Delicately Poised: Are China and The US Heading For Conflict?

By Jia Qingguo & Richard Rosecrance

As the balance of power between China and the US, the world’s sole superpower, narrows with China’s rise, many observers fret that armed conflict could ensue.

After all, in six out of seven historical cases where a new power has challenged an existing one, war has occurred. But political scientists Jia Qingguo and Richard Rosecrance argue there are reasons to be optimistic that China’s rise will be peaceful.
It is an historical chestnut that as a rising power begins to equal a hegemonic superior, the two come into conflict. Many past cases testify to this phenomenon. The question is whether it will apply to the United States and China in the future.

In the June 2009 issue of *Foreign Affairs*, Elizabeth Economy and Adam Segal suggest that placing the US-China relationship within a more inclusive context involving other states will lead to a bilateral solution. This may or may not be correct. What is certainly true, however, is that neglecting the potential tensions in the US-China relationship will guarantee a negative outcome. In six of seven historical cases where one power approximated or surpassed another, conflict occurred. Those were: Spain versus Holland in the 16th century; Holland versus England in the 17th century; Britain versus France in both the 18th and 19th centuries; France and Britain versus Germany in the 20th century; Germany versus Russia in 1914 and then again (as the Soviet Union) in 1941. Finally, the Soviet Union engaged the US and its allies in the Cold War after 1945. The last, thankfully, did not lead to outright war, but it nearly did on a number of occasions.

The one case in which a great power surpassed the prevailing hegemon without war was when the US overtook Great Britain. By 1890, America had already passed Britain economically, without armed conflict. Similar cultural and political values played a large role in determining that outcome. These will not be available to pacify competition with China, although shared practical values have emerged in the current world order.

In the past, there were too few attempts to bridge differences between hegemon and challenger. And the wider balance of power often did not seem to play a helpful role. With countries lining up on one side or the other of a bipolar split, the balance usually exacerbated existing conflicts.

As we will argue below, future competition between China and the US will likely avoid military conflict and result in relative cooperation. Despite its revolutionary communist past, China does not fundamentally challenge the existing US-led world order. It is an active player in multilateral organizations and abides by most key international laws and regimes. In short, it has a huge stake in maintaining the current world order.

This is by no means an assured outcome, but the trend is positive.
HISTORICAL LESSONS
In the past, the competition between hegemon and challenger was usually a contest over additional land. This was not surprising: power and economic growth historically depended on grabbing and assimilating greater territory, which provided more food, labor and raw materials — resources that continue to be valuable today. But as we shall see, they can be accessed in different ways. Nonetheless, the broad record of rising challengers in modern history is not reassuring.

The Dutch vs England
Between 1560 and 1609, the rising Dutch United Provinces were struggling for independence from Spain. Unlike Spain, Holland did not rely on gold or silver to finance her rise. Growth came rather from the Dutch monopoly on exotic products from East Asia and India, later augmented by sugar from Brazil. Holland also controlled the herring trade in Europe and directed the supply of Baltic grain to Western ports. Possessing spices, salt and sugar, the United Provinces could trade for anything they needed, and their “flute” ships roamed the world in search of products and markets. As so many paintings from the 16th and 17th centuries demonstrate, Dutch burghers got richer and fatter, and their houses became more luxurious. By 1650, Holland had become the wealthiest nation in Europe, and its navies, surpassing Spain’s, briefly ruled the oceans.

But England’s economic power was rising. The Dutch had mastered the “Commercial Revolution” and the trade that sustained it, but England amassed a navy that after 1667 was regularly defeating the Dutch fleets (the two powers fought three largely naval wars in the two decades after 1652). The English Navigation Acts required goods to foreign ports to be carried by only English vessels, undermining the Dutch carry trade. England’s naval advantage led eventually to maritime supremacy that made it possible for London to take over Amsterdam’s proto-colonies in India and the New World (most famously New Amsterdam, now New York, in the 1660s). After the Glorious Revolution in 1688, England invited William of Orange to become its monarch in alliance with Mary, and Dutch power thereafter proceeded in tandem with Great Britain’s.

France Pushes for Influence
England’s victory over Holland, however, was only a prelude to conflict with other states. In the 18th century, the French, in alliance with Austria and Russia, took on the British (and their Prussian allies) in the Seven Years’ War (1756-63). Britain narrowly emerged victorious. Thereafter, however, both the Bourbons and later Napoleon resolved to improve French fortunes. Paris triumphed in America with the victory of the Thirteen Colonies over Great Britain in the War of Independence, a success made possible by French naval support. Later, Napoleon assumed imperial power in France and devised new military tactics that enabled French armies to seize much of Europe. But Napoleon’s attack on Russia toppled the French pretender, and paved the way for his defeat at the hands of the Duke of Wellington in 1815.

This victory generated a new burst of British economic and political leadership. The end of French mercantilism opened trade and commerce in Europe as never before, and British industries forged ahead in the worldwide competition that followed.
Empire, World Wars and US Victory

The British victory underscored the degree to which territory and empire still determined the hierarchy of power. British exports to Europe were massively supported by textiles sent to the New World and the Empire. Exotic products from the Empire were re-exported to Britain’s continental rivals. British finance ruled the world because London’s interest rates were the lowest and London’s acceptance houses used imperial intelligence to gain unrivaled knowledge about world borrowers. England’s financial penetration of Africa, Latin America and to some degree even North America sustained her imperial role. France, Germany and America were in her thrall. It was not that markets were open to all-comers; they were peculiarly available to those who got there first.

It was not surprising that other Great Powers attributed British economic success to her far-flung empire. At the end of the 19th century Britain controlled one quarter of the world’s land mass and one seventh of its population (as calculated in 1897 at Queen Victoria’s diamond jubilee). The US, Germany and Russia eyed British territorial gains with envy and looked for similar “places in the sun” from which to buy and to sell their goods. As tariff barriers progressively closed the European economy, new territories and markets had to be found. The occupation of erstwhile Turkish Ottoman Empire provinces in Eastern Europe by Austria and Russian clients divided up the remaining real estate available to be colonized. In World War I, Germany moved to get territory in the East, and Russia wanted to expand westward into Slavic lands.

Prior to World War I, the rise of Germany and the growth of the US challenged Britain in different ways. Britain went to enormous lengths to placate Washington in the dispute over the Venezuelan boundary in 1896, the Panama Canal in 1905 and the size of the American Fleet. Britain moved its western hemisphere squadrons back to Scapa Flow as the German high seas Fleet grew in size. The United Kingdom could not take on two enemies at the same time. Nonetheless, the rise of these economic giants represented a challenge that Britain could not neglect, and London’s entry into World War I was her ultimate response to the challenge of Imperial Germany.

Two other challenges remained. The first was Germany’s invasion of the Soviet Union, a rising power that could bar Berlin’s eastern ambitions. Finally, when the aggressions of Germany and Japan had been subdued in World War II, the US was left to face the Soviet Union. The resulting Cold War did not cause direct armed conflict, but it pitted two different types of political
and economic systems against each other in a worldwide struggle. Only one power could win. Both the US and the Soviet Union believed that the territorial extension of their ideological bloc would decide the contest.

By the late 1980s, the USSR was spending a significant portion of its gross domestic product on empire in Europe and overseas. Since gains were presumed to be irreversible, any conversion of new populations and territories in the Third World would mark a possibly decisive shift in the balance of power. Soviet Premier Nikita Khrushchev had predicted victory as early as 1956, telling Western diplomats at a reception, “We will bury you!”

But by the 1980s, the “correlates of power” changed, and Soviet growth paled into insignificance. Nor did the administration of US President Ronald Reagan accept the “irreversibility” of Communist gains. When Soviet President Mikhail Gorbachev sought to rejoin the Western world, he implicitly accepted the notion that power was no longer measured by land mass, but rather by the proficiency of a modern economy. The Soviet withdrawal from Eastern Europe, the CIS and the Baltic states was based on the presumption that other factors of production (such as capital and educated labor) were more important than land.

Avoiding War With Britain
What will be true of the US and China in the future? It is important to remember that though most past cases of hegemonic equalization or transition involved fighting over territory, not all have done so. This was the case with the rise of the US in the 19th century. It was also the case with the rise of Japan and Germany after World War II.

The US arrived on the world stage in 1867 when it purchased Alaska. By 1894, it had become the world’s largest economy. By the time World War I broke out, it was the preeminent challenger to Britain, the hegemonic power of the time.

Unlike the rise of other great powers in history, the rise of the US was largely peaceful. It did not get into a war with Britain. Despite the fact that London at points conducted worst-case-scenario planning against the US, it ultimately found that it was in its interests to tolerate and at times welcome the rise of the US.

Some may argue that the US did engage in military expansion to the west against Native American tribes and to the south against Mexico — and also waged war with Spain over the Philippines and Cuba in 1898. But compared to other imperialist powers, the US appeared more interested in securing access to markets rather than acquiring territories. If empire was the goal, from a realist perspective, the US should not have stopped before
Vancouver and Quebec in the north and Tijuana and Monterrey in the south, given the power it possessed. Again, from a realist perspective, the US should have engaged in substantial territorial expansion all over the world, as it emerged from World War I as the world's most powerful country. However, the US did not behave in line with a realist, or power politics, view.

Japan and Germany’s Post-War Rise

In 1945, Japan found itself crushed. Its territories were occupied, its leaders tried for war crimes and its constitution imposed by a conquering power. For a time, it appeared the Japanese sun had set. However, the years that followed saw Japan’s rapid re-emergence. Following sustained high economic growth, by 1968 it was the second largest economy in the world (excluding the Soviet Union, which followed a different economic system), and has remained so ever since. And it did this without complete reconciliation with its neighbors. However, by any measure, Japan’s rise after World War II was peaceful. It did not engage in territorial expansion. Japan’s rise after World War II was peaceful. It did not engage in territorial expansion, avoided war with the US, the hegemonic power, and even won US encouragement and support for its rise. There were moments, especially in the late 1980s, when some Americans viewed Japan as a threat and questioned the value of the US-Japan alliance. However, for most of the post-World War II period, the US supported Japan’s efforts to prosper economically and become militarily more capable.

Germany’s re-emergence was similar to that of Japan. Following World War II, its territories were occupied, its leaders tried and its constitution imposed. Moreover, the country was divided into two. For a time, it also appeared that it would no longer have great power status. However, the years that followed saw Germany quickly re-emerge, especially economically. Its economy surpassed those of France and Britain, in 1959 and 1960 respectively, and for a time was the second largest economy in the world (excluding the Soviet Union), before it was passed by Japan in 1968. Germany remained the world’s third-largest economy until China recently overtook it. The fall of the Berlin Wall and the country’s subsequent reunification further enhanced its power and influence. Like Japan, Germany’s rise was also peaceful. It did not engage in territorial expansion. Unlike Japan, however, Germany’s re-emergence occurred through a process of reconciliation and integration with its European neighbors. And Germany’s rise provoked less concern among Americans than did Japan’s.

EXPLAINING PEACEFUL RISE

How can we explain these cases in which the rise of a great power did not lead to unrestrained territorial expansion and war? Some argue that the US did not get into a war with Britain because it was not in Europe. Others argue that the two didn’t go to war because the countries have a special relationship or because the isolationist foreign policy of the US helped prevent war. Each of these explanations contains some elements of truth. However, the most important factors that explain the peaceful rise of the US should include the following:

First, acceptance of existing international arrangements. During its rise, the US did not, on the whole, challenge the British world order. While it might not have liked that order in terms of trade, currency regimes, spheres of influence and other international arrangements, the US found during the latter part of the 19th century that it could live with the situation. Instead, it only sought to change certain aspects when the US believed
they compromised its core national interests, as in the case of the Monroe Doctrine, which checked European expansion in the Americas.

Second, abandonment of overseas territorial acquisition as a principal means to acquire international resources and prestige. Despite periodic domestic pressures, the US did not engage in large-scale overseas expansion as had previous rising powers. Instead, it merely demanded territorial access, or open-door arrangements. These demands were easier for others, including Britain, to accommodate. A typical example was the US open-door policy toward China at the turn of the 20th century.

Third, reliance on trade for national welfare. Unlike previous rising powers, the US viewed trade rather than territorial expansion as the principal means to secure the resources and markets needed for economic development. This benefited both the US and other countries, including Britain, which therefore didn’t see this aspect of the US rise as threatening.

Finally, shared basic values, such as liberalism and democracy. This helped communication and lessened conflict between the US and Britain. It also played a role in efforts to forge a military alliance in the face of threats from countries with different sets of values, as in the case of both world wars and the Cold War.

In short, the peaceful rise of the US can be attributed to its acceptance of the existing world order, abandonment of territorial acquisition as the principal means to power, reliance on trade for national welfare and the basic values it shared with the hegemonic state.

These same factors are also useful to explain the peaceful rise of Japan and Germany after 1945 — only then the world order was US-led.

**WILL CHINA AND THE US GO TO WAR?**

If one accepts the previous analysis, the answer is “no,” or at least not likely. Why?

First, despite its revolutionary past, China has gradually accepted the US-led world order and become a status quo power. It has joined most of the important inter-governmental international organizations. It has subscribed to most of the important international laws and regimes. It has not only accepted the current world order, it has become a strong supporter and defender of it. China has repeatedly argued that the authority of the United Nations and international law should be respected in the handling of international security crises. China has become an ardent advocate of multilateralism in managing international problems. And China has repeatedly defended the principle of free trade in the global effort to fight the current economic crisis, despite efforts by some countries, including the US, to resort to protectionism. To be sure, there are some aspects of the US world order that China does not like and wants to reform. However, it wishes to improve that world order rather than to destroy it.

Second, China has clearly rejected the option of territorial expansion. It argues that territorial expansion is both immoral and counterproductive: immoral because it is imperialistic and counterproductive because it does not advance one’s interests. China’s behavior shows that instead of trying to expand its territories, it has been trying to settle its border disputes through negotiation. Through persistent efforts, China has concluded quite a number of border agreements in recent years. As a result, most of its land borders are now clearly drawn and marked under agreements with its neighbors. In addition, China is engaging in negotiations to resolve its remaining border disputes and making arrangements for peaceful settlement of disputed islands and territorial waters. Finally, even on the question of Taiwan, which China believes is an indisputable part of its territory, it has adopted a policy of peaceful reunification. A country that handles territorial issues in such a manner is by no means expansionist.

Third, China has relied on trade and investment for national welfare and prestige, instead of military conquest. And like the US, Japan and Germany, China has been very successful in this regard. In fact, so successful that it really sees no other option than to continue on this path to prosperity.

Finally, after years of reforms, China increasingly finds itself sharing certain basic values with the US, such as a commitment to the free mar-
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kert, rule of law, human rights and democracy. Of course, there are still significant differences in terms of how China understands and practices these values. However, at a conceptual level, Beijing agrees that these are good values that it should strive to realize in practice.

A DIFFERENT WORLD
It is also important to note that certain changes in international relations since the end of World War II have made the peaceful rise of a great power more likely. To begin with, the emergence of nuclear weapons has drastically reduced the usefulness of war as a way to settle great power rivalry. By now, all great powers either have nuclear weapons or are under a nuclear umbrella. If the objective of great power rivalry is to enhance one’s interests or prestige, the sheer destructiveness of nuclear weapons means that these goals can no longer be achieved through military confrontation. Under these circumstances, countries have to find other ways to accommodate each other — something that China and the US have been doing and are likely to continue to do.

Also, globalization has made it easier for great powers to increase their national welfare and prestige through international trade and investment rather than territorial expansion. In conducting its foreign relations, the US relied more on trade and investment than territorial expansion during its rise, while Japan and Germany relied almost exclusively on international trade and investment. China, too, has found that its interests are best served by adopting the same approach.

Finally, the development of relative pacifism in the industrialized world, and indeed throughout the world since World War II, has discouraged any country from engaging in territorial expansion. There is less and less popular support for using force to address even legitimate concerns on the part of nation states. Against this background, efforts to engage in territorial expansion are likely to rally international resistance and condemnation.

Given all this, is the rise of China likely to lead to territorial expansion and war with the US? The answer is no.
SUSTAINED COOPERATION?
The fact that the rise of China is unlikely to lead to armed conflict with the US does not necessarily mean that the two countries can achieve a wholly cooperative relationship in the long term. For that to happen, the two need to have shared interests, aspirations, and mutually acceptable approaches to promoting their national goals. It appears that these conditions are increasingly becoming a reality.

To begin with, after years of interaction, China and the US have developed a shared stake in cooperation. Their relationship has deepened to the point where their economic futures have become closely interlinked. Western demand, principally from the US, sustains a whole range of Chinese industries. Chinese investments support America’s deficit financing, with China holding more than $1 trillion of US government debt. The US, meanwhile, contributes greatly to China’s foreign trade surplus. If America stopped buying Chinese goods, it would put a serious crimp in Chinese economic growth. Chinese sovereign wealth funds are also moving into the US financial market to rebalance the amount of foreign direct investment on each side.

THE EMERGENCE OF SHARED VALUES
Chinese-American ties now range well beyond economics. As major beneficiaries of existing international arrangements, both China and the US have an important stake in many areas, including defending a free trade system, maintaining international peace and stability, opposing proliferation of weapons of mass destruction, fighting terrorism, ensuring secure energy supplies and reversing global warming.

In addition, as a result of changes within China, the two countries increasingly find themselves sharing similar aspirations in the world. Among other things, China has replaced its centrally-planned economy with a market-oriented one. It has attached increasing importance to the rule of law. It has publicly advocated protection of human rights and has adopted many measures to improve its human rights situation. It has also tried to introduce democratic reforms such as nationwide village-level elections and measures to broaden participation in the selection of leaders at various levels of the Chinese government and in the policy making process. Recently, Chinese Premier Wen Jiabao said that China wants democracy and will make more efforts in this regard. These and other changes on the part of China have narrowed the value differences between the two countries and provided an expanding political basis for China-US cooperation.

Finally, leaders of the two countries have learned how to cooperate after years of interaction. With the scope and depth of contacts increasing, China and the US find themselves with greater understanding and appreciation of each other’s legitimate interests and political sensitivities than ever before. Policy makers in the two countries not only know each other as counterparts, but also increasingly as personal friends. Many become acquainted long before they become important in their respective policy making institutions. Previous misunderstandings at the policy level are no longer serious. This has made miscalculation between the two countries less likely and facilitated cooperation.

However, all this does not mean that cooperation is the only possible future. Old views die
hard. Conflicts need to be managed effectively. Efforts to sow distrust and hostility for various reasons need to be contained. In a word, things can go wrong if left unattended. Fortunately, there are more and more people on both sides of the Pacific who believe that it is both possible and necessary for the two countries to cooperate.

Despite the many historical cases in which the rise of a new power challenged a hegemon and led to armed conflict, recent history shows numerous instances where this has not happened. Part of this has to do with changes in the world since the end of World War II and the way new powers have risen. It is less certain than before that equalization of power will lead to conflict. So far, China’s rise has been reassuring. However, it will take continued effort on the part of both China and the US to make sure that the rise of China is not only peaceful, but also conducive to the betterment of humankind.

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