

June 24, 2020

Alison A. Kaufman

Principal Research Scientist, CNA

Testimony before the US-China Economic and Security Review Commission

Hearing on “*The Chinese View of Strategic Competition with the United States*”

Introduction

Commissioner Kamphausen, Commissioner Lewis, and other distinguished members of the Commission, thank you for inviting me to present testimony for the Commission’s hearing on “The Chinese View of Strategic Competition with the United States.” The Commission has asked me to address a series of questions about how the political and military leadership of the People’s Republic of China (PRC) view China’s current and future security environment, and the implications of those perceptions for the future of strategic competition between the United States and China—including the near-term potential for armed conflict.

There are four main points I wish to make in this testimony:

1. In the future, as now, the first concern of the Chinese leadership will always be the survival and stability of the Chinese Communist Party. This concern drives all other policy choices, domestically and internationally, and it will continue to drive China’s approach to and choices about strategic competition with the United States.
2. China will continue to compete against the United States in all domains, particularly as it views the global security environment as increasingly favorable to China.
3. China’s leadership is far more confident in its ability to shape the international strategic environment than it was just a few years ago, and it views the United States as its primary obstacle in doing so. However, it is *not* yet confident in its ability to prevail against the United States in a full-out war.
4. The United States currently has a window of opportunity to shape PRC perceptions that the costs to China of certain actions—such as waging armed conflict against US allies or Taiwan—are too high, and the certainty of success too low, to be worth carrying out. This window of opportunity will not last forever.

The views in this testimony are my own and do not reflect the opinions of CNA, the US Navy, the Department of Defense, or anyone else but myself.

How do China’s leaders view their “external” security environment?

The Commission asked me to discuss how Beijing views China’s external security environment, where it thinks this security environment is headed, and the extent to which these views are informed by the actions of the United States.

For the PRC leadership, “China’s security” = the security of the Chinese Communist Party

Several of the questions raised by the Commission refer to China’s views of its “external” security environment—that is, the security threats and opportunities in the international arena that China’s leadership believe they face due to the actions of and relationships with other countries. However, stating the question this way elides a key driver of China’s activities in the

global domain. **The security that matters the most to the Chinese leadership is the security and stability of the Chinese Communist Party (CCP) as undisputed ruler of the PRC.** If a policy action does not support this objective in the longer term, then it is not in the CCP's interest to pursue it.

CCP legitimacy rests on several pillars; prominent among these are national sovereignty and territorial integrity, economic growth, domestic social stability, and international respect and recognition. If any of these is absent, the CCP's legitimacy and stability are weakened. Xi Jinping has asserted that attaining these objectives requires a "holistic security concept" that encompasses multiple domains and includes both domestic and international security. In other words, *all* elements of national power—economic, diplomatic, military, cultural, scientific, etc.—should both contribute to and benefit from China's long-term strategic security.¹ A "secure" international environment is one that sustains the "pillars" that support CCP rule over China.

CCP leadership perceives the global environment as generally becoming more favorable to China's interests, but with continued challenges

"Both China and the world are in the midst of profound and complex changes. China is still in an important period of strategic opportunity for development; the prospects are bright but the challenges are severe."

—Xi Jinping, Report at the 19th Party Congress of the CCP, 2017

Earlier this decade, Xi Jinping declared that China and the world are undergoing a fundamental shift into a "new era" in which China is moving ever closer to the center of global affairs. Chinese official documents describe this "new era" as having the following attributes.²

- A world that is overall more "balanced" in its "configuration of strategic power" due to the rise of the developing world and the "realignment of international powers."

¹ In 2014, Xi Jinping laid out his "holistic security concept," (*zongti anquan guan*; http://www.xinhuanet.com/politics/2014-04/15/c_1110253910.htm) which "incorporates both domestic and international security; security for the homeland with security for overseas citizens, enterprises and other interests; and the interests related to the nation's survival with those needed for its development. It also expands the definition of security to encompass 11 fields: political, territorial, military, economic, cultural, social, science and technological, information, ecological, financial and nuclear." Timothy Heath, "The 'Holistic Security Concept': The Securitization of Policy and Increasing Risk of Militarized Crisis," *China Brief* 15, 12 (June 19, 2015), <https://jamestown.org/program/the-holistic-security-concept-the-securitization-of-policy-and-increasing-risk-of-militarized-crisis/>

² E.g.: Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," Delivered at the 19th National Congress of the Communist Party of China, October 18, 2017, http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf; and State Council of the People's Republic of China, *China's National Defense in the New Era* (Beijing: July 24, 2019), official English version: http://www.xinhuanet.com/english/2019-07/24/c_138253389.htm; official Chinese version: http://www.xinhuanet.com/politics/2019-07/24/c_1124792450.htm.

- An international area in which “international strategic competition is on the rise,” due primarily to the actions of the United States, as well as NATO, Russia, and the European Union (EU).
- A “further rise in China’s international influence, ability to inspire, and power to shape” so that “China’s international standing has risen as never before.”³
- In the Asia-Pacific, a region with a “generally stable security situation” but one that has “become a focus of major country competition, bringing uncertainties to regional security.”
- A world in which China and other countries (particularly Asian nations) can form a “community of common destiny” as long as this harmony is not disrupted by great power conflict or “hegemonism.”⁴

These words paint a picture of a world in which China believes it has a very real possibility of achieving a state of “external security,” *if* it can manage certain risks. From the Chinese leadership’s standpoint, potential “spoilers” for China’s future prospects include: internal Party disruption or cleavage; domestic instability, social unrest, or political insurrection; a Taiwan declaration of independence; war between China and other nations; or war between China and the United States. If these risks can be managed, China’s future is bright. If they cannot, then China’s ability to meet its longer-term goals will be significantly diminished.

The CCP views the United States as posing the greatest threat, but not the only threat, to China’s long-term security

The Commission asked about the extent to which Beijing takes its cues about China’s security environment from the United States. The US is, and has long been, by far the most important influence in Chinese leadership’s view of its ability to achieve its clearly-stated national objectives, for the simple reason that it is the United States that is the most able to obstruct them.⁵ In the Chinese quotes above about the direction of global security, the euphemisms about “major country competition,” “hegemonism” and similar terms are nearly all thinly veiled references to the US.

China’s sense that the US poses a threat to China’s long-term strategic objectives was heightened by the public release of the US *National Security Strategy* and *National Defense Strategy* in 2017 and 2018, respectively. These documents, which specifically named China (along with Russia) as a strategic competitor to the United States, were viewed in China as confirming long-held

³ Xi Jinping, “Secure a Decisive Victory.”

⁴ See Jacob Mardell, “The ‘Community of Common Destiny’ in Xi Jinping’s New Era, *The Diplomat*, Oct. 25, 2017, <https://thediplomat.com/2017/10/the-community-of-common-destiny-in-xi-jinpings-new-era/>.

⁵ See Anthony H. Cordesman, “China’s New 2019 Defense White Paper” (Washington, DC: Center for Strategic and International Studies, July 24, 2019), <https://www.csis.org/analysis/chinas-new-2019-defense-white-paper>.

suspicious that the United States seeks to slow China's rise and prevent the PRC from attaining its goal, by 2049, of "becom[ing] a global leader in terms of composite national strength and international influence."⁶

China's sense of threat is exacerbated by signs that not all Asian nations view the regional environment to be quite as "peaceful" and "stable" as China wishes it to be.⁷ The PRC 2019 Defense White Paper specially calls out actions taken by US allies, such as the deployment of the THAAD system in South Korea, shifts in Japan's defense policy, and Australia's "military engagement in the Asia-Pacific" as contributing to continued "uncertainties" in the region. It also names instability in the Korean Peninsula, tensions between India and Pakistan, challenges in Afghanistan, and "disputes over territorial and maritime rights and interests"—although it adds that "the situation in the South China Sea is generally stable and improving as regional countries are managing risks and differences." The overall picture provided in the Defense White Paper is that there is still some work to be done before the rest of the region and the world recognize China's benign intentions and rightful place of global leadership, and that the US and its allies are the biggest obstacles to realizing this aspiration.

What are the prospects for near-term military conflict between China and the United States?

The Commission asked whether the current moment presents a "window of opportunity" for the PRC to achieve some of its national strategic objectives, particularly with regard to sovereignty claims. In other words, do the Chinese believe that the likelihood of achieving their national objectives likely to be greater now, or in the future? Can China afford to wait (or, indeed, *must* it wait) on achieving some of these goals, or must it act quickly?

China's "windows of opportunity" on Taiwan do not line up

The picture is mixed. On one hand, in the view of China's leadership one very important window may be narrowing: the window to win the hearts and minds of the people on Taiwan. Tsai Ing-wen's reelection, surveys that show an increasing number of Taiwan citizens identifying themselves as "Taiwanese" rather than "Chinese," and most recently the Hong Kong crackdowns all serve as warning signs to Beijing that attaining its long-articulated goals of peaceful reunification and the establishment of "one country, two systems" will be difficult if not impossible. China's 2019 Defense White Paper notes that

⁶ For an overview of Chinese responses to the NSS/NDS, see e.g., Michael D. Swaine, "Chinese Views on the U.S. National Security and National Defense Strategies," *China Leadership Monitor*, May 1, 2018, <https://carnegieendowment.org/2018/05/01/chinese-views-on-u.s.-national-security-and-national-defense-strategies-pub-76226>. On China's "centenary goal" for 2049, see Xi Jinping, "Secure a Decisive Victory."

⁷ State Council of the PRC, *China's National Defense in the New Era*.

China's fight against separatists [i.e. Taiwan] becomes more acute ... The 'Taiwan independence' separatist forces and their actions remain the gravest immediate threat to peace and stability in the Taiwan Strait and the biggest barrier hindering the peaceful reunification of the country."⁸

On the other hand, **another window of opportunity has not yet opened for China, and that is its ability to prevail in a military conflict against the United States**, alone or with its allies. This concern preoccupies China's military leaders and strategists because they know that right now, *China cannot win* in such a conflict. Dr. Finkelstein writes about the PLA's military reform efforts in his testimony, so I will not repeat his points, but the sweeping nature of those reforms underscores the extent to which, and the specific areas in which, China's military leaders and planners believe that they are unable to compete militarily.⁹

The costs to China of going to war are high

If push came to shove on Taiwan, how would the CCP weigh those windows of opportunity—one narrowing, the other not yet open—against one another? Chinese writings suggest that the PRC decision-makers are unlikely to deliberately enter a military conflict if they do not calculate that (a) their odds of winning (which is to say, achieving their *national and political objectives*, not necessarily their military ones) are very high, or (b) the costs of *not* doing so are unbearably high.¹⁰

Becoming involved in any military conflict creates some risk for China's ability to achieve its longer-term goals of economic development and leadership at the international table, both of which require a generally stable international environment.¹¹ In the case of Taiwan, the risks are higher yet. Because the CCP has for so many years put reunification with Taiwan at the very top of its nationalist agenda, this issue has now become central to CCP identity and legitimacy. Therefore, there are two possible "most costly" outcomes for China in this scenario. One is if Taiwan successfully declares independence and China does nothing: the costs to the CCP's domestic credibility would be high. **The other extremely costly outcome—for all dimensions of China's national security—would be for China to attack Taiwan and to lose.** If this happened, the CCP's future ability to secure China's long-term interests would be at great risk. The CCP's domestic credibility would decline; there would likely be high economic and human costs; China's international reputation and influence would suffer as its claim to be a "peaceful power" is laid bare; and the breakdown of the "peaceful international environment and ... stable

⁸ State Council of the PRC, *China's National Defense in the New Era*.

⁹ For example, *China's National Defense in the New Era* notes that "The PLA still lags far behind the world's leading militaries."

¹⁰ See, for example, Alison A. Kaufman and Daniel M. Hartnett, *Managing Conflict: Examining Recent PLA Writings on Escalation Control* (Arlington, VA: CNA, 2016).

¹¹ For example, in the 19th Party Congress work report in 2017, Xi proclaimed that "The dream of the Chinese people is closely connected with the dreams of the peoples of other countries; the Chinese Dream can be realized only in a peaceful international environment and under a stable international order."

international order” that Xi names as essential to realizing the “Chinese dream” would be upended.¹² Thus at present, the potential costs to China of setting off such a conflict are very high without a guarantee of success.

Since we already know that the PLA currently sees itself as inferior to the US military, the key question is **how credible China believes the US commitment to become involved in a conflict to be.** If China’s leaders believe that attacking Taiwan (or any other territory or region) will certainly trigger an overwhelming US response, then they may well calculate that it is not worth the risk. If they are fairly certain that the US won’t intervene, or that the PLA can preclude the US from intervening effectively, then the odds in China’s favor become much better.

In this sense, **it is the US that has a window of opportunity right now, and that is the opportunity to shape China’s perceptions of its ability to successfully prosecute a conflict against Taiwan without incurring unbearable costs to all the other aspects of its security.** As China becomes more confident in its military capabilities, it may become more adventurist. But for now, at least, China’s adventurism has come in areas such as the South China Sea where the Chinese have calculated—rightly or wrongly—that the US will not take costly actions against China. The question of whether and how the US would become involved in a major conflict, over Taiwan or other causes, is a critical variable in these calculations, and China will continue to test the US commitment in this regard.

There are a number of other ways that armed conflict could erupt between China and the United States

Outside of Taiwan, I can envision several other pathways that could plausibly lead to near-term armed conflict between China and the United States and/or its allies. “Hot button” areas that could potentially lead to a conflict include:

- A proxy war, particularly on the Korean Peninsula
- Entanglement, in which the US gets drawn into a fight between China and a US ally
- Spillover of competition in other arenas (e.g., economic, diplomatic) into the military domain
- Chinese response to what it views as “interference in internal affairs,” i.e. ethnic or social unrest, by the United States or a US ally
- Inadvertent or accidental escalation of a crisis due to misinterpretation or an accident.

In my opinion the last of these—inadvertent or accidental escalation of crisis—is the most likely near-term path to conflict and the one that worries me most. As Chinese military forces increase their regional and global presence, they come into contact and sometimes cross-purposes with the forces of other nations. My own research on Chinese views of escalation

¹² Xi Jinping, “Secure a Decisive Victory.”

control suggests that, even if Chinese decision-makers prefer to de-escalate a crisis—which for the most part they do—there may be a mismatch between Chinese and US views of what constitutes an “escalation” in a military crisis, which makes the possibility of misinterpretation and inadvertent escalation much higher.¹³ Moreover, many Chinese operators (particularly maritime operators and airplane pilots) appear to see themselves as operating in a permissive environment, in which they have tacit approval from the PRC government to harass and pursue foreign vessels in the name of “maritime rights protection.” Because the levels of tension and suspicion between China and the US are already high, it would be very easy for one or both sides to mistake the other’s action as a form of deliberate escalation and react accordingly, resulting in a costly conflict that no one wants.

The good news is that the Chinese appear to be aware of the risk of inadvertent or accidental escalation (although their writings do not admit that such a situation could ever arise due to a *Chinese* action). **To avoid inadvertent escalation, it is essential that the US convey to China, repeatedly and in the clearest possible language, US views of what actions constitute escalation, and the consequences that would result from China taking such actions.**

How else might China compete against the United States?

China will use— and is already using – the present moment to expand its global influence in non-military domains.

China’s strategic competition does not take place only, or even primarily, in the military domain. The PLA may not be ready to take on the US in a conflict, but the PRC has made good use of the present moment to expand its influence in many other ways. China’s government is opportunistic, and it is good at finding and filling in voids where other countries have failed to step forward. China’s ability to place people and institutions in dozens of other countries has occurred partly because it was willing to invest, build infrastructure, and pursue relationships in places that other major powers and international institutions have—often with good reason—eschewed, or where current circumstances have weakened those countries’ relationships with the United States. In some cases China has expanded its influence and footprint through coercion, but some forms of Chinese influence have been welcomed or even solicited by the recipient nations.

China’s investments and activities around the world do not necessarily add up to a single, refined “plan” on China’s part, but they do reflect a long game in that the PRC leadership recognizes that building these connections now may come in handy in the longer run, even if it’s not clear yet exactly how. Sometimes the US makes this long game easier for them. Actions such as non-participation in or withdrawal from international institutions, foot-dragging or placing severe limitations on economic aid, or statements that imply that the US commitment to its treaty allies is conditional all create opportunities for China to step in with its numerous tools to provide aid, partnership, and promises. Many countries may prefer to partner with the US than with China,

¹³ Kaufman and Hartnett, *Managing Conflict: Examining Recent PLA Writings on Escalation Control*.

but they can't do so if the US is not available. We can expect China to continue to pursue these actions in the future as a fundamental element of its strategic competition with the United States.

Recommendations for Congressional action

Keep in mind what “security” and “strategic competition” mean for the PRC. For China's leadership, “security” isn't just about military power. If pursuing an action does not in the long term sustain the survival of the CCP, then it is not in the CCP's interest to pursue it. For the US to respond effectively to Chinese actions, it must clarify and communicate the consequences of Chinese actions *for the CCP*. This means focusing on those elements that are most essential to CCP legitimacy: economic growth, international status, and the support of the Chinese citizenry. It also means being willing to use *all* elements of US national power across the globe, in order to counter China's use of all its elements of national power.

Send consistent and credible signals about the US commitment to meet its treaty obligations and support its allies and close partners. If the US wishes to deter China from starting or entering into a conflict, or acting opportunistically in the mistaken assumption that the US will not react, then we have to make our military will and ability to get involved – particularly on behalf of an ally—extremely clear and credible. We have to be willing to expand credible capital in some (or multiple) domains to persuade China that certain courses of action are too risky to pursue.

Have serious discussions with China about how to handle military accidents and misinterpretations. The US and China have already put in place several crisis management mechanisms. Even in a “cold peace,” these and additional, more robust mechanisms are critical for preventing accidental or inadvertent escalation.

Close some of China's easy targets of opportunity to influence others. **We cannot compete with China if we don't show up.** We need to be as opportunistic—in a positive sense—as the Chinese are, and we need to be wary of missed opportunities. This means being members of all the international institutions where China is currently trying to amplify its voice. It means that we have to stop squabbling internally about low-hanging fruit, such as extending the Compact of Free Association with Pacific island nations, and take these sometimes simple steps. We need to be willing to take on a variety of roles in international cooperation to show that we have faith in our partners without dominating them. Many of these actions are not expensive in monetary terms, but they require political will and a clear vision of what the US is trying to accomplish. Absent that vision, it will be more difficult to successfully convey the US' commitments and credibility to our allies and partners around the globe.