

TO: US National Security Community
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SUBJECT: A Global Strategy for China

Over the past two years, the Scowcroft Center for Strategy and Security has hosted a series of strategy consortium meetings with small groups of experts and officials to discuss a comprehensive US and allied strategy for China. This paper provides a brief preview of an Atlantic Council Strategy Paper to be released this fall.

Strategic Context: The China Challenge and Opportunity

Over the past seventy-five years, the United States and its allies and partners have led a rules-based international system that has generated unprecedented levels of peace, prosperity, and freedom. The system, however, is coming under increasing strain, especially from the re-emergence of great power competition with China. The increasing assertiveness of the Chinese Communist Party (CCP) poses a significant challenge to the interests and values of the United States, its allies and partners, and the rules-based system.

The China challenge is evident in the health, economic, diplomatic, governance, and security domains:

- *Health:* In a failed bid to protect its image, the CCP suppressed information about the novel coronavirus, silenced those attempting to speak out about it, and used its influence in the World Health Organization to hamper global efforts to understand and quickly mitigate the spread of the virus.
- *Economic:* China engages in unfair economic practices that violate international standards, including intellectual property theft, subsidizing Chinese companies, and restricting market access to foreign firms. It is also investing enormous state resources in key emerging technologies in a bid to surpass the United States as the global innovation leader.
- *Diplomatic:* Through ambitious plans, such as the Belt and Road Initiative, China is expanding its diplomatic influence in every region. Its aggressive diplomacy, however, is beginning to provoke a backlash.
- *Governance:* China's economic and political model of authoritarian state capitalism is the first formidable alternative to the US model of open market democracy since the end of the Cold War. Current and would-be autocrats look to China as a model for combining authoritarian control with economic success. Abroad, China is using "sharp power" tools to limit democratic practices and promote CCP interests.
- *Security:* China continues its decades-long military modernization, while making sweeping territorial claims and expanding its military presence in Asia, Africa, and Europe. Its growing capabilities increasingly threaten the United States' collective defense with longstanding allies in the Indo-Pacific and beyond.

The CCP poses a clear challenge to the United States, its allies, partners, and the rules-based international system, but there are domains within which China and the United States may share interests and could develop a more cooperative relationship, including on arms control, nonproliferation, the environment, and development aid.

Goals of a China Strategy

- *Long-term:* The United States and its allies and partners would prefer a stable relationship with China that avoids permanent confrontation and enables cooperation on issues of mutual interest and concern. They would like China to become a responsible member of a revised and adapted rules-based system that respects China's legitimate interests. The problem is that such a relationship does not seem possible under Chinese President Xi Jinping and the current generation of CCP leadership, who have launched China on a more confrontational path. Indeed, the nineteenth CCP Congress work report issued by Xi in 2017 outlines a comprehensive vision for China to become a global power and reshape the global order according to its interests by mid-century.
- *Short-term:* In the meantime, therefore, the United States and its allies and partners must prevent China from continuing to threaten their interests in the public health, economic, diplomatic, governance, and security domains. This strategy seeks to prevent, deter, and defend against—and impose costs on—Chinese actions that violate international rules and norms. The strategy seeks to shape Chinese behavior in a positive direction from the standpoint of US and allied interests by demonstrating to Beijing that challenging the United States and its allies and partners is too difficult and costly. At the same time, they should find areas of mutual cooperation and work to convince the next generation of Chinese leadership that Beijing's interests are better served by playing within, rather than challenging, a revitalized and adapted rules-based system.

The Three Major Elements of the Strategy

- 1) *Strengthen:* The United States and its allies and partners should strengthen themselves and the rules-based system for a new era of great-power competition. They should:
 - Facilitate a recovery from the current health crisis and pandemic-induced economic downturn.
 - Prioritize innovation and emerging technology by boosting research & development spending; investing in Science, Technology, Engineering, and Math (STEM) education; and securing supply chains.
 - Invest in repairing and renewing infrastructure and ensuring it incorporates advanced technology, including 5G wireless capability.
 - Reassert influence in existing multilateral institutions by, for example, promoting candidates for leadership positions that favor upholding open and transparent global governance.
 - Create new institutions to facilitate collaboration among US allies and partners in Europe and the Indo-Pacific.

- Develop new military capabilities and operational concepts to achieve a credible combat posture in the Indo-Pacific region.
- 2) **Defend:** The United States and its allies and partners should defend against destabilizing Chinese behavior and impose costs on Beijing’s ongoing violations of core principles of the rules-based system. They should:
- Prohibit Chinese engagement in economic sectors vital to national security.
 - Impose offsetting measures, including tariffs, for industries negatively affected by China’s unfair practices.
 - Counter Chinese influence operations and defend democracy and good governance.
 - Spotlight CCP corruption and human rights violations and encourage human rights reforms in China.
 - Maintain a favorable balance of power over China in the Indo-Pacific to deter and, if necessary, defend against Chinese aggression.
- 3) **Engage:** The United States and its allies and partners should engage China from a position of strength to cooperate on shared interests and, ultimately, incorporate China into a revitalized and adapted rules-based system. They should:
- Negotiate with China on issues of shared interests, including public health, nonproliferation, and the environment.
 - Cooperate with China to, over the long term, adapt a rules-based system that provides inclusive frameworks for constructive engagement.

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They are the authors of *A Global Strategy for China*, Atlantic Council Strategy Papers Series, forthcoming Fall 2020.