partnership (TPP) and third offset strategy have the potential to be as well.

Although *shi* [勢] may sound like a mystical concept which paints China as an exotic other¹⁵ and oversimplifies a very complex global environment, two summary points on its importance should not be lost. First, China's oft-complemented multi-decade strategic outlook is based on an assessment of long term strategic trends and potential futures that conform to existing tendencies regardless of what one calls the process. Second, Washington's continued acquiescence has Beijing searching for U.S. redlines through action. Consequently, China may create a small scale opportunity crisis¹⁶ to enhance either of the two primary trend lines, leading to rapid escalation and an increased chance of conflict.

The State and the International Order

Shi [勢] provides one piece of the conceptual framework for China's strategy, other pieces can be found through examination of China as a nation-state and its conception of international order. Before delving into the analysis, it is important to remember that 5000 years of geopolitical, military, philosophical, religious, intellectual and cultural traditions weave together to form an inseparable pattern that is China. All of the traditions have continually been evolving and morphing from the imperial era through the revolution of 1911, the establishment of the PRC to today. This is important for the U.S. because seeing China for what it is rather than what Washington wants it to be is critical for successful policy formulation.

China's leaders face daunting challenges internally leading some to conclude that domestic considerations drive foreign policy.¹⁷ This may be the case, however, a coherent strategy to achieve the desired end-states is guiding Beijing's foreign policy. The challenge is in determining what domestic considerations are most useful to the geopolitical analysis. Any state centric answer to this question must start with the CCP, itself a Pandora's Box. In assessing the CCP, it appears that its application of power, quest for legitimacy and inherent distrust of foreign powers are three aspects of its rule that most influence foreign policy.

Attempts at quantifying and qualifying the power of the CCP are nearly impossible even for those who have spent years studying China. However, Richard McGregor's analogy from his book, *The Party*, provides useful insight into the pervasiveness of CCP control. For those who question China's ability to mobilize the nation in support of peacetime conflict with the U.S., they should remember the role of

the CCP Central Organization Department and think about what the U.S. could do if it had a comparable system. Such a system would allow U.S. strategic planners to set guidance and oversee appointments of:

“the U.S. cabinet, state governors and their deputies, the mayors of major cities, the heads of all regulatory agencies, the chief executives of GE, ExxonMobil, Wal-Mart and about fifty of the remaining largest U.S. companies, the justices on the Supreme Court, the editors of the New York Times, the Wall Street Journal and the Washington Post, the bosses of the TV networks and cable stations, the Presidents of Yale and Harvard and other big universities, and the heads of think-tanks like the Brookings Institution and the Heritage Foundation.”¹⁸

All of this would be done with no transparency, explanation or oversight. Although cumbersome, little doubt should exist that such a system can mobilize its resources to support its grand strategy. In addition, one can see the risk of engaging and including components of the structure under the assumption that they mirror similar organizations in the West.

The quest for legitimacy underwrites everything the CCP does; it is therefore surprising that it was a seemingly minor movement to rehabilitate Confucius¹⁹ that proves so insightful because it represents a microcosm of a larger more important development. Seventy plus generations studied Confucius’s Analects as part of the civil service exam, the last of which took place in 1905²⁰, which demonstrates tremendous staying power, something the CCP surely seeks to emulate. McGregor assesses welcoming Confucius back is “the Party re-packaging its rule as a natural continuum of the most enlightened eras of China’s imperial history.”²¹ Although repackaging is certainly taking place, a closer examination of Confucianism reveals that the tradition does evolve, most famously with neo-Confucianism, to meet the needs of Chinese civilization. Some posit that the reason Confucius provides different answers to similar

questions in the Analects is because the response is based on context, lived, learned and experienced²², which for those in power today, means the lens of communist rule in a globalized world. Put another way, in the same way you had “porous Confucianism absorbing whatever was necessary to sustain it against competing intellectual forces”²³ the CCP put in motion an attempt for communism to do the same. This morphing of intellectual traditions has had a tremendous impact on how the rest of the world, especially the U.S., sees, defines and deals with China.

Transforming the national dialectic was not without risk, especially when accompanied with paranoia that outside forces were attempting to subvert the Party. In redefining itself to encompass all that is good for China, the CCP is not only rewriting the past, but encouraging the people to be proud of what China is and will continue to be—i.e. nationalism. Fortunately for China, there is more than historical, cultural and current day economic successes to fuel this nationalism, there are two adversaries, Japan and the United States.²⁴

Distrust of Japan is rooted in modern Chinese history and the establishment of the CCP²⁵ and is thus fairly straightforward. China’s mistrust of the U.S. is more complicated because Beijing simultaneously treats the U.S. like a partner to ensure Washington’s continued support of its rise, while casting it as a containment driven hegemon bent on global dominance. The PRC’s 2015 Defense White Paper lists hegemonism and neo-interventionism, references to perceived U.S. attributes, as threats to an otherwise peaceful international environment.²⁶ In the mind of China’s leaders, the U.S. not only poses a spatial and positional threat to the PRC, but also an ideological one. As a renowned Chinese scholar points out “America’s democracy

promotion agenda is understood in China as designed to sabotage the CCP's leadership. The leadership therefore actively promotes efforts to guard against the influence of American ideology and U.S. thinking about democracy, human rights and related issues."²⁷ As proof that this is not an isolated opinion, a 2013 CCP Central Committee General Office internal memo explains that CCP rule is under threat from seven false ideological trends,²⁸ five of which, democracy, universal values, civil society, neoliberalism, and free press, emanate from the U.S.

China's historical framework not only affects how China views itself as a state but also influences its view of the international order. Therefore, it is not surprising that the Warring States period, roughly 481-221 BC²⁹, a time period which provided the corpus of literature for study and entry into government positions for almost 2100 years, now serves as a reference for studying the contemporary environment. Not only have writings and thought from this period become a predominant element of political and strategic culture that was never supplanted, but the period's violent multi-polar nature reminds some of the environment we are entering in the post U.S. unipolar moment. It is worth noting that although there is often PRC hostility towards and rejection of certain aspects of imperial philosophical tradition, ancient strategic and military thought was always held in high regard. Mao's writings and speeches were full of historical references as are those of today's leaders. Innumerable lessons can be taken from the Warring States period, however, there are two that provide the most insight into China's current aspirations and goals vis a vie the U.S. and the international order. The first is global hierarchy, the second, is alliance formation and dissolution.

Analysis of the Warring States period reveals that states actions are designed to remove the current hegemon, prevent the rise of new hegemon or establish oneself at the top of a new hierarchy. Under this paradigm, many scholars believe that China views unipolar global hierarchy as the only stable end-state and thus seeks to replace the U.S. as the sole superpower.³⁰ Although such an aspiration may exist somewhere inside the Chinese mind, said aspiration does not reconcile with the current environment, nor global trend lines, *shi* [勢]. Even retired People's Liberation Army (PLA) Colonel Liu Mingfu's concept of 'Champion' states³¹ in his book *China Dream* are not unipolar superpowers as the U.S. has been for the last twenty-five years. Therefore, China's desired global end state is multi-polarity through removal of the current hegemon, which is more than sufficient for its rejuvenation and primacy in its sphere of influence, the Asia Pacific.

The methods used during the Warring States period, specifically with respect to shifting alliances, provide a loose strategic framework for what China has been trying to accomplish with third countries vis a vie the U.S., the current hegemon, to reshape the global order. In this paradigm, states employ varying alliances³² based on relative strength while attempting to weaken the alliances of the enemy through bilateral initiatives. Key to these relationships is that they are not based on any underlying moral imperative or principal and are instead simply focused on achieving an objective.

No historical time period is inherently better or worse than another for lessons learned, but Edward Ludwig has identified a Warring States phenomenon that may increase the risk of Chinese miscalculation. The Warring States time period was one when advisors moved back and forth across ethnically and linguistically similar

fiefdoms, pursuing objectives with similar frames of reference, making decisions with a similar calculus.³³ This is not a great model for present day interstate relations where diversity, nationalism and different strategic cultures combine varying calculi in the same strategic space, and is especially dangerous when employing coercive diplomacy.³⁴ Although some would contend that China's current leadership understands this disconnect, Beijing often seems surprised when countries respond to its strategic moves in ways very different than it expected which may portend larger scale future miscalculations.

Full Scale Peacetime Conflict and the Levers of Power

Although it seems like China has been following a well-orchestrated plan to achieve its rejuvenation, more accurate would be that Beijing has maintained strategic flexibility with its eye on its desired end-state, whereas the U.S. has neither updated its assumptions nor assessed the effectiveness of its strategy.³⁵ While the U.S. debated about what it meant to be the hegemon in a unipolar world, President Jiang Zemin articulated the "Three Represents" to harness the power of capitalism, reinforce one party rule and ensure the CCP was evolving to take advantage of present and future environments. Rejuvenation and primacy in the Asia-Pacific seemed more feasible than ever, hence the need to expedite U.S. decline. How China has been pursuing these objectives can best be explained through examination of the levers of national power, Diplomatic, Informational, Military and Economic, (DIME). Although Beijing would prefer U.S. strategic acquiescence in support of its rejuvenation to continue, all of the levers contain anti-U.S. components designed to reduce U.S. war potential, hence the peacetime conflict, in preparation for the day when such cooperation ends.³⁶ The focus of the next section is those components, rather than the totality of PRC policy.

DIME or iE-iD-iM?

To discuss the levers of power based on their priority within China's grand strategy, it makes sense to address them in order of informational, economic, diplomatic and military, although it is difficult to truly separate their application. The reason that informational must come first is because it underlies the whole paradigm by making use of the multi-lever strategic deception needed to facilitate the dual pronged strategy.

Informational: Less Describing the World than Guiding its Actions³⁷

How does China convince the U.S. to continue supporting its rejuvenation, while engaging the U.S. in peacetime conflict? A good start is controlling the narrative of its rise, moving away from the communist dialectic and adapting its language and methods to reconcile with those of the West.³⁸ Beyond the \$12 billion³⁹ operation to create and control the government message—China's rise is peaceful, the international economic system needs China to be strong and the world is trending towards multi-polarity—China also utilizes Confucius Institutes, U.S. think tanks⁴⁰ and lobbying firms on K Street, to take advantage of the vulnerabilities provided by an open U.S. system. The messaging may not work on everyone, but it certainly reinforces the three U.S. assumptions and provides hope that China's actions are steps towards a more liberal form of economics and governance. In reality China is adapting to compete within and transform the system to achieve its end-states, not conforming to the system as a reliable stakeholder, the problem is that it can be very difficult to tell the difference.

Informational-Diplomatic: Removing the Current Hegemon

The anti-U.S. aspect of China's informational-diplomatic lever has two mutually supportive thrusts: form loose alliances and weaken U.S. blocs. After playing the two competing super powers off of each other for nearly forty years, in the post-Cold War

era, China needed to delegitimize the sole hegemon, the United States, a challenging endeavor for a communist country in a liberalizing world against the country at the liberal foundation.

The powerful position that China has attained has allowed it to obstruct multi-lateral organizations of which it is a part, while proposing new China led institutions. China's actions to prevent South China Sea issues from dominating Association of Southeast Nations (ASEAN) meetings are well documented as are 'no' votes in the face of consensus at the United Nations.⁴¹ The Conference on Interaction and Confidence Building Measures in Asia where President Xi suggested that Asian nations have the ability to take control of more of their security concerns⁴² without the U.S. and the Asia Infrastructure and Investment Bank (AIIB) as a challenge to the Asian Development Bank (ADB) and International Monetary Fund (IMF) are two examples of new China led initiatives.

Creating new partnerships is only one side of the coin, the other is delegitimizing the alliances of the hegemon. Because the U.S. has treaty alliances, this may appear to be a bridge too far, therefore, its importance lies more in that it signals China's willingness to directly challenge the U.S.'s regional security architecture. The PRC continually attacks treaty alliances as remnants of the Cold War⁴³ while attempting to lessen the value of the individual alliances by questioning U.S. resolve and providing bilateral economic incentives as influence to counter the U.S. security umbrella. Today, China seeks to weaken U.S. alliances with South Korea⁴⁴ and Australia⁴⁵ through economic cooperation, with the Philippines through coercive diplomacy⁴⁶ and with

Thailand⁴⁷ by exploiting the opening created by the U.S. focus on restoration of civilian government.

Proof in the level of China's confidence in its informational-diplomatic dealings with the United States came during the President Obama and President Xi meeting at the Sunnylands estate in June 2013 with the announcement of a New Type Great Power Relationship.⁴⁸ For a rising power engaged in peacetime conflict with the established power to define the terms of the relationship with established power 'buy in' was a tremendous diplomatic accomplishment. Although the U.S. is less excited about endorsing the Great Power Relationship in 2016 than it was in 2013, the significance of Sunnylands should not be downplayed. China reaffirmed U.S. acquiescence by getting the U.S. to endorse its rise as being executed and accepting it as a near peer.⁴⁹

Informational-Economic: Too Big To Fail

The post-World War II global order pit liberal countries in an open international economic system against communist countries on the outside or fringes. Although the system has evolved and incorporated new countries over the last twenty five years it is not equipped to contain a transformational China. Beijing understands this dilemma perfectly and in just fifteen years since joining the WTO has been able to convince the world that without a strong Chinese economy, read strong China, the whole system will come collapsing on itself.⁵⁰ China's ability to withstand the 2007 global financial crisis reaffirmed this point, thus its value in enhancing *shi* [勢]. In such an environment, irregularities in the system from cyber theft and intellectual property rights (IPR) violations to restrictions against foreign companies are viewed as the collateral damage of China's participation rather than significant threats to the overall system. Despite

estimates that China is responsible for approximately 70% of the \$300-400 billion lost annually⁵¹ through cyber theft, the U.S. continues to pursue additional areas of economic cooperation without a long term assessment of U.S. interests.⁵²

Creating the notion of 'too big to fail' and ensuring global support for its continued growth while rewriting the rules of global trade is truly a tremendous feat of informational-economic official and public diplomacy. China maximizes its advantage with domestic initiatives and policies such as the 2006 indigenous innovation policy which at the core had "procurement rules that favored Chinese companies, advantages for Chinese companies in the protection of IP and patent system, efforts to set Chinese technology standards to favor Chinese entities, requirements for foreign companies to expose or share their technologies for access to the Chinese market, and subsidies for key industries to enable them to beat foreign competitors."⁵³ As a further more dangerous perversion of the system, China's twelve largest companies are state-owned enterprises⁵⁴ which along with all other strategic sector companies benefit from government cyber resources which provide them with "technology blueprints, proprietary manufacturing processes, test results, business plans, pricing documents, partnership agreements and emails and contact lists from victim organization's leadership."⁵⁵ What better way to reduce U.S. war potential than use its economic system against it?

Informational-Military: The Most Honest of the Levers

The military component is fundamentally different from the economic and diplomatic because there is no misreading of what is occurring, unadulterated increase of hard power centered on countering U.S. capabilities. China's "long term comprehensive military modernization program"⁵⁶ is well documented every year in the

Annual Report to Congress on Military and Security Developments Involving The People's Republic of China. China continues to make advances in short-range, medium-range and intercontinental ballistic missiles to include the famed DF-21 designed to strike U.S. aircraft carriers and DF-26 ranged to strike Guam. The PLA Navy now has more than 300 surface ships, submarines, amphibious ships and patrol craft⁵⁷, and is on pace to catch the U.S. in raw numbers. It is close to deploying submarines with nuclear missiles to create a nuclear bi-ad despite no explicit threat. The PLA Air Force is the largest in Asia and closing the technology gap with the West on stealth aircraft as well as command and control and jamming capabilities.⁵⁸ China also continues to make strides in space and counter-space capabilities targeted specifically at U.S. enablers.⁵⁹

Although there is some inherent logic to China desiring a military commensurate with its perceived place on the global stage, the specific targeting of U.S. strengths and desire to “extend China’s operational reach attempting to push adversary forces, including the United States, farther from potential regional conflicts”⁶⁰ is disconcerting. With the force it currently has, China has demonstrated a willingness to challenge the security of U.S. allies and partners raising concern about what will occur when its military is even stronger. Although the U.S. has wrestled over Chinese intent, the capabilities are clear. Unfortunately, military is not an isolated lever and despite acknowledged concern over China’s build-up, the West continues to spur China’s military development with equipment, know-how and dual use technology transfer.⁶¹ As such, more credit must be given to China’s informational-diplomatic and informational-economic efforts to facilitate such growth in the military realm.

United States Plan of Action

China has put in motion a plan for rejuvenation based on primacy in the Asia Pacific which relies on comports to and shaping global trends through shifting alliances, application of hard and soft power and a guiding narrative. The plan has worked fairly well in a time of U.S. acquiescence, but becomes much more challenging without it. The U.S. has tremendous resources at its disposal and is well equipped to respond to China's declaration of peacetime conflict while creating an environment less prone to miscalculation or misunderstanding. To move forward, I recommend three 'stops' and three 'starts'. These processes and actions will not change China's national interests, but may change the way in which it pursues them by causing Beijing to reassess the current international environment and potential future trend-lines, *shi* [勢]. To this point, U.S. acquiescence has helped harmonize the two existing trends creating a 'strategic window of opportunity.'⁶² As Otto Von Bismarck stated, a "sentimental policy knows no reciprocity"⁶³, it is therefore time to close this window. First, the U.S. must stop the following which contribute to strategic acquiescence and tacit endorsement of China's rise as being executed.

1. Stop assuming that benefits from the current system will induce China's 'buy in'. In his book *Diplomacy*, Henry Kissinger makes the historical observation that "an international order which is not considered just will be challenged sooner or later."⁶⁴ Senior U.S. leaders are often dumbfounded when first exposed to China's seemingly ungrateful nature in looking to alter the international order and system that facilitated its rise. To China, however, the benefits of the current order are unrelated to it being

inherently unjust. China is very comfortable with contradictions, in this case, altering the system in which it rose.

2. Stop assuming that the U.S. can substantially shape China's interests through engagement and inclusion. The end of the Cold War and incorporation of the former Soviet Bloc nations into the liberal global order helped convince the U.S. that the same game plan of engagement and inclusion would work on China. Instead it has provided China increased access to the system it is trying to change. China has learned the value of agreeing to dialogues, working groups, interim status updates, expert discussions and exchanges on issues important to Washington to show the desire to cooperate, but this is completely unrelated to its willingness to redefine its national interests or substantially alter its policy. The prime example of this dynamic is cooperation on North Korea. China's national interest in North Korea is first, stability on the border through a buffer state and second, a denuclearized North Korea. This would be the case regardless of U.S. interests and yet Washington expends tremendous energy trying to convince China to no avail that North Korean denuclearization should be its number one concern. More than a decade of the U.S. sacrificing other security concerns for Chinese cooperation on North Korea has neither changed China's national interest nor led to resolution of the issue as demonstrated by North Korea's recent nuclear test and missile launches.⁶⁵ Cooperation may end up being helpful, but it must be based on an understanding of China.

3. Stop viewing China's pursuit of its national interest as successful U.S. shaping or China's contribution to global security challenges. China's support of the Iran nuclear deal is a great example of such thinking. Before the deal, Iran was China's second

leading provider of oil, Chinese companies were pursuing access to Iran's oil reserves and the Chinese wanted to become even larger players in Iran's infrastructure and telecommunications projects.⁶⁶ After the deal, President Xi visited Iran and the two countries signed 17 accords, agreed to cooperate on China's one belt one road initiative and increase trade to \$600 billion over the next ten years.⁶⁷ All countries would willingly contribute to global security issues if this is how it is defined.

Ceasing U.S. acquiescence is the needed first step, the following recommendations attempt to set the foundation for what comes next.

1. Recognize peacetime conflict for what it is. As Walter Jajko proposes, the "definition of war has changed, but America's leaders have yet to find it in their glossary." In fact, "peace is merely war fought at times with armed means and at other times with non-violent forms that are not necessarily unarmed." Clausewitz articulated a similar concept 200 years ago with his statement that war is merely a continuation of policy by other means, but phrasing it in terms of peace is more useful for the current environment. The U.S. understood nonviolent full scale competition during the Cold War, when it was a battle of ideologies, but seems to have forgotten it in the age of geo-economics and globalization. The U.S. is much more comfortable with differentiating times of war and times of peace and the different requirements of each. This is especially harmful in dealings with China as the Chinese not only agree with Jajko's definition, but have been fighting this way since before Sun-tzu started writing over 2000 years ago.

2. Put everything on the table and reevaluate. All U.S.-China bilateral agreements should be reassessed in the lens of 2016, not the era of false assumptions

in which they were conceived. China's targeting of all four enduring interests from the United States National Security Strategy should come with risk. Two decades of more is better has put U.S. national interests at stake. This is especially applicable to any aspect of nuclear, space, military, or dual use technology, but also applies to the economic relationship as a whole.⁶⁸

3. Create a unified public policy. In this case, public policy includes information, exchanges, broadcasting, counter-propaganda, political action, psychological strategy, political warfare, and ideological warfare.⁶⁹ Although the nature of China is much different than the Soviet Union, the battle for the global narrative is equally important. A coordinated message coming from the U.S. seems impossible but must be pursued with the creation of a new U.S. Agency for Public Diplomacy with similar functions as the previous U.S. Information Agency.⁷⁰ The goal of this restructuring beyond getting the U.S. message out is to: counter China's misinformation campaign; challenge China globally on its assessments of democracy, universal values, civil society, neoliberalism, and free press; and discuss publically what a Chinese sphere of influence in the Asia-Pacific would look like.

Conclusions

The China the U.S. has lost this second go around, the supposed global security partner with shared interests, was a myth of U.S.-China co-creation that should have died in the 1990s. Instead, China perpetuated the myth playing to U.S. assumptions and strategic culture while identifying the U.S. as its primary strategic adversary and developing a two pronged strategy to expedite U.S. decline. China's conceptual framework, notions of international order and fear of the U.S. have guided its judgements while the communist application of power has facilitated a nationwide

mobilization that would not be possible in a democracy outside of large scale kinetic war. Washington's sincere desire to keep the myth alive has led to strategic acquiescence of China's attempt to attain primacy in the Asia Pacific and increased the chance of miscalculation while not alleviating China's fear that the U.S. is trying to contain it—a lose-lose in Chinese terms.

Beijing's decision to engage in peacetime conflict with the United States has called into question the third assumption of a strong and prosperous China being a net benefit for the global order. The challenge for the U.S. is to mobilize in response to this threat and reset the baseline for the relationship while managing escalation which will be impossible without a fundamental change in tone of the relationship and supporting narrative. Such a change may seem unhelpful in the short term, but will actually create a safer international environment. The current philosophy of preventing negative aspects from defining the relationship has been tantamount to writing a blank check which China cashes daily while increasing U.S. frustration, a very dangerous combination. Stopping U.S. material and public support of China's rise and changing U.S. assumptions are the first steps.

The goal for the U.S. reset is to convince China it must redefine the terms of its rejuvenation, not alter its national interests. The world may be heading towards multipolarity, but the kind of primacy China seeks in the Asia Pacific is not going to be part of this new international order. If the U.S. follows such a path with a better understanding of who and what China is, it can change China's read on U.S. decline and acquiescence and force Beijing to make a decision to get in line with the new strategic trend-lines or fight against them to its own peril.

Endnotes

¹The U.S. officially recognized the government of PRC on 1 January 1979.

²China's contributions in countering the Soviet Union were reaffirmed as early as 1981 when a Joint Chiefs of Staff study praised China for causing Russia to reallocate forces along its border with China from Aaron L. Friedberg, *A Contest for Supremacy* (New York: Norton, 2011), 83.

³Aaron Friedberg traces the most recent iteration of "full engagement" to 1994 when then President Clinton decided to increase engagement to increase trade and China's stake in the global order from Friedberg, *A Contest for Supremacy*, 92. Although a case could also be made that the first two assumptions existed during the Reagan administrations, the dynamic of the relationship changed tremendously after the end of the Cold War. As such, the first two assumptions have been fairly continuous since for at least 22 years.

⁴Although the reason for China's rise being a net good for the world has changed post-Cold War, it has been continuous since President Nixon.

⁵President Xi has been making speeches on the China Dream which includes national rejuvenation and China regaining its rightful place in Asia since November 2012. For one example, see his September 28, 2015 speech to the United Nations, http://webcache.googleusercontent.com/search?q=cache:pyXlxUKqx2AJ:gadebate.un.org/sites/default/files/gastatements/70/70_ZH_en.pdf+&cd=2&hl=en&ct=clnk&gl=us (accessed March 17, 2016).

⁶Sun-tzu, *The Art of War*, trans. Ralph D. Sawyer (New York: Barnes and Noble, 1994), 187.

⁷Sun-tzu, *The Art of War*, trans. Samuel B. Griffith (Oxford: Oxford University Press, 1971), 90.

⁸Francois Jullien's book, *The Propensity of Things*, serves as the foundation for many western authors attempting to qualify the significance of *shi* [勢] in geopolitical Chinese thinking.

⁹Henry Kissinger discusses the importance of *shi* [勢] in the singularity of China in Henry Kissinger, *On China* (New York: The Penguin Press, 2011), 5-32.

¹⁰Michael Pillsbury's discusses China's use of *shi* [勢] throughout Michael Pillsbury, *The Hundred-Year Marathon* (New York: Henry Holt, 2015).

¹¹For more on alternation points, see Francois Jullien, *The Propensity of Things* (New York: Zone Books, 1999), 194. Jullien states "every tendency, once born, is naturally inclined to grow; on the other hand, any tendency carried to its ultimate limit becomes exhausted and cries out for reversal"; reversal occurs at an alternation point.

¹²*Shi* [勢] includes concepts from The Dao, The Book of Changes and The Art of War all in one conceptual framework.

¹³Kissinger, *On China*, 31.

¹⁴For an example of a present day strategic assessment which emphasizes trend lines, see an article by Yuan Peng, Vice President of the China Institute of Contemporary International Relations, in *Beijing Huanqiu Shibao Online*, on February 25, 2016. Link to a translation, <http://www.uscnpm.org/blog/2016/03/03/yuan-peng-warns-us-may-make-a-third-strategic-mistake/> (accessed March 14, 2016).

¹⁵In his book *Orientalism*, Edward Said critiques the West for over-mysticizing Eastern cultures often in a patronizing way.

¹⁶An opportunity crisis emerges out of a deliberate calculated initiative. The understanding of the gain and absence of surprise creates a lower stress level in the aggressor than experienced by the target nation. Michael D Swaine, Zhang Tuosheng and Danielle F.S. Cohen, *Managing Sino-American Crisis* (Washington DC: Carnegie Endowment for International Peace, 2006), 115.

¹⁷Robert Sutter offers a different perspective in which he points out that China has serious domestic problems which limit foreign policy options and as a result Beijing has had a hard time coming up with a coherent foreign policy strategy from Robert G. Sutter, *Foreign Relations of the PRC* (New York: Rowman & Littlefield Publishers, 2013), 3-22. Andrew Nathan and Robert Ross also emphasize the domestic to the point where they state “China’s foreign policy dilemmas will shape and be shaped by its domestic political conflicts” from Andrew J. Nathan and Robert S. Ross, *The Great Wall and The Empty Fortress* (New York: Norton, 1997), xiv.

¹⁸Richard McGregor, *The Party* (New York: HarperCollins, 2010), 72.

¹⁹Starting from the May 4th movement in 1919 and continuing through the establishment of the PRC, Confucius was often the poster child for backward thinking and had numerous government sponsored movements targeted explicitly at his fundamental assumptions. Today his statue is larger than life in front of China’s Museum of National History in Beijing and China’s foreign propaganda centers, Confucius Institutes, bear his name.

²⁰Roger T. Ames and Henry Rosemont, Jr., *The Analects of Confucius* (New York: Random House, 1979), 10.

²¹McGregor, *The Party*, 33.

²²Ames, *The Analects of Confucius*, 5.

²³Ames discusses how Neo Confucianism repudiated Buddhism and Daoism while incorporating their spiritual aspects in Ames, *The Analects of Confucius*, 16.

²⁴Mencius stated “The absence of an external enemy will lead to the ruin of the state” from Dennis Bloodworth and Ching Ping Bloodworth, *The Chinese Machiavelli* (New York: Farrar, Straus and Giroux, 1976), 60.

²⁵Mao, out of concern for the fight in front of him rather than future benefit, sowed the seeds for hatred of the first enemy, Japan, to endure as long as the CCP was in power. Mao states “First of all, political activities depend upon the indoctrination of both military and political leaders with the idea of anti-Japanism” not class conflict, the evil of capitalists or any other Marxist dialectic. He continues, “The anti-Japanese idea must be an ever-present conviction”

from Mao Tse-tung, *On Guerilla Warfare Kindle Edition*, trans., Brigadier General Samuel B. Griffith (Pickle Partners, 2014), 88.

²⁶*China's Military Strategy* (Beijing: The State Council Information Office of the People's Republic of China Online, May 2015), <http://eng.mod.gov.cn/Database/WhitePapers/> (accessed October 29, 2015).

²⁷Kenneth Lieberthal and Wang Jisi, "Addressing U.S.-China Strategic Distrust," *John L. Thornton China Center Monograph Series*, no. 4, (March 2012): viii, <http://www.brookings.edu/research/papers/2012/03/30-us-china-lieberthal> (accessed October 26, 2015).

²⁸According to Document #9, the seven false ideological trends threatening the CCP are: promoting western constitutional democracy to undermine the current leadership and system of governance; promoting universal values to weaken the theoretical foundations of CCP leadership; promoting civil society to dismantle the ruling party's social foundation; promoting neoliberalism to change China's economic system; promoting the West's idea of journalism to challenge CCP discipline; promoting historical nihilism to undermine CCP history; questioning Reform and Opening. Chris Buckley, "China Takes Aim at Western Ideas," *The New York Times Online*, August 19, 2013, http://www.nytimes.com/2013/08/20/world/asia/chinas-new-leadership-takes-hard-line-in-secret-memo.html?_r=0 (accessed October 29, 2015); "Document 9: A ChinaFile Translation," ChinaFile Online, November 8, 2013, <http://www.chinafile.com/document-9-chinafile-translation> (accessed October 29, 2015).

²⁹Bloodworth, *The Chinese Machiavelli*, 25.

³⁰For excellent books which contend that China seeks its place at the top of a global hierarchy, see Christopher Ford's *The Mind of Empire* and Michael Pillsbury's *The Hundred-Year Marathon*.

³¹Liu states that the world has always had Champion states which, as the most powerful states, guide the global order using hard and soft power. He asserts that Great Britain was a colonial Champion, the U.S. a hegemonic Champion and that China will be a guiding Champion which influences primarily through benevolence and soft power from Mingfu Liu, *The China Dream* (New York: CN Times Books, 2015), 26-28.

³²Bloodworth, *The Chinese Machiavelli*, 56-59.

³³Edward N. Luttwak, *The Rise of China Vs. The Logic of Strategy* (Cambridge: Belknap Press, 2012), 74.

³⁴For a good discussion on the need for "rationality" in coercive diplomacy, which includes the role of cultural factors, see Alexander George's *Forceful Persuasion*.

³⁵As Liu states, "Opportunity favors the well prepared, and strategic opportunities only present themselves to nations with a strategy" from Liu, *The China Dream*, 19.

³⁶China's actions actually target all of the 2015 U.S. National Security Strategy enduring interests which are: security of the U.S. and its allies, a strong economy, respect for universal values at home and abroad and a rules based order advanced by U.S. leadership. Barack Obama, *National Security Strategy* (Washington DC: The White House, February 2015), 2.

³⁷Ames, *The Analects of Confucius*, 31.

³⁸For an in depth discussion of non-western nations methods during early phases of incorporation see Adda B. Bozeman's book *Politics & Culture in International History*.

³⁹Pillsbury, *The Hundred-Year Marathon*, 120.

⁴⁰Eric Lipton, Brooke Williams and Nicholas Confessore, "Foreign Powers Buy Influence at Think Tanks," *New York Times Online*, September 6, 2014, <http://www.nytimes.com/2014/09/07/us/politics/foreign-powers-buy-influence-at-think-tanks.html> (accessed March 14, 2016).

⁴¹Tom Christensen, *The China Challenge* (New York: Norton, 2015), 25.

⁴²Xi Jinping, "Remarks by Chinese President Xi at the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia," *Council of Foreign Relations Online*, May 20, 2014, <http://www.cfr.org/regional-security/remarks-chinese-president-xi-fourth-summit-conference-interaction-confidence-building-measures-asia/p33637> (accessed March 18, 2016).

⁴³At his first address at the United Nations on September 28, 2015, President Xi stated "We should abandon Cold War mentality in all its manifestation, and foster a new vision of common, comprehensive, cooperative and sustainable security." See United Nations posting of the speech at http://webcache.googleusercontent.com/search?q=cache:pyXlxUKqx2AJ:gadebate.un.org/sites/default/files/gastatements/70/70_ZH_en.pdf+%&cd=2&hl=en&ct=clnk&gl=us (accessed March 17, 2016).

⁴⁴Shannon Tiezzi, "It's Official: China, South Korea Sign Free Trade Agreement," *The Diplomat Online*, June 2, 2015, <http://thediplomat.com/2015/06/its-official-china-south-korea-sign-free-trade-agreement/> (accessed March 19, 2016).

⁴⁵For a good article on the battle between economics and security in Australia see Rod Mcguirk, "Australian leader dismisses concerns about Chinese company," *The Washington Post Online*, March 8, 2016, https://www.washingtonpost.com/world/australian-leader-dismisses-concerns-about-chinese-company/2016/03/08/a5313f34-e5a2-11e5-a9ce-681055c7a05f_story.html (accessed March 14, 2016).

⁴⁶Bonnie S. Glaser, "China's Coercive Economic Diplomacy: A New and Worrying Trend," *CSIS Online*, August 6, 2012, <http://csis.org/publication/chinas-coercive-economic-diplomacy-new-and-worrying-trend> (accessed March 19, 2016).

⁴⁷Prashanth Parameswaren, "Did China Just Boost Military Ties with Thailand," *The Diplomat Online*, February 7, 2015, <http://thediplomat.com/2015/02/did-china-just-boost-military-ties-with-thailand/> (accessed March 18, 2016).

⁴⁸President Barack Obama and President Xi Jinping, "Remarks by President Obama and President Xi Jinping of the People's Republic of China After Bilateral Meeting," *The White House Office of the Press Secretary Online*, June 8, 2013, <https://www.whitehouse.gov/the-press-office/2013/06/08/remarks-president-obama-and-president-xi-jinping-peoples-republic-china-> (accessed March 18, 2016).

⁴⁹Although the U.S. should recognize China's growing importance on the global stage, there is no reason to give it more leverage than it has earned. At any given time, the U.S. is attempting to build coalitions to fight the Islamic State of Iraq and the Levant, manage Russia's resurgence, negotiate a peace in Syria, rebuild Afghanistan, keep North Korea in check, all while ensuring global trade is protected around the world under a system of international rules and norms. China is not.

⁵⁰Although China's economy certainly has a major impact on the global economy, this should not equate to giving it undue leverage in all bilateral and multi-lateral forums. Matt O'Brien, "How China could trigger a global crisis," *The Washington Post Online*, January 11, 2016, <https://www.washingtonpost.com/news/wonk/wp/2016/01/11/how-china-could-trigger-a-global-crisis/> (accessed March 18, 2016).

⁵¹The Commission on the Theft of American Intellectual Property, *The IP Commission Report* (Washington DC: National Bureau of Asian Research, 2013), 3.

⁵²Every year the U.S. and China hold a Strategic and Economic Dialogue (S&ED) focused on managing the complexities of the relationship and ensuring that areas of disagreement do not develop into larger crisis. S&ED is a great forum, does well in achieving its mission and would be a perfect venue for the U.S. to begin disentangling economic initiatives that no longer serve its national interests with a full explanation to the Chinese on what is taking place.

⁵³The Commission on the Theft of American Intellectual Property, *The IP Commission Report*, 16-17.

⁵⁴Scott Cendrowski, "China's Global 500 companies are bigger than ever-and mostly state-owned," *Fortune Online*, July 22, 2015, <http://fortune.com/2015/07/22/china-global-500-government-owned/> (accessed March 14, 2016). China's SOE's receive three-quarters of all state bank loans, generate 35 per cent of all business activity and 43 per cent of all profits in China. Also, SOE's make up 90% of China's 85 companies in the 2013 Fortune Global 500 list from Dr. James Reilly, "China's Economic Statecraft: Turning Wealth into Power," *Lowy Institute for International Policy Online*, November 27, 2013, <http://www.lowyinstitute.org/publications/chinas-economic-statecraft-0> (accessed March 18, 2016).

⁵⁵The Commission on the Theft of American Intellectual Property, *The IP Commission Report*, 18.

⁵⁶Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving The People's Republic of China* (Washington DC: The Pentagon, 2015), i.

⁵⁷*Ibid.*, 8.

⁵⁸*Ibid.*, 11.

⁵⁹For a comprehensive look at how China is targeting the U.S. in space, see Erik Seedhouse's *The New Space Race*.

⁶⁰Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving The People's Republic of China*, 5.

⁶¹Ibid., 15.

⁶²China assessed it was in a Strategic Window of Opportunity which would allow it to focus domestically on its economy, while increasing its comprehensive national power in a relatively benign Asia-Pacific since the U.S. was involved in two wars and seemingly distracted.

⁶³Henry Kissinger, *World Order* (New York: Penguin Books, 2015), 76.

⁶⁴Henry Kissinger, *Diplomacy*, (New York: Simon & Schuster, 1994), 79.

⁶⁵KJ Kwon, Barbara Starr and Jim Sciutto, "North Korea launches ballistic missiles," *CNN Online*, March 18, 2016, <http://www.cnn.com/2016/03/17/asia/north-korea-missile-launch/> (accessed March 18, 2016).

⁶⁶Christensen, *The China Challenge*, 134.

⁶⁷Golnar Motevalli, "China, Iran Agree to Expand Trade to \$600 Billion in a Decade," *BloombergBusiness Online*, January 23, 2016, <http://www.bloomberg.com/news/articles/2016-01-23/china-iran-agree-to-expand-trade-to-600-billion-in-a-decade> (accessed March 15, 2016).

⁶⁸This does not equate to rejecting all cooperation from China. For example, the U.S. could still support initiatives such as the Asian Infrastructure Investment Bank (AIIB) because it offers the possibility of improving the lives of U.S. partners in Central Asia to include Afghanistan, regardless of the fact that it may increase China's prestige.

⁶⁹John Lenczowski, *Full Spectrum Diplomacy and Grand Strategy*, (New York: Lexington Books, 2011), 18.

⁷⁰The new agency would have more of a strategic responsibility than its predecessor and be responsible for "developing and implementing public diplomacy doctrine, campaigns and programs" from John Lenczowski, *Full Spectrum Diplomacy and Grand Strategy*, 115.