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China, the USA and the Dimensions of Strategic Rivalry



*The rivalry between the USA and China has meanwhile become a guiding paradigm of international relations, shaping strategic debates, but also real political, military and economic dynamics. This does not mean that competition between Washington and Beijing or even great power rivalries in general determine all other international problems and conflicts. However, Sino-American competition is increasingly providing the framework through which various actors view significant events and developments like “Corona”, writes Prof. Dr. **Volker PERTHES**, Director of the German Institute for International and Security Affairs and Member of the stars Scientific Board.*

Like any global crisis, “Corona” will leave an impact on patterns of international governance and cooperation, and probably on the structures of the international system. It is possible – but by no means certain – that the aftermath of the crisis may actually see global governance structures strengthened in individual policy realms, particularly with regard to global health. This cannot happen without the buy-in of most, if not all, the major powers. But even with heightened co-operation in some policy fields, the rivalry between the United States and China will likely remain a – if not the – defining issue in international relations for some time to come. In some areas, the pandemic may actually fuel the competition. This is already seen in the ideological realm where China, after first being criticised for the way it handled the virus outbreak, now highlights the advantages of its own – authoritarian – governance system in responding to such crises. The pandemic may also witness some nations gaining soft power by showing solidarity, while others lose some of theirs for not doing so.

Three years back, in 2017, the US government began to name China a “long-term strategic competitor” in its national security strategy. NATO, in its London Declaration of December 2019, spoke for the first time of the challenges (but also of the opportunities) arising from China’s weight and international policy. China’s political elite is – probably

rightly so – convinced that the USA intends to contain the expansion of Chinese influence. Disputes over trade policy or trade balances are indeed at the forefront of public statements by the US President and have a direct impact on the world economy. Nevertheless, trade disputes are only one aspect of rivalry, and by no means the most important one. Only if we understand the multidimensionality of the US-Chinese conflict constellation will we be able to find appropriate policy responses and develop the necessary instruments.

Obviously, the global balance of power and the status of the two powers in the international system is one of the key issues. US President Donald Trump seems to regard superiority, especially military dominance, as an end in itself and not primarily as a means to advance certain interests and values. President Xi Jinping is apparently driven by a vision of order “with Chinese characteristics” in which superiority is both a means and an end. But the competition between the rising and the established superpower also has its own security, economic, technological and ideological dimensions. Acting personalities also play a role.

Overall, influence on other states, regions and societies is at stake. From a Chinese perspective, America will never voluntarily grant China greater international influence. In the USA, China is regarded as a revisionist power that is striving for global supremacy in the long term. More balanced positions exist in both countries, but their influence on the public discourse is marginal.

At the same time, perceptions of military threat are increasing in China and in the USA with regard to the respective other power. A classic security dilemma is gradually developing: efforts by one state to strengthen its security reinforce the feeling of insecurity in the other. This is particularly true in the maritime sector: China is expanding its fleet to secure supply routes, expand influences and prevent containment by American bases and allies; the US sees China’s growing military capabilities as a threat to its own military bases and to its alliance system in the Indo-Pacific region.

Economic competition and conflicts over trade, economic and financial policy form a real, distinct dimension of rivalry. American criticism of unfair competition or breaches of rules by China is widely shared in Europe. The trade conflict is closely linked to global governance issues, which are of vital importance, especially from a European perspective. This applies, for example, to the future of binding, multilateral trade rules and institutions. In contrast to the past 30 years, bilateral trade between the USA and China is no longer a stabilizer that balances out political conflicts. Rather, the rivalry between the two powers will continue to have a decisive impact on international politics even if Washington and Beijing should conclude a comprehensive trade agreement before the upcoming US presidential elections.

The technological dimension of this rivalry would also survive a settlement of the trade dispute. Technological competition is of course about the distribution of real and relative economic gains, but it is also relevant to security policy and linked to geopolitical and political-ideological aspects. All this is evident in the debate on the use of Chinese components in the development of 5G networks and other future-oriented and critical infrastructure.

Concerns are not only related to the risk of espionage or sabotage. More importantly, perhaps: Technology is not value neutral. Technological competition is all the more

strongly linked to the political-ideological dimension of strategic rivalry – the competition between liberal-democratic and authoritarian concepts of society – the sooner technological developments touch on fundamental questions of political order, be it in data acquisition and use, artificial intelligence or biotechnology. In the USA, the rise of China as such and the perspective of being overtaken by the competitor is raising fears. In Europe, the risk focus is more on whether and how the development and export of technologies that enable new forms of social control could both be used by authoritarian regimes in their own realm and help to promote the spread of illiberal models of government in other parts of the world.

The concern about ideological influences is not limited to one side. Decision makers in Western democracies sometimes underestimate how much the Chinese leadership still feels threatened by liberal values and world views. Human rights, the rule of law and liberal democracy continue to have a strong appeal in relevant parts of Chinese society. This explains the nervous look of the Chinese party and state leadership at Hong Kong, as well as their, as it seems, exaggerated fear of colour revolutions, and their massive efforts to find technocratic solutions to securing the rule of the Communist party and, ideally, a “harmonious society”.

The Sino-American rivalry extends beyond the bilateral relationship. It impacts globally on, among other things, the work of international organizations and on regional developments, even within Europe. While the Trump government undermines or withdraws from existing multilateral institutions, China is building new international fora and organizations that correspond to Beijing’s own ideas of order. China also increasingly contributes to and participates in the activities of the United Nations and its sub-organizations. While the USA, to give but one example, has left the UN Human Rights Council, China is actively using this forum to relativize the importance of individual human rights.

And Europe?

The European Union and its member states are directly and indirectly affected by the Sino-American rivalry. At the same time, Europe’s view of China has also become more critical, not least in view of China’s more aggressive regional posture, the authoritarian hardening at home, the spread of “alternative” (i.e. authoritarian) ideas of government in other parts of the world, and Beijing’s attempts to censor the international debate on China and its policies. In a strategy paper published in spring 2019, the EU therefore qualified China as a “systemic rival”, as well as an economic competitor and a cooperation partner for Europe “with whom the EU has closely aligned objectives” – not least in tackling climate change and other global challenges. “Decoupling” – i.e., cutting technological, scientific or economic ties with China, as advocated in parts of the US political spectrum – is clearly not an option for the EU.

Democracies will have to step up to the challenge of China’s growing influence in the world and Beijing’s attempts to internationalize its own authoritarian model, while taking care not to undermine economic and technical cooperation, interdependence or the foundations of multilateral order. Under the paradigm of the strategic rivalry with China, American and American-influenced debates tend to overemphasize the vulnerabilities that come with interdependencies. The stabilizing effects of such relations, especially the interest even of antagonistic powers in maintaining mutually beneficial relations, are too often forgotten. For Europe, but even more so for countries in the Asia-Pacific region such

as India, Japan, the ASEAN community or Australia, abandoning interdependence relations with China is not an option. But all these states can do better in avoiding unilateral dependencies.

Europe has begun to develop its own instruments for a confident, prudent policy towards China, such as a European investment screening scheme supplemented by national legislation. Europe should not only think about its own resilience vis-à-vis China, though, but also about its international engagement. Many states and societies in Asia and Africa appreciate China's economic commitment and its "Belt and Road" initiative, but fear dependence on China. The point here is to offer alternatives without forcing or trying to pressure these states to abandon their relations with China which they obviously see as advantageous. The EU's connectivity strategy towards Asia or the infrastructure funds provided by the European Investment Bank for sustainable infrastructure projects in Africa are useful approaches. Generally, European states should strengthen their practical commitment to the United Nations and other multilateral organizations. They will also have to fill vacuums left by the US administration due to its withdrawal or lack of interest. In doing so, Europe can also practically demonstrate how its understanding of multilateralism and international rule-of-law differs fundamentally from China's Sino-centric multi-bilateralism.



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In a **SWP Research Paper** published in April 2020, the German Institute for International and Security Affairs has explored the multidimensionality of the US-China strategic rivalry and its implications for Europe. The views expressed here are solely those of the author and they do not necessarily represent or reflect the views of the stars Foundation.

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