

Inquiring Minds – 11 August 2017

Moderator: Melissa Butler

Supplementary reading for overachievers

The Thucydides Trap: Are the U.S. and China Headed for War?

- **GRAHAM ALLISON** SEP 24, 2015

...The defining question about global order for this generation is whether China and the United States can escape Thucydides's Trap. The [Greek historian's metaphor](#) reminds us of the attendant dangers when a rising power rivals a ruling power—as Athens challenged Sparta in ancient Greece, or as Germany did Britain a century ago. Most such contests have ended badly, often for both nations. In 12 of 16 cases over the past 500 years, the result was war. When the parties avoided war, it required huge, painful adjustments in attitudes and actions on the part not just of the challenger but also the challenged.

Based on the current trajectory, war between the United States and China in the decades ahead is not just possible, but much more likely than recognized at the moment. Indeed, judging by the historical record, war is more likely than not. Moreover, current underestimations and misapprehensions of the hazards inherent in the U.S.-China relationship contribute greatly to those hazards. A risk associated with Thucydides's Trap is that business as usual—not just an unexpected, extraordinary event—can trigger large-scale conflict. When a rising power is threatening to displace a ruling power, standard crises that would otherwise be contained, like the assassination of an archduke in 1914, can initiate a cascade of reactions that, in turn, produce outcomes none of the parties would otherwise have chosen.

War, however, is not inevitable. Four of the 16 cases ... did not end in bloodshed. Those successes, as well as the failures, offer pertinent lessons for today's world leaders. Escaping the Trap requires tremendous effort. As Xi Jinping himself [said](#) during a visit to Seattle on Tuesday, "There is no such thing as the so-called Thucydides Trap in the world. But should major countries time and again make the mistakes of strategic miscalculation, they might create such traps for themselves."

More than 2,400 years ago, the Athenian historian Thucydides [offered a powerful insight](#): "It was the rise of Athens, and the fear that this inspired in Sparta, that made war inevitable." Others identified an array of contributing causes of the Peloponnesian War. But Thucydides went to the heart of the matter, focusing on the inexorable, structural stress caused by a rapid shift in the balance of power between two rivals. Note that Thucydides identified two key drivers of this dynamic: the rising power's growing entitlement, sense of its importance, and demand for greater say and sway, on the one hand, and the fear, insecurity, and determination to defend the status quo this engenders in the established power, on the other.

In the case about which he wrote in the fifth century B.C., Athens had emerged over a half century as a

steeple of civilization, yielding advances in philosophy, history, drama, architecture, democracy, and naval prowess. This shocked Sparta, which for a century had been the leading land power on the Peloponnese peninsula. As Thucydides saw it, Athens's position was understandable. As its clout grew, so too did its self-confidence, its consciousness of past injustices, its sensitivity to instances of disrespect, and its insistence that previous arrangements be revised to reflect new realities of power. It was also natural, Thucydides explained, that Sparta interpreted the Athenian posture as unreasonable, ungrateful, and threatening to the system it had established—and within which Athens had flourished.

Thucydides chronicled objective changes in relative power, but he also focused on perceptions of change among the leaders of Athens and Sparta—and how this led each to strengthen alliances with other states in the hopes of counterbalancing the other. But entanglement runs both ways... When conflict broke out between the second-tier city-states of Corinth and Corcyra (now Corfu), Sparta felt it necessary to come to Corinth's defense, which left Athens little choice but to back its ally. The Peloponnesian War followed. When it ended 30 years later, Sparta was the nominal victor. But both states lay in ruin, leaving Greece vulnerable to the Persians.

Eight years before the outbreak of world war in Europe, Britain's King Edward VII asked his prime minister why the British government was becoming so unfriendly to his nephew Kaiser Wilhelm II's Germany, rather than keeping its eye on America, which he saw as the greater challenge. The prime minister instructed the Foreign Office's chief Germany watcher, Eyre Crowe, to write a memo answering the king's question. Crowe's reply ... echoed Thucydides's insight... And his central question...was...: Did Germany's pursuit of "political hegemony and maritime ascendancy" pose an existential threat to "the independence of her neighbours and ultimately the existence of England?" Crowe's answer was unambiguous: Capability was key. As Germany's economy surpassed Britain's, Germany would not only develop the strongest army on the continent. It would soon also "build as powerful a navy as she can afford." In other words, Kissinger writes, "once Germany achieved naval supremacy ... this in itself—regardless of German intentions—would be an objective threat to Britain, and incompatible with the existence of the British Empire."

Three years [later] ...Roosevelt (an avid student of naval power and leading champion of the buildup of the U.S. Navy) asked Wilhelm whether he would consider a moratorium in the German-British naval arms race. The kaiser replied that Germany was unalterably committed to having a powerful navy. But as he went on to explain, war between Germany and Britain was simply unthinkable, because "I was brought up in England, very largely; I feel myself partly an Englishman. Next to Germany I care more for England than for any other country." . . . However unimaginable conflict seems, however catastrophic the potential consequences for all actors, however deep the cultural empathy among leaders, even blood relatives, and however economically interdependent states may be—none of these factors is sufficient to prevent war, in 1914 or today.

In fact, in 12 of 16 cases over the last 500 years in which there was a rapid shift in the relative power of a rising nation that threatened to displace a ruling state, the result was war. As the table below suggests, the struggle for mastery in Europe and Asia over the past half millennium offers a succession of variations on a common storyline.

When a rising, revolutionary France challenged Britain's dominance of the oceans and the balance of power on the European continent, Britain destroyed Napoleon Bonaparte's fleet in 1805 and later sent troops to the continent to defeat his armies in Spain and at Waterloo. As Otto von Bismarck sought to unify a quarrelsome assortment of rising German states, war with their common adversary, France, proved an effective instrument to mobilize popular support for his mission. After the Meiji Restoration

in 1868, a rapidly modernizing Japanese economy and military establishment challenged Chinese and Russian dominance of East Asia, resulting in wars with both from which Japan emerged as the leading power in the region....

The preeminent geostrategic challenge of this era is not violent Islamic extremists or a resurgent Russia. It is the impact that China's ascendance will have on the U.S.-led international order, which has provided unprecedented great-power peace and prosperity for the past 70 years. As Singapore's late leader, Lee Kuan Yew, [observed](#), "the size of China's displacement of the world balance is such that the world must find a new balance. It is not possible to pretend that this is just another big player. This is the biggest player in the history of the world." Everyone knows about the rise of China. Few of us realize its magnitude. Never before in history has a nation risen so far, so fast, on so many dimensions of power. To paraphrase former Czech President Vaclav Havel, all this has happened so rapidly that we have not yet had time to be astonished.

My lecture on this topic at Harvard begins with a quiz that asks students to compare China and the United States in 1980 with their rankings today. The reader is invited to fill in the blanks. The answers for the first column: In 1980, China had 10 percent of America's GDP as measured by [purchasing power parity](#); 7 percent of its GDP at current U.S.-dollar exchange rates; and 6 percent of its exports. The foreign currency held by China, meanwhile, was just one-sixth the size of America's reserves. The answers for the second column: By 2014, those figures were 101 percent of GDP; 60 percent at U.S.-dollar exchange rates; and 106 percent of exports. China's reserves today are 28 times larger than America's.

In a single generation, a nation that did not appear on any of the international league tables has vaulted into the top ranks. In 1980, China's economy was smaller than that of the Netherlands. Last year, the increment of growth in China's GDP was roughly equal to entire Dutch economy.

Quiz: Fill in the Blanks

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	China, as % of U.S.	
	1980	2014
GDP (PPP)		
GDP (US\$)		
Exports (US\$)		
Reserves (US\$)		

Harvard Belfer Center

second question in my quiz asks students: Could China become #1? In what year could China overtake the United States to become, say, the largest economy in the world, or primary engine of global growth, or biggest market for luxury goods?

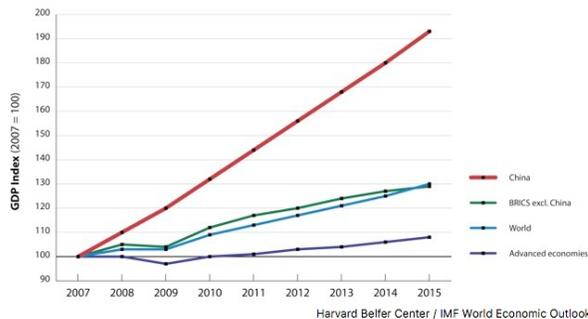
Could China Become #1?

- Manufacturer:
- Exporter:
- Trading nation:
- Saver:
- Holder of U.S. debt:
- Foreign-direct-investment destination:
- Energy consumer:
- Oil importer:
- Carbon emitter:
- Steel producer:
- Auto market:
- Smartphone market:
- E-commerce market:
- Luxury-goods market:
- Internet user:
- Fastest supercomputer:
- Holder of foreign reserves:
- Source of initial public offerings:
- Primary engine of global growth:
- Economy:
- Most are stunned to learn that on each of these 20 indicators, China has already surpassed the U.S.

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- Will China be able to sustain economic-growth rates several times those of the United States for another decade and beyond? If and as it does, are its current leaders serious about displacing the U.S. as the predominant power in Asia? Will China follow the path of Japan and Germany, and take its place as a responsible stakeholder in the international order that America has built over the past seven decades? The answer to these questions is obviously that no one knows.
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- But if anyone's forecasts are worth heeding, it's those of Lee Kuan Yew, the world's premier China watcher and a mentor to Chinese leaders since Deng Xiaoping. Before his [death in March](#), the founder of Singapore [put the odds](#) of China continuing to grow at several times U.S. rates for the next decade and beyond as "four chances in five." On whether China's leaders are serious about displacing the United States as the top power in Asia in the foreseeable future, Lee answered directly: "Of course. Why not ... how could they not aspire to be number one in Asia and in time the world?" And about accepting its place in an international order designed and led by America, he said absolutely not: "China wants to be China and accepted as such—not as an honorary member of the West."
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- Americans have a tendency to lecture others about why they should be "more like us." In urging China to follow the lead of the United States, should we Americans be careful what we wish for?
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- As the United States emerged as the dominant power in the Western hemisphere in the 1890s, how did it behave? Future President Theodore Roosevelt personified a nation supremely confident that the 100 years ahead would be an American century. Over a decade that began in 1895 with the U.S. secretary of state [declaring](#) the United States "sovereign on this continent". . . In the half century that followed, U.S. military forces intervened in "our hemisphere" on more than 30 separate occasions to settle economic or territorial disputes in terms favorable to Americans, or oust leaders they judged unacceptable....
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- When Deng Xiaoping initiated China's fast march to the market in 1978, he announced a policy known as "hide and bide." What China needed most abroad was stability and access to markets. The Chinese would thus "bide our time and hide our capabilities," which Chinese military officers sometimes paraphrased as getting strong before getting even.
- With the arrival of China's new paramount leader, Xi Jinping, the era of "hide and bide" is over. Nearly three years into his 10-year term, Xi has stunned colleagues at home and China watchers abroad with the speed at which he has moved and the audacity of his ambitions. Domestically, he has bypassed rule by a seven-man standing committee and instead consolidated power in his own hands; ended flirtations with democratization by reasserting the Communist Party's monopoly on political power; and attempted to transform China's engine of growth from an export-focused economy to one driven by domestic consumption. Overseas, he has pursued a more active Chinese foreign policy that is increasingly assertive in advancing the the country's country's interests..
- While the Western press is seized by the storyline of "China's economic slowdown," few pause to note that China's lower growth rate remains more than three times that of the United States.. . . [Since 2008] China never missed a year of growth, sustaining an average growth rate exceeding 8 percent. Indeed, since the financial crisis, nearly 40 percent of all growth in the global economy has occurred in just one country: China. The chart below illustrates China's growth compared to growth among its peers in the BRICS group of emerging economies, advanced

economies, and the world. From a common index of 100 in 2007, the divergence is dramatic.

GDP, 2007 — 2015



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- **GDP, 2007 — 2015** Harvard Belfer Center / IMF World Economic Outlook
- Today, China has displaced the United States as the world’s largest economy measured in terms of the amount of goods and services a citizen can buy in his own country (purchasing power parity).
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- What Xi Jinping calls the “[China Dream](#)” expresses the deepest aspirations of hundreds of millions of Chinese, who wish to be not only rich but also powerful. At the core of China’s civilizational creed is the belief—or conceit—that China is the center of the universe. In the oft-repeated narrative, a century of Chinese weakness led to exploitation and national humiliation by Western colonialists and Japan. In Beijing’s view, China is now being restored to its rightful place, where its power commands recognition of and respect for China’s core interests.
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- Last November, in a [seminal meeting](#) of the entire Chinese political and foreign-policy establishment, including the leadership of the People’s Liberation Army, Xi provided a comprehensive overview of his vision of China’s role in the world. The display of self-confidence bordered on hubris. Xi began by offering an essentially Hegelian conception of the major historical trends toward multipolarity (i.e. not U.S. unipolarity) and the transformation of the international system (i.e. not the current U.S.-led system). In his words, a rejuvenated Chinese nation will build a “new type of international relations” through a “protracted” struggle over the nature of the international order. In the end, he assured his audience that “the growing trend toward a multipolar world will not change.”
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- Given objective trends, realists see an irresistible force approaching an immovable object. They ask which is less likely: China demanding a lesser role in the East and South China Seas than the United States did in the Caribbean or Atlantic in the early 20th century, or the U.S. sharing with China the predominance in the Western Pacific that America has enjoyed since World War II?
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- And yet in four of the 16 cases..., similar rivalries did not end in war. If leaders in the United States and China let structural factors drive these two great nations to war, they will not be able to hide behind a cloak of inevitability. Those who don’t learn from past successes and failures to find a better way forward will have no one to blame but themselves.
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- At this point, the established script for discussion of policy challenges calls for a pivot to a new strategy (or at least slogan), with a short to-do list that promises peaceful and prosperous

relations with China. Shoehorning this challenge into that template would demonstrate only one thing: a failure to understand the central point I'm trying to make. What strategists need most at the moment is not a new strategy, but a long pause for reflection. If the tectonic shift caused by China's rise poses a challenge of genuinely Thucydidean proportions, declarations about "rebalancing," or revitalizing "engage and hedge," or presidential hopefuls' calls for more "muscular" or "robust" variants of the same, amount to little more than aspirin treating cancer. Future historians will compare such assertions to the reveries of British, German, and Russian leaders as they sleepwalked into 1914.

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- The rise of a 5,000-year-old civilization with 1.3 billion people is not a problem to be fixed. It is a condition—a chronic condition that will have to be managed over a generation. Success will require not just a new slogan, more frequent summits of presidents, and additional meetings of departmental working groups. Managing this relationship without war will demand sustained attention, week by week, at the highest level in both countries. It will entail a depth of mutual understanding not seen since the [Henry Kissinger-Zhou Enlai conversations](#) in the 1970s. Most significantly, it will mean more radical changes in attitudes and actions, by leaders and publics alike, than anyone has yet imagined.
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- James Fallows, "China's Great Leap Backward," *The Atlantic*, December 2016
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- The country has become repressive in a way that it has not been since the Cultural Revolution. What does its darkening political climate—and growing belligerence—mean for the United States?
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- What if china is going bad? Since early last year I have been asking people inside and outside China versions of this question. By "bad" I don't mean morally. Moral and ethical factors obviously matter in foreign policy, but I'm talking about something different.
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- Nor is the question mainly about economics, although for China the short-term stability and long-term improvement of jobs, wages, and living standards are fundamental to the government's survival. Under China's single-party Communist arrangement, sustained economic failure would naturally raise questions about the system as a whole, as it did in the Soviet Union. True, modern China's economic performance even during its slowdowns is like the Soviet Union's during its booms. But the absence of a political outlet for dissatisfaction is similar.
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- Instead the question is whether something basic has changed in the direction of China's evolution, and whether the United States needs to reconsider its China policy. For the more than 40 years since the historic Nixon-Mao meetings of the early 1970s, that policy has been surprisingly stable. From one administration to the next, it has been built on these same elements: ever greater engagement with China; steady encouragement of its modernization and growth; forthright disagreement where the two countries' economic interests or political values clash; and a calculation that Cold War-style hostility would be far more damaging than the difficult, imperfect partnership the two countries have maintained.
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- That policy survived its greatest strain, the brutal Tiananmen Square crackdown of 1989. It survived China's entry into the World Trade Organization in 2001 and the enormous increase in China's trade surpluses with the United States and everywhere else thereafter. It survived the U.S. bombing of the Chinese Embassy in Belgrade in 1999 (an act assumed to be intentional by every Chinese person I've ever discussed it with), periodic presidential decisions to sell arms to Taiwan or meet with the Dalai Lama, and clashes over censorship and human rights.
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- The eight presidents who have managed U.S. dealings with modern China, Nixon through Obama, have essentially drawn from the same playbook. The situation could be different for the ninth. The China of 2016 is much more controlled and repressive than the China of five years ago, or even 10. I was living there at both of those earlier times—in Shanghai in 2006 and in Beijing five years later—and have seen the change firsthand. Given the chaotic contradictions of modern China, what any one person sees can be an exception. What strikes me is the consistency of evidence showing a country that is cracking down, closing up, and lashing out in ways different from its course in the previous 30-plus years.
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- The next president, then, will face that great cliché, a challenge that is also an opportunity. The challenge is several years of discouraging developments out of China: internal repression, external truculence, a seeming indifference to the partnership part of the U.S.-China relationship. The opportunity is to set out the terms of a new relationship at the very moment when it is most likely to command China's attention: at the start of a new administration.
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- You can tell which issues a new administration takes seriously and considers crucial to its political and substantive success. The president gives a major policy speech; big thinkers write essays; Cabinet departments roll out implementation plans; budget decisions follow. That's the kind of effort I hope to see early next year. I can report that across the world of China scholars and policy veterans, people are already thinking hard about what should be in such a speech.
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- Dealing with China is inescapable. It is becoming more difficult, and might get harder still. Why does China need to be high on the new president's priority list? Because an important assumption has changed.
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- In both word and deed, U.S. presidents from Nixon onward have emphasized support for China's continued economic emergence, on the theory that a getting-richer China is better for all concerned than a staying-poor one, even if this means that the center of the world economy will move toward China. In one of his conversations with The Atlantic's Jeffrey Goldberg, Barack Obama said, "I've been very explicit in saying that we have more to fear from a weakened, threatened China than a successful, rising China."
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- Underlying this strategic assessment was an assumption about the likely direction of China's development. This was not the simplistic faith that if China became richer, it would turn into a liberal democracy. No one knows whether or when that might occur—or whether China will in fact keep prospering. Instead the assumption was that year by year, the distance between practices in China and those in other developed countries would

shrink, and China would become easier rather than harder to deal with. More of its travelers and students and investors and families would have direct connections with the rest of the world. More of its people would have vacationed in France, studied in California, or used the internet outside China, and would come to expect similar latitude of choice at home. Time would be on the world's side in deepening ties with Chinese institutions.

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- For a long period, the assumption held. Despite the ups and downs, the China of 2010 was undeniably richer and freer than the China of 2005, which was richer and freer than the China of 2000, and so on.
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- But that's no longer true. Here are the areas that together indicate a turn:
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- Communications. China's internet, always censored and firewalled, is now even more strictly separated from the rest of the world's than ever before, and becoming more so. China's own internet companies (Baidu as a search engine rather than Google, WeChat for Twitter) are more heavily censored. Virtual private networks and other work-arounds, tolerated a decade ago—the academic who invented China's "Great Firewall" system of censorship even bragged about the six VPNs he used to keep up on foreign developments—are now under governmental assault. When you find a network that works, you dare not mention its name on social media or on a website that could alert the government to its existence. "It's an endless cat-and-mouse," the founder of a California-based VPN company, which I'm deliberately not identifying, recently told me. "We figure out a new route or patch, and then they notice that people are using us and they figure out how to block it. Eventually they wear most users down." On a multiweek visit to China early last year, I switched among three VPNs and was able to reach most international sites using my hotel-room Wi-Fi. On a several-day visit last December, the hassle of making connections was not worth it, and I just did without Western news sources.
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- China's print and broadcast media have always been state-controlled and pro-government. But a decade ago I heard from academics and party officials that "reasonable" criticism from the press actually had an important safety-valve function, as did online commentary, in alerting the government to emerging problem spots.
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- The political climate is darkening. "China is experiencing the most sustained domestic political crackdown since Tiananmen Square."
- Those days are gone. Every week or two the Chinese press carries warnings, more and more explicit, by President Xi Jinping and his colleagues that dissent is not permissible and the party's interests come first. Also this year, the government banned foreign-owned media—that is, all media beyond its direct control—from publishing anything in China without government approval. It cracked down on several publications (notably the business magazine Caixin and the Guangzhou-based newspaper Southern Weekend) that for years had mastered the art of skirting government controls.
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- This past February *The Guardian* ran a poignant piece about young journalists in China who had decided that there was no point in even trying to report on their society's challenges. "Being a journalist has no meaning any more," a person identified as "a thirtysomething editor from one of China's leading news organisations" told *The Guardian's* Tom Phillips.

“My greatest feeling is that in recent years the industry’s freedoms have reached their lowest ebb in history.” A few weeks earlier I had been in Shanghai meeting with a group of 20–something, still-idealistic Chinese student reformers, talking about their long-term hopes. One student wanted to open legal-aid clinics for migrant workers; another, a muckraking-style news service about urban inequities; another, a center for women’s rights. A few years earlier, I would have been excited to hear such plans. Now I’m fearful—and expect that if those students end up realizing their dreams, they will be doing so in some other country.

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- **Repression of civil society.** Throughout the Communist era, the Chinese state has suppressed the growth of any form of organization other than the party itself. Religious practice, for instance, is authorized for five officially approved faiths (Buddhism, Taoism, Islam, Catholicism, and Protestantism)—but only state-authorized temples, mosques, and churches are allowed. So too for unions (all party-run), NGOs, and any other means through which people might associate.
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- In the past five years, the screws have been tightened further on all these and other groups. Churches have been bulldozed across the country, allegedly as part of urban-development plans. Many of the country’s public defenders and public-interest lawyers are now in jail. So are prominent feminists and environmental organizers. The April 21 cover of *The New York Review of Books* this year billed an article by the Asia Society’s Orville Schell, who has written about China since the 1960s, as “The New Terror in China.” “In my lifetime I did not imagine I would see the day when China regressed back closer to its Maoist roots,” Schell told me. “I am fearing that now.”
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- **Extraterritoriality.** The recent repression is worse because China’s officials are attempting to extend it beyond China’s borders. Countries have always tried to use economic muscle to advance political or ideological ends. In China’s case, the most obvious example is its ongoing economic punishment of Norway (notably a boycott of its salmon) for the Norwegian Nobel Committee’s insolence in selecting the still-imprisoned writer Liu Xiaobo as the winner of the Nobel Peace Prize six years ago. But recently the Chinese government has jailed or harassed the relatives of activists and dissidents who have left the country, and put pressure on foreign companies and organizations to apply China’s censorship standards beyond its borders. Two years ago, the U.S. firm LinkedIn was found to have censored critical posts about China from its worldwide network, even when the posts were written and intended to be read only by people outside Chinese territory. The agreement was a condition of LinkedIn’s operating in China. Twitter is still banned there, but in April it hired an engineer who once worked for China’s military and security services as its managing director for China. In one of her first tweets, she wrote to CCTV, the carefully monitored state-run TV network, saying, “Let’s work together to tell great China story to the world!”
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- **Failed reform.** The most prominent part of Xi Jinping’s program since he assumed control in November 2012 has been an anticorruption campaign, advertised as a prelude to cleaning up China’s version of crony capitalism. Through most of its boom decades, China featured the form of “efficient corruption” also evident in Japan and South Korea during

their postwar growth years. Some favored people got very rich—the head of Japan’s then-ruling Liberal Democratic Party got into trouble when investigators found \$50 million worth of gold and other assets in his house—but everyone else was doing well enough to mute complaints. As China’s economy has slowed and news about elite-level fortunes has spread, perception of its corruption from within and without the country has shifted from “necessary evil” to “existential threat.”

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- A trigger for the latest round of press controls was David Barboza’s 2012 revelation in *The New York Times* that the family of then-Premier Wen Jiabao had billions of dollars in secret assets. Wen’s reputation at the time was as a kindly social conscience of China; that even his family was on the take suggested no part of the system was immune to rot. Scores of senior officials have been jailed, deposed, or subject to public denunciation for corruption charges, including the longtime director of state security and many senior officials in the People’s Liberation Army. Tens of thousands of lower-level officials have been punished, and across the country millions have been scared. My anecdotal experience matches what I’ve heard consistently from others: The Chinese public is so exasperated by inequality and corruption that they favor this part of Xi’s program. But so far it has been hard to distinguish this effort from a relentless cleaning-out of Xi’s political rivals.
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- Day by day, life on the streets in the Chinese cities I’ve recently visited seems as free-form and commerce-minded as ever. But national politics matter more than they have in many years, and the political climate is darkening. “China is experiencing the most sustained domestic political crackdown since Tiananmen Square,” Carl Minzner, an expert on Chinese law who teaches at Fordham University’s law school, wrote this year. Almost everyone I spoke with agreed.
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- **Anti-foreignism.** In April, the Chinese government put out an instructional video that would have been considered crudely propagandistic had it come from some military-information ministry at the height of World War II. It was called “Dangerous Love,” and it warned young Chinese women about falling for sweet talk from foreign students or professors. What if that handsome student is actually a spy?! The same month, Te-Ping Chen of *The Wall Street Journal* reported that public schools in China were introducing a game called Spot the Spy! designed to help children be alert to subversives within their ranks.
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- I spoke with the head of a non-Chinese software company that has a 20-year record of sales to Chinese universities and local and provincial governments. He said customers began informing him last year that they were required to switch to Chinese suppliers. (When writing about the United States, I try never to use “blind” quotes. Precisely because of the increased repression I’m describing here, I need to do so when writing about China.) This spring, the Chinese government blocked Apple’s iTunes movie and iBooks services and apps in China. Soon thereafter, Apple reported its first global revenue decline in 13 years, in part due to plummeting income from China, and saw its market capitalization drop by \$40 billion. The Chinese government’s motive in cracking down on Apple was probably political rather than crudely commercial. As an analysis in *Variety* pointed out, the rising popularity of streaming video on iPhones and other devices made the Apple sites important

portholes for movies, documentaries, and other material from the outside world. But regardless of rationale, the effect was to damage Apple relative to its Chinese competitors (notably a smartphone company called Xiaomi), much as the politically motivated crackdown on Google damaged it relative to its main Chinese rival, Baidu.

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- The effect has spread beyond technology. Every year, the American Chamber of Commerce in Beijing surveys non-Chinese companies on the business climate within China. In the most recent survey, nearly half of the companies reported flat or falling revenues and toughening business conditions. Three-quarters of them said that “foreign businesses are less welcome than before in China.”
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- **The military.** This is the most publicized aspect of a changed attitude from China. China has land borders with more than a dozen countries, and is connected by the East and South China Seas to half a dozen more. At the moment, it has territorial disputes with many of those countries, all of them on its maritime frontiers, because of its recent “island building” program and insistence on increased military, fishing, and mineral-exploitation rights in the region. In July, an international tribunal in The Hague ruled in favor of the Philippines, and against China, in a dispute over China’s newly expansionary claims in the South China Sea. Since then, both sides seem to have backed away from ship-to-ship confrontations on the high seas, but underlying disagreements remain. “They have managed to alienate or intimidate many once-friendly neighbors, thereby unnecessarily increasing tensions in the region,” Orville Schell told me. “The only exceptions are Putin and [Rodrigo] Duterte,” the truculent new president of the Philippines.
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- Is it all Xi Jinping? It is convenient to link changes in Chinese policy to the shift in Chinese leadership, from the cautious, understated Hu Jintao to the flamboyant, personally dominant Xi Jinping. But by most accounts these changes were under way before Xi’s term began.
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- It would be a mistake to view China’s recent actions “primarily as the product ... of an aggressive leader,” Jeffrey Bader, the National Security Council’s China expert during Obama’s first term, wrote this year. “The military build-up, the assertive behavior in the South and East China Sea ... the political repression and denial of basic rights”—these, in Bader’s view, predate Xi’s tenure and will postdate it too. Rather than being based purely on personalities, these changes are most often traced to the messages—both emboldening and unsettling—that the Chinese leadership took from the world financial collapse of 2008.
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- The messages were that maybe China’s moment had finally arrived. The financial crisis had started in America, after five years of a disastrous Middle Eastern war—and just as the China of the Beijing Olympics was seeming shiny and unstoppable in every way. I was living in Beijing at the time and couldn’t miss the tone in state media and from government officials that the rise and decline of empires was happening faster than anyone had foreseen. “The crisis made the leadership much more confident and assertive abroad—but also more worried and nervous about what might happen to their own economy at home,” a foreign academic, who didn’t want to be named, told me. “And the combination of being arrogant abroad and paranoid at home is about the least desirable combination of all, from the rest of the world’s perspective.”

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- The paradoxical combination of insecurity and aggressiveness is hardly confined to China. The United States has all too many examples in its own politics. But this paradox on a national-strategic scale for China matched what many people told me about Xi himself as a leader: The more uncertain he feels about China's diplomatic and economic position in the world, and the more grumbling he hears about his ongoing crackdown, the more "decisively" he is likely to act. "Xi is a weak man who wants to look strong," a foreign businessman who has worked in China for many years told me. "He is the son of a famous father [Xi Zhongxun, who fought alongside Mao as a guerrilla and became an important Communist leader] and wants to prove he is worthy of the name. As we've seen in other cultures, this can be a dangerous mix." Ten years ago, when I visited a defense-oriented think tank in Beijing, I was startled to see a gigantic wall map showing U.S.-affiliated encampments and weapons on every Chinese frontier except the one bordering Russia. I came to understand that the graphic prominence of the U.S. military reflected a fairly widespread suspicion that the United States wishes China ill, is threatened by its rise, and does not want to see China succeed. Almost no one I spoke with recently, however, foresaw a realistic danger of a shooting war between China and the United States or any of its allies—including the frequently discussed scenario of an unintentional naval or aerial encounter in the South China Sea. Through the past few years, in fact, U.S. military officials, led by the Navy, have engaged their People's Liberation Army counterparts in meetings, conferences, and exercises, precisely to lessen the risk of war by miscalculation. "Naval forces are actually pretty good at de-escalating and steering out of one another's way," a senior U.S. Navy officer told me.
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- The concern about a more internationally aggressive China involves not a reprise of the Soviet Union during the tensest Cold War years but rather a much bigger version of today's Russia. That is: an impediment rather than an asset in many of the economic and strategic projects the United States would like to advance. An example of kleptocracy and personalized rule. A power that sometimes seems to define its interests by leaning toward whatever will be troublesome for the United States. An actual adversary, not just a difficult partner. China is challenging in many ways now, and increasingly repressive, but things could get worse. And all of this is separate from the effect on China's own people, and on the limits it is placing on its academic, scientific, commercial, and cultural achievements by cutting itself off from the world.
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- What is to be done? The next president will face a quandary often called the "Thucydides Trap." This concept was popularized by the Harvard political scientist Graham Allison. Its premise is that through the 2,500 years since the Peloponnesian warfare that Thucydides chronicled, rising powers (like Athens then, or China now) and incumbent powers (like Sparta, or the United States) have usually ended up in a fight to the death, mainly because each cannot help playing on the worst fears of the other. "When a rising power is threatening to displace a ruling power, standard crises that would otherwise be contained, like the assassination of an archduke in 1914, can initiate a cascade of reactions that, in turn, produce outcomes none of the parties would otherwise have chosen," Allison wrote in an essay for TheAtlantic.com last year.
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- No sane American leader would choose confrontation with China. The next president has no rational choice but to keep trying to make the best of this relationship. The two countries' cooperation on climate and energy is the main thing that gives the rest of the world even faint hope of progress. U.S.–Chinese collaboration and compromise were essential to reaching the Paris accord on greenhouse gases last year, and the equally important Kigali agreement to ban the very damaging HFC (hydrofluorocarbon) refrigerant chemicals in October. Without China's support (and Russia's), the deal to control Iran's nuclear program would not have been struck.
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- The Chinese and U.S. economies are increasingly intertwined; U.S. universities depend on Chinese students who pay full freight; the culture of each country is enriched by its exposure to the other. Millions of people on each side, including my wife and me, enjoy, respect, and love people they have met and the encounters they have had in the other country. Because of bad air and suspect food, we were often sick while living in China, but the daily vividness of living there made us feel more fully alive.
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- The United States will be less fully able to realize its national potential if it can no longer deal with China. But the terms of engagement may need to be changed.
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- "I personally, and many people who have spent their lives trying to understand China, felt worried about what seemed to be significant changes in its internal and external behavior, and uncertain about how the U.S. should respond," Susan Shirk, the head of the China policy center at UC San Diego, told me recently. Shirk and Orville Schell have put together a bipartisan Task Force on U.S. Policy Toward China, made up of nearly two dozen academics and veterans of recent Republican and Democratic administrations. It plans to submit a report to the new president, examining the options if China really is going bad.
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- That group's work is still taking shape, and its members, like others who have dealt with the contradictions of modern China, naturally disagree on details and emphases. But after talking with a range of China veterans, I think some views are widely shared and suggest the elements of the next China policy. They include:
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 - **Choosing battles carefully.** The seas around China have been the theater for some of China's most dramatic recent muscle-flexing. But for reasons of geography, history, and national psychology, they may be the wrong place for highly publicized efforts to draw the line.
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 - Michael Pillsbury, a longtime analyst of the Chinese military who is generally viewed as a hawk, has suggested one reason. In a 2012 journal article called "The Sixteen Fears: China's Strategic Psychology," Pillsbury argued that the very steps through which the United States might most naturally try to show resolve and presence in the region are ones most likely to bring out a hostile Chinese response. For instance, the first three items on his list were "fear of an island blockade," "fear of a loss of maritime resources," and "fear of the choking off of sea lines of communication." (A list of comparable U.S. fears would begin with "fear of a surprise attack," on the model of Pearl Harbor or 9/11, and then "fear of national decline," dating back to the nation's earliest days.) Thus, what the U.S. might intend as efforts to

restore the pre–Xi Jinping norm in the area could spring the Thucydides Trap and become a showdown about prestige, political values, and overall standing in the world.

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- “I really think we are at risk of overcommitting ourselves in treating the South China Sea like the Cuban missile crisis,” Susan Shirk told me. “It’s not the Cuban missile crisis. U.S. interests are limited, and we don’t need to do things just to ensure ‘credibility.’”
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- Concerns for the moment, confidence in the long run. To most outsiders, the Chinese leadership’s strategic choices in the Xi era seem rash, overreaching, and ultimately self-defeating. (Obviously China is not the only country ever to have miscalculated in this way.) China’s current pattern of repression at home and aggression abroad may be doing the country so much damage that its own leaders will finally choose a different course.
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- Domestically, the main threat to China’s high-tech, high-culture ambitions is the increasing repression of the Xi Jinping years. China’s universities will always be second-rate as long as they are limited to a China-only internet. Its investment climate will be limited as long as the government so obviously manipulates the financial markets. “Their political model has absolutely no appeal, not even to their own people,” Chas Freeman told me. Freeman was the U.S. ambassador to Saudi Arabia under the first President Bush, but 20 years earlier, as a young State Department officer, he had served as interpreter during Richard Nixon’s first meetings in Beijing. “This is a sui generis system that no one is copying.”
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- Nearly everyone I spoke with agreed that China’s oversteps have generated ill will far greater than the goodwill fostered by its foreign aid and Confucius Institutes, which are supposed to teach Chinese language and promote Chinese culture around the world.
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- This assessment implies that U.S. attention should be focused on getting through an upcoming time of difficulty, which could last years or decades, without panicking that history now seems to favor the repressive Chinese model of governance. “It’s true that China’s strategy is self-defeating,” the national-intelligence director for a U.S.-allied country told me this spring. “But I fear it won’t be true enough, fast enough, to make the pain evident enough to the people who matter for them to change.” For his country and for the U.S., he said, dealing with that lag in the Chinese feedback loop was the challenge.
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- Steadily shaping China’s choices. Near the end of my conversations, I would ask each person, “What’s the best tool the United States could use to shift China’s behavior?” And each person would pause, and look out the window or take a sip of coffee, and then begin with something like “Well, it’s complicated, because ...” The complication is that the U.S. and China have become so intertwined economically, and so constructively collaborative in a range of scientific, environmental, academic, and even diplomatic spheres, that almost any measure that would “punish” China would necessarily also damage the United States and much of the rest of the world. Simplest example: When Donald Trump was asked in October how the U.S. should respond to various Chinese excesses, he said that if “we cut off [the economic] relationship with China, China would go bust so fast.” Of course so would everyone else, given China’s integration into the U.S. manufacturing supply chains and its heavy investment in U.S. real-estate and financial markets. The reason the measures would

backfire is not that China “controls” the United States, as many Americans fear. The problem is that the two economies are now part of one large whole.

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- Similarly, lectures and public scolding of China have no record of ever changing its government’s behavior; if anything, they make it worse.
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- What may work, however, is a strategy one former Western-country ambassador to China described as “shaping reality in a way that makes it unattractive for China to maintain its present course.” The clearest recent example involves the Chinese military’s hacking of U.S. corporate secrets. A year ago, when Xi Jinping visited Washington (just after Pope Francis, who drew more press and crowds), President Obama is widely believed to have informed him that the United States had had enough on this front. Government-on-government spying and hacking? Sure, that’s normal. But governmental spying on foreign companies, to help their domestic rivals, was different. And if it didn’t stop, the U. S. government would find ways to make life more difficult for Chinese companies. Through use of America’s own formidable tools for cybermeddling? Through impediments to investments? Through shifts in visa policies for influential Chinese families and officials? Obama could leave the means to Xi’s imagination. It wasn’t specific, it wasn’t directly threatening, and it wasn’t public, but Obama’s talk was apparently effective. By most accounts, Chinese military hacking of U.S. corporations has decreased.
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- The United States does not have in every realm the leverage its cyberagencies give it in electronic warfare. But it is still the stronger partner in the relationship, with a more advanced economy, an incomparably more powerful military, and a vastly superior network of alliances. And it can use those to shape the realities in which China chooses its future course.
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- So here is part of the speech the new president could give early in the next administration, on the new premises for engagement:
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- For 45 years, my predecessors have committed themselves to a partnership that would help China develop economically and resume its place of prominence among nations. We have believed in helping build a better future for China’s people. Our own national life has been enriched by this contact. This is an achievement of which China’s people, and our own, and the world’s can be proud.
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- But the relationship has been built on assumptions of balance and mutual benefit. We would open ourselves to China’s people and ideas, and China would be open to ours. We would incorporate Chinese firms into our economy, and our firms would have a fair chance within China. The events of recent years have forced us to reconsider whether China’s leaders still view this as a balanced and mutually beneficial relationship. We hope that on their side they, too, are reconsidering their recent actions and will return to the cooperative path. Chinese leaders often quote famous dictums from their literature, and I will cite one of our famous American sayings: We can do this the easy way, or the hard way. The United States would prefer the easier path of cooperation, which has been so beneficial to our two countries. But we are preparing for the hard way.