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War with China

James Dobbins

Since the disappearance of the Soviet Union, China has become America's default adversary, the power against which the United States measures itself militarily, at least when there is not a more proximate enemy in sight. Before 9/11, George W. Bush identified China as America's prime threat, but once the 'war on terrorism' was launched China became a strategic partner. Now, in 2012, with America's war in Iraq over, the one in Afghanistan winding down and al-Qaeda on the ropes, President Barack Obama has announced yet another national-security pivot to Asia, with China again the main preoccupation.

It is certainly true that China could become the most powerful adversary the United States has ever faced. Over the next 20 years, China's gross domestic product (GDP) and defence budget could exceed those of the United States. If it chose, China could therefore become a more capable opponent than either the Soviet Union or Nazi Germany at their peak, neither of which ever approached America's economic might. This raises a number of important questions: how might a war with China begin, how might it proceed, how might it end, and how might it be prevented?

Occasions for conflict

It is important to begin any such analysis by recognising that China is seeking neither territorial aggrandisement nor ideological sway over its

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neighbours. It shows no interest in matching US military expenditures, achieving a comparable global reach, or assuming defence commitments beyond its immediate periphery. Such intentions might change, but if so, the United States would probably receive considerable warning, given the lead times needed to develop such capabilities.

Despite cautious and pragmatic Chinese policies, the risk of conflict with the United States remains, and this risk will grow in consequence and perhaps in probability as China's strength increases. Among the sources of conflict most likely to occasion a China–US military clash over the next 30 years, listed in descending order of probability, are changes in the status of North Korea and Taiwan, Sino-American confrontation in cyberspace, and disputes arising from China's uneasy relationships with Japan and India. All these sources are on China's immediate periphery, where Chinese security interests and capabilities seem likely to remain focused. It is important to stress that a China–US

China's economy is expected to grow at roughly twice the rate of the American economy over the next 15 years. At market exchange rates, China's GDP is about 40% of America's; RAND estimates that by 2025 it will be about half. China currently commits about 2.5% of its GDP to defence expenditures, roughly half the current American rate. Although Chinese defence spending has risen significantly in recent years, keeping pace with and even exceeding overall economic growth, the US defence budget has, since 2001, grown even faster. Thus, in 2000, the US defence budget was seven times that of China, and in 2010 it was ten times bigger. As the wars in Iraq and Afghanistan wind down, the US rate of spending is likely to decrease, although probably not to Chinese levels. By 2025, RAND estimates that Chinese defence spending will probably be somewhat more than half of America's. Of course, all Chinese defence spending will be focused on the Western Pacific, whereas only a fraction of America's will be relevant to that region. (See Keith Crane et al., *Modernizing China's Military: Opportunities and Constraints* (Santa Monica, CA: RAND, 2005); and Charles Wolf et al., *China and India, 2025: A Comparative Assessment* (Santa Monica, CA: RAND, 2011).)

These figures are much disputed in both the academic and intelligence communities. They rest on the somewhat shaky foundation of current trends extrapolated far into the future. Using purchasing power parity rather than market exchange rates, China catches up to and surpasses the United States much more quickly. Purchasing power parity is a better reflection of personnel costs, while market exchange rates better capture equipment costs, particularly high-tech equipment, which tends to be the area of US–Chinese competition of most concern to the United States.

military conflict is not probable in any of these cases, but that judgement is based on the view that the United States will retain the capacity to deter behaviour that could lead to such a clash throughout this period.

North Korea

A North Korean collapse could emanate from a failed economy, a contested power transition, or defeat in a war with South Korea. In any such scenario, the situation in North Korea would likely be chaotic and confused. Hundreds of thousands, perhaps millions, of civilians would migrate toward North Korea's borders in search of food and safety from clashes between rival armed groups. Collapse of central control would also jeopardise the security of the North's weapons of mass destruction (WMD) and missile assets. China might fully mobilise in the Shenyang Military Region bordering North Korea, and could well send sizable forces cross the Yalu River in an effort to sort out refugee flows on the Korean side.

The immediate operational concerns for United States Forces–Korea/ Combined Forces Command would be to secure ballistic-missile-launch and WMD sites. If any coherent North Korean army remained, it could be necessary to neutralise its long-range artillery threatening Seoul as well. For these missions, special-operations forces, forced-entry and airlift capabilities would be at a premium. China, meanwhile, would view the insertion of US and South Korean forces north of the Korean Demilitarised Zone with concern, and might move its own forces in, if it had not already begun to do so, both to contain the disorder and to pre-empt a South Korean–American takeover of the entire country.

While South Korea would provide sizable forces and capabilities for these missions, they would be inadequate to deal with the scope and complexity of a complete North Korean collapse. Substantial and extended commitments of US ground forces would be required to rapidly seize and secure numerous locations, some with vast perimeters. Special forces and dedicated chemical, biological, radiological, nuclear and high-yield explosives units alone would be insufficient to deal with the situation.

The likelihood of confrontations, accidental or otherwise, between US and Chinese forces is high in this scenario, with significant potential for

escalation. Beyond the pressures to intervene and deal with the immediate consequences of a failed North Korea, the United States would be forced to confront the thorny issue of the desired end-state: unification (the preferred outcome of US ally South Korea) or the continued division of the Korean Peninsula (China's strong preference).

Taiwan

While relations between China and Taiwan are improved and improving, no meaningful progress has been made on the key issue between the two states: when, and how, the island's ultimate status – as an independent polity or as part of a 'reunified' China – will be determined. The chance of conflict across the Taiwan Strait will remain so long as this fundamental disagreement persists.

A cross-Strait conflict could take many forms, from a Chinese blockade of Taiwanese ports, to varied levels of bombardment of targets on Taiwan, to an outright invasion attempt. Should the United States engage directly in any such contingency, its goals would be to prevent Chinese coercion or conquest of Taiwan and to limit, to the extent possible, the damage inflicted on Taiwan's military, economy and society. Core missions for the United States would include preventing China from gaining air and sea dominance, and limiting the impact of Beijing's land-attack missiles. These aims would be achieved through flexible combinations of active and passive defence and offensive action, to include the possibility of US strikes on mainland targets associated with the offensive against Taiwan, with all the attendant risks of further escalation. Indeed, China might well anticipate and seek to pre-empt such actions with attacks of its own on US assets in the region.

As China's military modernisation progresses, the United States' ability to confidently accomplish these missions is eroding. In the near term, China is deploying capabilities that threaten US land and sea power-projection platforms (air bases and aircraft carriers) as well as Taiwan's own defences. Absent an unlikely reversal in the ongoing rebalancing of military power in the region, and even recognising the very considerable difficulties in mounting an amphibious assault against determined local resistance, the direct

defence of Taiwan has already become a challenge and is likely to become increasingly difficult in coming years.

Cyberspace

Sino-American cyber-war could be an aspect of, or prelude to, armed hostilities; however, this case considers what might happen should a confrontation begin and remain in cyberspace, though with some danger of triggering armed conflict.

Having conducted repeated intrusions into US networks to exfiltrate sensitive data without American reprisal, China's People's Liberation Army might seek and receive authority to interfere with US intelligence collection and dissemination on Chinese strategic nuclear programmes. Chinese civilian leaders might not grasp that such operations would be defined as cyber attack by the United States and thus lead to retaliation. The attack could disrupt systems the United States relies on for critical intelligence, including warning. If confident that China was the attacker, the United States might decide to retaliate. Given that corresponding Chinese intelligence networks are not easily accessed, the United States might retaliate against networks that support not just military logistics but also Chinese transport systems, including commercial shipping, which would send a signal to Beijing about the dangers of escalation. The impact on Chinese trade could be immediate. In addition, because America's ability to observe Chinese forces would now be impaired, Pacific Command might be told to increase the readiness of its forces. While China does not want armed conflict, it could respond by conducting 'soft-kill' attacks (for example, link interference) on US satellites that serve the Pacific command, control, communications, computer, intelligence, surveillance and reconnaissance (C4ISR) grid, to which the United States would respond in kind. Because both Chinese and US network defences would be of limited value against such large and sophisticated attacks, both sides might resort to counter-attacks in the hope of restoring deterrence.

In the ensuing period of escalation, both China and the United States could suffer temporary but major disruptions of critical networks, precipitating shocks in stock, currency, credit and trade markets. Although both sides would avoid resorting to armed force, economic damage would be

considerable. Sino-American cooperation on Iran would likely come to a halt, and the situation in Korea could heat up. No lives would be lost, but both sides would suffer extensive harm, heightened antagonism, and loss of confidence in network security. There would be no 'winner'.

South China Sea

There are numerous potential flashpoints in the South China Sea region. China's assertion of some degree of sovereignty over virtually the entire area rubs up against the rival claims of numerous other states, and the areas around the Paracel and Spratly Islands in particular have witnessed limited clashes since the mid-1970s. A confrontation at sea could lead to a broader conflict if, for example, an oceanic dispute between Vietnam and China escalated into a land war between the two. The presence of a US treaty ally, the Philippines, could elevate the stakes for Washington if some deep crisis arose in or around the South China Sea. China's recent claims that the region is part of its exclusive economic zone, and therefore subject to its control, represent a test of global norms of free navigation and a direct challenge to US interests in East Asia.

Depending on the nature and severity of a conflict, US objectives could range from enforcing freedom of navigation against a Chinese effort to control maritime activities in the South China Sea, to helping the Philippines defend itself against an air and maritime attack, to supporting Vietnam and shielding Thailand (another treaty ally) in the event of a land war in Southeast Asia.

Any likely contingency in the South China Sea or Southeast Asia would make demands on US air and naval power to assure friendly dominance of the battlespace. A war on land could create a demand for US land forces, especially special-forces and forced-entry capabilities.

China's current ability to project substantial power into the South China Sea region is limited; in particular, China's land-based combat aircraft lack adequate range to operate efficiently so far from home. This assessment will change if China builds aircraft-carrier and air-refuelling capabilities in the coming years. Direct defence in the South China Sea and Southeast Asia should remain a viable strategy for the next 20 years.

Japan

Sino-Japanese relations are contentious for at least two reasons. Firstly, on the Chinese side, feelings of anger, fear and resentment over Japanese actions from the last years of the nineteenth century until 1945 remain active, and are not-infrequently exacerbated by what China sees as insensitive or insulting Japanese behaviour. Secondly, an ongoing territorial dispute over the Senkaku/Diaoyu Islands and overlapping claims to exclusive economic zones in the East China Sea are persistent irritants to the relationship. Conflict could arise from an at-sea incident in the East China Sea, or from the escalation of a war of words amplified by some sort of maritime encounter.

US goals in the event of a Sino-Japanese dispute would be to help defend Japan and, not incidentally, make the case that the United States remains the preferred security partner in Asia despite China's rise. Doing so would require helping limit damage to Japan and its military, and regaining control of the pertinent air and maritime domains. This might require consideration of US as well as Japanese strikes on mainland targets, with all the attendant concerns for escalatory risk.

Growth in China's military capabilities, particularly its naval, air and missile power-projection forces, will steadily increase the costs of dealing with a contingency of this kind. That said, barring a general US withdrawal from the Western Pacific or a dramatic reduction in Japan's own self-defence capabilities, direct defence of Japan should remain a credible, if increasingly challenging, strategy for the next 20–30 years.

India

Conflict between China and India, which view each other as geo-strategic rivals on the Asian landmass, could be triggered by an incident along their long-contested common border or a dispute over how to respond to a failing neighbouring state such as Myanmar. Above and beyond the dangers posed by a clash between the world's two most populous countries, the presence of nuclear weapons on both sides creates substantial escalatory risks.

In either circumstance, the United States would probably seek to stay out of the conflict, with its chief immediate concern being the safety of tens of thousands of US civilians in the region and the potential need for large-scale

and complex non-combatant evacuation operations in one or more of the affected states. The political hurdles would be complicated and the operational challenges daunting; significant air and naval components, along with ground forces, would be required. The United States would likely extend overt diplomatic support for India, as well as quietly provide New Delhi with intelligence and military equipment. US strategic goals would be to prevent a Chinese victory and to avoid vertical escalation (that is, the use of conventional or nuclear-armed ballistic missiles) or horizontal escalation (for example, the involvement of Pakistan).

Operational implications

The above cases represent the range of plausible military contingencies involving China that the United States could face in and beyond the next decade. They demonstrate that while Sino-American hostilities may be unlikely, the United States needs a wide range of advanced military capabilities to deter or prevail, and in any case to preserve stability and exert influence in regional affairs despite China's growing power and reach. This need is shaped by an increasingly capable People's Liberation Army and by the diverse circumstances, geography and domains (land, sea, air, space, cyber) in which conflict could occur. In North Korea, US ground, tactical-air, strike and special-operations forces could be needed; in Taiwan, a full array of naval and air forces; in the South China Sea, US blue-water superiority. In addition, these contingencies could place heavy demands on US C4ISR capabilities (largely space-based), given the distances and possible intensity, and US concepts of operations. Other than Korea, the contingencies do not call for sizable US ground forces; US involvement in large-scale land warfare anywhere in East Asia other than Korea is especially improbable. The Korean collapse scenario, judged the most likely, could well involve some competition, but probably not open conflict, with China, but would in either case call for a significant ground-force contribution.

Generally speaking, direct defence by US forces as an operational option is feasible at present, though confidence in this varies from the South China Sea (high) to North Korea (medium) to Taiwan (medium-low). This is the result of the geographic orientation to date of improvements in Chinese anti-

access, area-denial and limited power-projection capabilities (for example, short-range missiles), which is especially pronounced along China's eastern coast and toward Taiwan. For the next few years, China would find it difficult to exploit these advantages in a Korean contingency, and the South China Sea lies outside the reach of Chinese sensors, communications and missiles, much less its power-projection assets. Over time, China will be able both to increase its anti-access advantage where it currently exists and to expand it into the Pacific, to Northeast Asia, and eventually to Southeast Asia. In addition, Chinese cyber and anti-satellite capabilities may in time be able to disrupt US C4ISR capabilities and thus impair direct defence. In sum, forward-operating US forces could become more vulnerable, an outcome that represents the top priority of China's military investments and deployments.

The difficulties of direct defence could be greatly accelerated by Chinese development and use of cyber-attack and anti-satellite weapons, given the dependence of US forces and operating concepts on computer-networked and space-based C4ISR assets. For this reason, Beijing appears to think that hostilities in both cyberspace and outer space would favour China, and so might initiate them. At the same time, as China extends the reach of its own forces and C4ISR capabilities into the Pacific, these will become vulnerable to US cyber and anti-satellite attacks. In any case, any Sino-American armed conflict will be increasingly affected, if not decided, by warfare in these new domains.

The erosion of capabilities for direct defence will push the United States toward enhanced weapons, ranges, geography and targets both to regain survivability and to strike Chinese forces, launchers, sensors and other capabilities on the mainland (or elsewhere in the region, outside the immediate theatre). In addition, as China develops cyber and anti-satellite capabilities (and hence becomes more reliant on advanced C4ISR assets), the United States will have to consider striking Chinese satellites and computer networks. These trends will lead both sides to widen their choice of targets in order to achieve dominance over any particular geographic objective, however limited.

*The US will have
to consider
striking Chinese
satellites*

The increasing difficulty in ensuring direct defence could be consequential even if Sino-American hostilities are unlikely, for they could stimulate Chinese risk-taking, increase US inhibitions, and weaken the resolve of US allies and China's neighbours to withstand greater Chinese insistence on settling disputes on Beijing's terms. These trends are the result of underlying general technological progress; sustainable growth in military spending, reform and doctrinal adaptation within the People's Liberation Army; and geographic distances for China and the United States. On the other hand, most of China's neighbours are growing both economically and in technological sophistication, and some may choose to keep pace in quality (if not quantity) with Chinese advances in the military field.

Barring unforeseen technological developments that assure survivability for US forces and C4ISR capabilities, it will not be possible or affordable for the United States to buck these trends. As the defence of Taiwan is already becoming problematic for US forces (including for its carriers and nearby air bases), so will US operational options in the event of a confrontation with China over a North Korean collapse or a crisis in Southeast Asia. Over time, the United States is likely to become increasingly reliant on its more distant and less vulnerable capabilities. As US forward-operating survivability declines, strike range must increase. US military-operational emphasis in the Western Pacific will thus shift from geographically limited direct defence to more escalatory responses, and eventually, when even these will not suffice, from deterrence based on denial to deterrence based on the threat of punishment, with the speed of the shift likely to be more swift in Taiwan, followed by Northeast Asia and then Southeast Asia at a somewhat later date.

This will move the United States toward a choice between escalation (and deterrence based on Chinese fear of escalation) and non-involvement in hostilities near China that could bring about direct armed conflict. Escalation could take several paths. Starting with the most severe, the United States could make more explicit what has been only faintly implicit in its strategy toward China: the threat to use nuclear weapons if conventional defence fails, if US forces face defeat, or if vital US interests in the region could be harmed. Yet in none of the cases outlined above are US vital interests at stake. Moreover, however low the credibility of a US nuclear threat may be

Table 1. **Priority capabilities**

| Capability | Already a priority for direct defence | Likely to become a priority in the event of escalation |
|---------------------------------|---------------------------------------|--|
| Surface fleet | X | |
| Submarine (attack) | X | |
| Submarine (strike) | | X |
| Tactical air | X | |
| Long-range air-strike | | X |
| Long-range missiles | | X |
| Heavy land forces | X | |
| Heavy mobility | X | |
| Light expeditionary land forces | X | X |
| Fast mobility | X | X |
| Special-operations forces | X | X |
| Unmanned platforms | | X |
| Ballistic-missile defence | X | |
| Cyber war (offence and defence) | | X |
| Anti-satellite | | X |

today, it will be lower in the future because of China's clear determination and sufficient capacity to have a survivable second-strike deterrent force able to defeat US missile defence (for example, through mobile intercontinental ballistic missiles, submarine-launched ballistic missiles, multiple re-entry vehicles and multiple independent re-entry vehicles, and penetration aids).

Two more plausible and proportional escalation paths for the United States would be to disable Chinese satellites and computer networks, starting with those that enable Chinese forces to operate. In this case, it is easier to imagine how hostilities would start (very likely with attacks by both sides on critical civilian and economic space systems and networks) than how they would end. The main reason for this is the dual-use nature of much of the space and cyber infrastructure on which the US military depends, and on which, in due course, the People's Liberation Army will also rely. Compounding the problem is that both escalatory domains are offence-dominant, in that both satellites and computer networks are exceedingly difficult and costly to protect against very capable attackers. Even with superior anti-satellite and cyber-war capabilities, the United States stands to suffer at least as much as China in space and cyber escalation, given its greater reliance on these domains for military and intelligence missions and for its economic health.

Perhaps the most promising military escalation path for the United States – the most credible, least dangerous and most one-sided in its effects – is that of conventional precision strikes against Chinese war-fighting and war-supporting targets on the mainland (or wherever else they might be). To the extent such strikes could be carried out from survivable platforms or beyond the range of China’s medium-range missiles, the United States could recover both technological (in targeting at any distance) and geographic advantages. It could also halt or reverse the growing vulnerability of US C4ISR assets to Chinese cyber and anti-satellite attacks. How long such advantages, if recovered, could be extended beyond another decade or so depends on how long it takes China to extend the reach of its surveillance, targeting and strike capabilities. Given China’s economic and technological potential, this timeframe might not be comforting for long-term US planning. In any case, US conventional escalation, and thus deterrence based on the threat of it, risks Chinese escalation, including cyber and anti-satellite strikes – risks that may be mitigated, though not eliminated, by careful choice of targets (avoiding strategic locations, civilians, and economic and leadership targets), but that will nonetheless grow over time. Conventional threats to the command and control of Chinese nuclear forces could even prompt a Chinese nuclear response.

As Chinese anti-access and area-denial enhancements improve, the United States will become more dependent on capabilities associated with the threat of escalation. Table 1 indicates the capabilities that are currently important and those that may become more relevant in the future.

Strategic alternatives

America’s capacity to ensure the defence of its friends and allies on China’s periphery will diminish over the next several decades. This trend could be offset by a US willingness to employ horizontal and vertical escalation. China also has options in this regard, however. For the United States, a strategy based upon escalation and ultimately on deterrence by punishment would mean assuming greater risks in the future than in the past to achieve the same objectives. Some American interests in the region may not justify such increased risks. This suggests the need to supple-

ment military deterrence with other forms of dissuasion, resistance and persuasion.

Economic warfare

Sanctions have typically been an option of choice for the United States when the risks, poor cost-effectiveness and opprobrium associated with military force are too great. But China is far from a typical target, given the scale and intensity of Sino-American economic interdependence. It is true that for China the loss of export revenue, interest and liquidity of credit, investment returns, and critical imports (oil, food and commodities) would have a calamitous effect on its economic and possibly domestic stability. However, the effects on US equity and credit markets, the value of the dollar, inflation, investment, consumption and employment would also be devastating, and lasting, even if smaller as a percentage of GDP. Economic war against China would more accurately be described as economic war with China, America's principal creditor and source of manufactured goods. Such a war would likely lead to a global contraction much worse than that of 2008–09.

Thus, the question – a very fateful one – for the United States is whether it could design economic measures that could hit China disproportionately hard, even while acknowledging the impact on the US and world economies. One such measure could be interference with seaborne oil shipments to China (food presumably being off-limits even in war). However, oil-transport routes and arrangements are such that the entire region, including Japan, would suffer some level of disruption as a result of a distant US blockade of Chinese trade. Of course, China would consider such an action to be a major escalation aimed at crippling its economy and endangering both domestic stability and the regime itself. China has been expanding its strategic oil reserve and building oil and gas pipelines to Central Asia in order to mitigate such dangers and would likely retaliate by other means.

Mutual assured economic destruction

Given that, short of a nuclear exchange, the greatest damage from any conflict with China is likely to come in the economic realm, it is clear that massive and mutual economic harm would result from any significant Sino-

American armed conflict, even if the two sides eschewed the use of economic weapons. The two economies are linked both with each other and with the rest of the world in a manner unparalleled in history. This mutual dependence can be an immensely powerful deterrent, in effect a form of mutually assured economic destruction. At the moment, the balance of advantage rests with the United States, but even the winner in such a contest will wish it had been avoided.

The operation of mutually assured economic destruction is somewhat different from classic mutual assured destruction. It is at least theoretically possible to limit the escalation of a military clash to the sub-nuclear level; not so with economic consequences. China is not going to continue buying US Treasury notes while the American and Chinese navies clash somewhere off Taiwan or in the South China Sea. Nor is Apple going to be shipping iPads from its factories in China. Markets will anticipate widespread disruption in US–Chinese and world trade, and exacerbate the consequences, however much Beijing and Washington might seek to limit the damage.

As is the case with mutual assured destruction, even the weaker party gains deterrent benefit from the likelihood of mutual, if unevenly distributed, destruction. The point could be reached sometime in the next few decades, however, at which the balance of dependence has shifted so far against the United States that it no longer represents an effective deterrent to Chinese advances against important, if not vital, American interests in East Asia.

This is not an argument for seeking to decouple the US economy from the Chinese economy, as that would simply be to dispense with the existent deterrent effect while it still has great force. It is, however, a reason to ensure that the balance of dependence does not shift too heavily against the United States. It is often said that a strong economy is the basis of a strong defence. In the case of Chinese–US relations, a strong US economy is not just the basis for a strong defence, it is itself perhaps the best defence against an adventurous China.

Reliance on diplomacy

If US direct defence in the Asia-Pacific is endangered by Chinese anti-access capabilities in the near term, and US escalation is constrained by growing

risks and growing Chinese military reach in the mid to long term, the United States may be increasingly left without good military-operational alternatives in regional contingencies involving Chinese forces. As several of these cases suggest, this may weigh against US involvement in contingencies where important US interests are not at stake. Unless China commits naked and large-scale aggression – which, to be clear, is not indicated by its current pattern of use of force – this may involve greater reliance on US diplomacy and attempts to head off conflict by accommodating Chinese interests, especially if they have merit. Of course, the declining efficacy of direct defence and increasing riskiness of escalation (and thus of deterrence) would deplete US influence over the outcome of disputes, from maritime and territorial questions up to and including the fate of North Korea and Taiwan.

Building partner capacity

Avoidance of direct military defence and escalation does not equate to US passivity in particular contingencies or in regional security more generally. The United States has very capable allies in the region (Japan, South Korea and Australia), as well as other existing and prospective partners that are already bristling at China's growing power and assertiveness, as the recent maritime incidents involving Japan and the Philippines suggest. To date, there is no indication of diminishing resolve on the part of China's neighbours. Whether this pattern continues, strengthens or is reversed by an increased Chinese ability to overcome US direct defence and neutralise US escalation threats depends on how the United States encourages regional states to stand up to China, politically and materially.

In seeking to stimulate greater local self-reliance, the United States will need to avoid two possible pitfalls. Firstly, it will want to avoid extending guarantees that it may not wish to deliver on, and in so doing actually decrease incentives for greater local defence efforts. Secondly, were the United States to be seen trying to align East Asia against China, something it has so far been careful not to do, it could stimulate an arms race with China which, at least locally, it would be hard pressed to win.

If, instead, the United States follows a dual strategy of engaging China, including in regional security cooperation, while backing and enabling China's East Asian neighbours, it might be able to contribute to regional stability, sustain US influence and at least protect (if not advance) US interests in the region. Enabling allied and partner military capabilities, thus increasing the costs of Chinese aggression, could have two basic components: (1) providing critical capabilities (for example, surveillance and targeting) that only the United States can provide; and (2) deterring China's own escalatory options by the threat of counter-escalation, including in the realms of space and counter-space, as well as nuclear deterrence in those rare instances where US vital interests are truly engaged.

Shifting the US–China relationship

A climate of mutual distrust and suspicion clouds the US–China relationship, producing a potent security dilemma. If ignored, this dynamic could spiral out of control. Altering it will require both the United States and China to fundamentally rethink their national security goals and strategic assumptions in Asia and beyond. The US–China competition should not be viewed as a zero-sum game; indeed, the United States has a strong interest in changing these perceptions. As China becomes a true peer competitor, it will also potentially become a stronger partner not just in the economic but in the defence field as well. At present, the United States, as the world's only superpower, bears a disproportionate burden for policing the global commons, protecting international commerce and travel, and maintaining international security. China, like most of the world, is a free rider on these efforts. Even as the United States seeks over the next several decades to sustain its defence commitments and advance its interests in East Asia, it will also have an interest in encouraging the world's other emerging superpower to assume greater responsibility for international peace and security. China's efforts to combat piracy in the Indian Ocean, and its growing interest in United Nations peacekeeping, should become the basis for enhanced US–Chinese cooperation. In the long term, the United States will want to look for other ways to leverage Chinese power as well as restrain it. This will be easier and safer to do from a position

of relative strength, which argues for starting this process of cooperation sooner rather than later.

With the passage of time and the improvement of Chinese capabilities, the United States will find itself forced to shift from deterrence by denial, based on direct defence of its interests and allies in the Western Pacific, to deterrence by punishment, based on the threat of escalation, using longer-range weapons and more survivable platforms. Although the United States will enjoy escalation dominance for some time, assuming it is prepared to conduct conventional strikes on the Chinese mainland, China will develop escalation options of its own, including anti-satellite and offensive cyber-warfare capabilities, thus increasing US risks in pursuing escalation. Improvements in China's strategic nuclear forces, and the limited stakes in the most plausible scenarios for Sino-American conflict, will reduce the credibility of any US threat to use nuclear weapons.

One means of improving the prospects for direct defence and reducing the risk of escalation is for the United States to enable the capabilities and buttress the resolve of China's neighbours. Such a strategy should be designed to raise the costs of Chinese use of force and to check Chinese assertiveness at the expense of regional stability and US interests. Such a strategy should not be (or be seen as) a US attempt to encircle or align the region against China, lest it produce greater Chinese hostility. Indeed, a parallel effort should be made to draw China into cooperative security endeavours, not only to avoid the appearance of an anti-China coalition but also to obtain greater contributions to international security from the world's second-strongest power. The United States should also continue to explore cooperative solutions to some of the above-cited sources of conflict. For instance, the collapse of North Korea could become an opportunity for US–Chinese collaboration.

The economic consequences of a Sino-American conflict could be historically unparalleled, even if both sides managed to avoid economic warfare. This is a powerful mutual deterrent, one marginally in America's favour at present. Strengthening the US economy is the best way of ensuring that the

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some time*

balance of interdependence and of the associated deterrence does not shift dangerously against the United States over the next several decades.

While the risk of conflict with China cannot be ignored, neither should it be exaggerated. Any number of other conflicts are more likely, some in places we cannot even vaguely foresee at present. These more likely conflicts will be with opponents quite different from China and will call for capabilities quite dissimilar from those required to deal with a real peer competitor. Individually, these contingencies will be less consequential than a conflict with China, but collectively they will shape the international environment in which both countries interact, and will fundamentally influence Chinese perceptions of American power and determination. Coping successfully with these smaller challenges may be one of the best ways to ensure that the United States and China never have to fight the larger conflict.