

“If the United States tries to maintain its current dominance in East Asia, Sino-American conflict is virtually certain. . . .”

# China’s Challenge to US Hegemony

CHRISTOPHER LAYNE

The Soviet Union’s collapse transformed the bipolar cold war international system into a “unipolar” system dominated by the United States. During the 1990s, the US foreign policy community engaged in lively debate about whether America’s post-cold war hegemony could be sustained over the long haul or was merely a “unipolar moment.” More than 15

## SECURITY

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years after the cold war’s end, it is obvious that American hegemony has been more than momentary. Indeed, the prevailing view among policy makers and foreign policy scholars today is that America’s economic, military, and technological advantages are so great that it will be a long time before US dominance can be challenged.

There is mounting evidence, however, that this view is mistaken, and that, in fact, the era of American hegemony is drawing to a close right before our eyes. The rise of China is the biggest reason for this. Notwithstanding Washington’s current preoccupation with the Middle East, in the coming decades China’s great power emergence will be the paramount issue of grand strategy facing the United States.

Whether China will undergo a “peaceful rise”—as Beijing claims—is doubtful. Historically, the emergence of new poles of power in the international system has been geopolitically destabilizing. For example, the rise of Germany, the United States, and Japan at the end of the nineteenth century contributed to the international political frictions that culminated in two world wars. There is no reason to believe that China’s rise will be an exception.

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CHRISTOPHER LAYNE is a professor at Texas A&M University’s George H. W. Bush School of Government and Public Service. He is author of *The Peace of Illusions: American Grand Strategy from 1940 to the Present* (Cornell University Press, 2006), and (with Bradley A. Thayer) *American Empire: A Debate* (Routledge, 2007).

However, while it is certainly true that China’s rise will cause geopolitical turmoil, a Sino-American war is not inevitable. Whether such a conflict occurs will hinge more on Washington’s strategic choices than on Beijing’s.

## RISE OF A GREAT POWER

From the mid-1980s through the late 1990s China’s economy grew at a rate of approximately 10 percent a year. From the late 1990s until 2005 its economy grew at 8 percent to 9 percent annually. In 2006 China’s annual growth rate was above 11 percent, as it is projected to be for 2007. China’s phenomenal economic growth is driving its emergence as a great power—and this is a familiar pattern in international politics. The economic power of states grows at different rates, which means that some states are always gaining power and some are losing power relative to others. As Paul Kennedy demonstrated in his 1987 book *The Rise and Fall of the Great Powers*, time and again these relative economic shifts have “heralded the rise of new great powers which one day would have a decisive impact on the military/territorial order.”

The leadership in Beijing understands the link between economic strength and geopolitical weight. It realizes that, if China can continue to sustain near-double digit growth rates in the early decades of this century, it will surpass the United States as the world’s largest economy (measured by gross domestic product). Because of this astonishing economic growth, China is, as journalist James Kynge has put it (with a nod to Napoleon), truly shaking the world both economically and geopolitically. Studies by the US Central Intelligence Agency and others have projected that China will be a first-rate military power and will rival America in global power by 2020.

## ENGAGE OR CONTAIN?

In fact, China’s rise has been on the radar screens of US foreign policy experts since the early

1990s. Broadly speaking, the debate about how the United States should respond to China's emergence as a great power has focused on two policy alternatives: engagement and containment.

Engagement assumes that, as China's contacts with the outside world multiply, its exposure to Western (that is, mostly American) political and cultural values will result in evolutionary political change within China. The proponents of engagement believe that the forces of domestic political liberalization and economic globalization will temper Beijing's foreign policy ambitions and lead to a peaceful Sino-American relationship.

On the economic side, the logic of engagement is that, as China becomes increasingly tied to the international economy, its interdependence with others will constrain it from taking political actions that could disrupt its vital access both to foreign markets and capital and to high-technology imports from the United States, Japan, and Western Europe. This was the claim made in the 1990s by the Clinton administration and its supporters during a debate about whether the United States should extend permanent normal trade relations to China and support Beijing's accession to the World Trade Organization.

Proponents of engagement have also argued that the United States can help foster political liberalization in China by integrating the country into the international economy and embedding it in the complex web of international institutional arrangements. A China so engaged, it is said, will have strong interests in cooperation and will not be inclined to pursue security competition with America or with its Asian neighbors.

Engagement is a problematic strategy, however, because it rests on a shaky foundation. The conventional wisdom notwithstanding, there is little support in the historical record for the idea that economic interdependence leads to peace. After all, Europe never was more interdependent (not only economically but also, among the ruling elites, intellectually and culturally) than before World War I. It was famously predicted, on the eve of World War I, that the economic ties among Europe's great powers had ushered in an era in which war among them was unthinkable. Yet, as we know, the prospect of forgoing the economic gains of trade did not stop Europe's great powers from fighting a prolonged and devastating war.

Beijing's actual foreign policy furnishes a concrete reason to be skeptical of the argument that interdependence leads to peace. China's behavior in the 1996 crisis with Taiwan (during which it conducted missile tests in waters surrounding the island in the run-up to Taiwan's presidential election) suggested it was not constrained by fears that its muscular foreign policy would adversely affect its overseas trade.

Of course, during the past decade, China has been mindful of its stake in international trade and investment. But this does not vindicate the US strategy of engagement. China's current policy reflects the fact that, for now, Beijing recognizes its strategic interest in preserving peace in East Asia. Stability in the region, and in Sino-American relations, allows China to become richer and to catch up to the United States in relative power. For a state in China's position vis-à-vis the United States,

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*The era of American hegemony is drawing to a close right before our eyes.*

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this is the optimal realpolitik strategy: buying time for its economy to grow so that the nation can openly balance against the United States militarily and establish its own

regional hegemony in East Asia. Beijing is pursuing a peaceful policy today in order to strengthen itself to confront the United States tomorrow.

The belief that a democratic—or more liberal—China would be pacific and collaborative in its external policies is similarly dubious. This view rests on the so-called “democratic peace theory” which is near and dear to many US foreign policy experts. In fact, the democratic peace theory is another one of those bits of foreign policy conventional wisdom that is based on flimsy evidence. The historical record demonstrates that when vital national interests have been at risk, democratic states have routinely practiced big-stick diplomacy against other democracies (including threats to use force). In other words, when the stakes are high enough, great powers act like great powers even in their relations with other democracies. Thus, even if China does undergo political liberalization in the future, there is no reason to believe that its foreign policy behavior would be fundamentally affected.

A US containment strategy for China differs from engagement in that it relies mostly on the traditional “hard power” tools of military might and alliance diplomacy to thwart China's great power emergence. Containment calls for the United States to emulate its anti-Soviet cold war strategy by assembling a

powerful coalition of states sharing a common interest in curbing rising Chinese power—particularly by tightening the US security relationship with Japan while simultaneously investing that alliance with an overtly anti-Chinese mission. Containment would require the United States to pledge explicitly to defend Taiwan while bolstering Taiwanese military capabilities. Some containment advocates also argue that the United States should engage in covert operations to destabilize China, especially by fomenting unrest among China's ethnic minorities.

To contain China, the United States would maintain both its nuclear and conventional military superiority over China, and would develop a credible first strike option based on a combination of robust offensive nuclear capabilities and effective ballistic missile defenses. Advocates of containment hope that the various measures encompassed by this strategy could halt China's rise and preserve American dominance in East Asia. However, as argued for example by Missouri State University's Bradley A. Thayer, if these steps failed to stop China's great power emergence, the United States would have to consider "harsher measures." In other words, the United States should be prepared to engage in a preventive war against China. Containment, therefore, is a strategy that at best would result in an intense Sino-American security competition. At worst, it could lead to war.

## THE ACTUAL STRATEGY

Engagement and containment are "ideal type" grand strategies toward China. In the real world, Washington's actual approach fashions elements of both engagement and containment into a hard-edged grand strategy that requires China to accept US geopolitical and ideological hegemony—or else. In this respect, American policy toward China is the specific manifestation of overall US grand strategy, which rests on both strategic and idealistic pillars.

Strategically, the goal of post-cold war US strategy has been to prevent the emergence of new great powers (or, as the Pentagon calls them, "peer competitors"). This strategy was first articulated in March 1992 in the initial draft of the Pentagon's *Defense Planning Guidance* document for fiscal years 1994–1999. It stated that the goal of US grand strategy henceforth would be to maintain America's preponderance by preventing new great powers from emerging. The United States, it declared, "must maintain the mechanisms for deterring potential competitors from even aspiring to a larger regional or global role."

The Clinton administration similarly was committed to the perpetuation of US preponderance. And the administration of George W. Bush has embraced the hegemonic strategy of its two immediate predecessors. The 2002 *National Security Strategy of the United States* promises that America will act to prevent any other state from building up military capabilities in the hope of "surpassing, or even equaling, the power of the United States."

Ideologically, US grand strategy amounts to "real-politik-plus," to borrow Brandeis University professor Robert Art's phrase. As such, national interests are defined in terms of both hard power and the promotion of American ideals. As the *National Security Strategy* puts it, US grand strategy is "based on a distinctly American internationalism that reflects the union of our values and our national interests."

Some observers have described this formula as "liberal realism," "national security liberalism," or (as neoconservative pundit Charles Krauthammer puts it) "democratic realism." This sort of liberalism is more muscular and offensive than idealistic. The spread of democracy and economic openness are imbedded in American grand strategic thought because policy makers believe that US power, influence, and security are enhanced in a world comprised of "free market democracies."

America's post-cold war strategy is based firmly on these twin pillars of military superiority and liberal internationalist ideology. And because domestic ideology is the fundamental driver of US grand strategy, America's geopolitical aims transcend those traditionally associated with power politics. Not only does the emergence of a powerful challenger in general threaten America's ability to control its environment, but China in particular is seen as a threat because its politico-economic system challenges America's need for a world compatible with—and safe for—its own liberal ideology. China's rise threatens to close East Asia to US economic and ideological penetration.

## LIBERALIZE—OR ELSE

Because of ideology, engagement has a role in US strategy, but it is engagement with (bared) teeth. The United States is willing to give China the opportunity to integrate itself into the US-led international order—on Washington's terms. Thus, as a Pentagon document has put it, the United States wants China to become a "responsible member of the international community." Responsibility, however, is defined as Beijing's willingness to accept Washington's vision of a stable international order.

As President Bush declared in a November 2005 speech in Kyoto, responsibility also requires China to achieve political liberalization and develop as a free market economy firmly anchored to the international economy.

Indeed, US policy makers believe that, over the long term, peaceful relations are possible with Beijing *only* if China undergoes domestic political and economic liberalization. As a result, the United States aims to promote China's internal transformation. As the Bush administration's *National Security Strategy* declares: "America will encourage the advancement of democracy and economic openness" in China, "because these are the best foundations for domestic stability and international order." As then-Deputy Secretary of State Robert Zoellick said in 2005, "Closed politics cannot be a permanent feature of Chinese society."

US officials believe that nations such as China that do not adopt American-style political and economic systems, and that do not play by the rules of the American-led international order, are *ipso facto* threats to US interests—threats to which America must be prepared to respond aggressively.

Here is where America's willingness to employ the hard fist of military power against China comes into play. The Bush administration has said it "welcomes a confident, peaceful, and prosperous China that appreciates that its growth and development depend on constructive connections with the rest of the world." At the same time, however, Washington has made crystal clear that it will not countenance a China that emerges as a great power rival and challenges American primacy. The 2002 *National Security Strategy* enjoins Beijing from challenging the United States militarily and warns that, "In pursuing advanced military capabilities that can threaten its neighbors in the Asia-Pacific region, China is following an outdated path that, in the end, will hamper its own pursuit of national greatness. In time, China will find that social and political freedom is the only source of that greatness."

As Washington sees it, China has no justifiable grounds for regarding the US military presence in East Asia as threatening to its interests. Then-Defense Secretary Donald Rumsfeld made this point in 2005 when he stated that any moves by China to enhance its military capabilities necessarily are signals of aggressive Chinese intent. According to Rumsfeld, China's military modernization cannot possibly be defensive because "no nation threatens China." Rumsfeld's view was echoed in the admin-

istration's 2005 report on *The Military Power of the People's Republic of China*, which stated that "China's military modernization remains ambitious," and warned that in coming years "China's leaders may be tempted to resort to force or coercion more quickly to press diplomatic advantage, advance security interests, or resolve disputes."

Similarly, at an October 2007 conference on Sino-American relations Admiral Timothy Keating, the commander in chief of the US Pacific Command, made three points with respect to America's China strategy. First, the United States will seek to maintain its present military dominance over China. Second, America will, through arms sales, ensure there is a cross-Strait military balance between Taiwan and China. Third, the United States will not allow China to change the status quo in Taiwan by force. In short, the United States is determined both to make sure that China does not emerge as a peer competitor and to impose itself as an obstacle to China's overriding national goal of reunification with Taiwan.

### STRANGLING THE BABY

China's rise affects the United States because of what international relations scholars call the "power transition" effect: Throughout the history of the modern international state system, ascending powers have always challenged the position of the dominant (hegemonic) power in the international system—and these challenges have usually culminated in war. Notwithstanding Beijing's talk about a "peaceful rise," an ascending China inevitably will challenge the geopolitical equilibrium in East Asia. The doctrine of peaceful rise thus is a reassurance strategy employed by Beijing in an attempt to allay others' fears of growing Chinese power and to forestall the United States from acting preventively during the dangerous transition period when China is catching up to the United States.

Does this mean that the United States and China are on a collision course that will lead to a war in the next decade or two? Not necessarily. What happens in Sino-American relations largely depends on what strategy Washington chooses to adopt toward China. If the United States tries to maintain its current dominance in East Asia, Sino-American conflict is virtually certain, because US grand strategy has incorporated the logic of anticipatory violence as an instrument for maintaining American primacy. For a declining hegemon, "strangling the baby in the crib" by attacking a rising challenger preventively—that is, while the hegemon still

holds the upper hand militarily—has always been a tempting strategic option.

### AN ALTERNATIVE PLAN

Washington, however, faces perhaps a last chance to adopt a grand strategy that will serve its interests in ensuring that Chinese power is contained in East Asia but without running the risk of an armed clash with Beijing. This strategy is “offshore balancing,” a concept that is finding increasing favor with a group of influential American scholars in the field of security studies. According to this strategy, the United States should deploy military power abroad only in the face of direct threats to vital American interests. The strategy recognizes that Washington need not (and in fact cannot) directly control vast parts of the globe, that it is better off setting priorities based on clear national interests and relying on local actors to uphold regional balances of power. The idea of offshore balancing is to husband national power for maximum effectiveness while minimizing perceptions that this power represents a threat.

As an offshore balancer in East Asia, the United States would embrace a new set of policies regarding Sino-American economic relations, political liberalization in China, the defense of Taiwan, and America’s strategic posture in the region.

An offshore balancing strategy would require the United States to approach economic relations with China based on a policy of strategic trade rather than free trade. A strategic trade policy would seek to curtail the flow of high technology and direct investment from the United States to China. It also would require a shift in current US trade policy to drastically reduce the bilateral trade deficit, which is a de facto American subsidy of the very economic growth that is fueling China’s great power emergence.

Second, the United States would abandon its efforts to effectuate political liberalization in China. This policy is a form of gratuitous eye-poking. Because the United States lacks sufficient leverage to transform China domestically, the primary effect of trying to force liberalization on China is to inflame Sino-American relations.

An offshore balancing strategy also would require a new US stance on Taiwan, a powder-keg issue because China is committed to national reunification and would regard a Taiwanese declaration of

independence as a *casus belli*. If US policy fails to prevent a showdown between China and Taiwan, the odds are that America will be drawn into the conflict because of its current East Asia strategy. There would be strong domestic political pressure in favor of US intervention. Beyond the arguments that Chinese military action against Taiwan would constitute aggression and undermine US interests in a stable world order, powerful incentives for intervention would also arise from ideological antipathy toward China, concerns for maintaining US “credibility,” and support for a democratic Taiwan in a conflict with authoritarian China.

Notwithstanding these arguments, which are underpinned by a national security discourse that favors American hegemony, the issues at stake in a possible showdown between China and Taiwan simply would not justify the risks and costs of US intervention. Regardless of the rationale invoked, the contention that the United States should go

to war to prevent Beijing from using force to achieve reunification with Taiwan (or in response to a unilateral declaration of independence by Taipei) amounts to nothing

more than a veiled argument for fighting a “pre-ventive” war against a rising China.

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*By adopting an offshore balancing strategy, the United States could better preserve its relative power and strategic influence.*

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### SHARING THE BURDEN

The final element of a US offshore balancing strategy would be the devolution from the United States to the major powers in Asia of the responsibility for containing China. An offshore balancing strategy would rely on the balance-of-power dynamics of a twenty-first century multipolar global order to prevent China from dominating East Asia. The other major powers in Asia—Japan, Russia, and India—have a much more immediate interest in stopping a rising China in their midst than does the United States.

In a multipolar system, the question is not whether balancing will occur, but which state or states will do the heavy lifting. Because the United States is geographically distant from China—and protected both by the expanse of the Pacific Ocean and by its own formidable military (including nuclear) capabilities—the United States has the option of staying out of East Asian security rivalries (at least initially) and forcing Beijing’s neighbors to assume the risks and costs of stopping China from

attaining regional hegemony. Because its air and naval power is based on long-range strike capabilities, the United States can keep its forces in an over-the-horizon posture with respect to East Asia and limit itself to a backstopping role in the unlikely event that the regional balance of power falters.

It is hardly surprising—indeed, it parallels in many ways America's own emergence as a great power—that China, the largest and potentially most powerful state in Asia, is seeking a more assertive political, military, and economic role in the region, and even challenging America's present dominance in East Asia. However, this poses no direct threat to US security. Japan, India, and Russia, on the other hand, are worried about the implications of China's rapid ascendance for *their* security. They should bear the responsibility of balancing against Chinese power.

An incipient drift toward multipolarity—which is the prerequisite for the United States to adopt an offshore balancing strategy—is already apparent in East Asia. Driven by fears of US abandonment in a future East Asian crisis, Japan has embarked on a buildup of its military capabilities and has even hinted that it is thinking about acquiring nuclear weapons. Moreover, the past several years have seen a significant escalation in tensions between China and Japan, fueled both by nationalism and by disputes over control of the South China and East China seas (which may contain large energy deposits).

From the standpoint of offshore balancing, Japan's military buildup in response to its fear of China is a good thing if it leads to Japan's reemergence as an independent geopolitical actor. However, Japan's military resurgence is not so good (for the United States) if it takes place under the aegis of the US-Japan security alliance, and if the United States remains in the front lines of the forces containing China. Under those conditions, the United States could find itself ensnared in an Asian conflict; its alliance with Japan risks dragging it into a war with China in which American strategic interests would not be engaged. The idea of an offshore balancing strategy is to get the United States out of China's crosshairs, not to allow it to remain a target because of its present security commitments to allies in the region.

The wisdom of risking war with China to maintain US hegemony in East Asia is all the more

doubtful because America's predominance in the region is ebbing in any event. One indication of this is that US economic supremacy in East Asia is waning as China rises. China is emerging as the motor of the region's economic growth.

While the United States has been preoccupied with Iraq, Iran, and the so-called war on terrorism, China has used its burgeoning economic power to extend its political influence throughout East and Southeast Asia. Indeed, most of the smaller states in Southeast Asia are gradually slipping into Beijing's political orbit because their own prosperity is ever more closely tied to their relations with China.

America's strategy of trying to uphold the geopolitical status quo in East Asia clashes with the ambitions of a rising China, which has its own ideas about how East Asia's political and security order should be organized. If the United States puts itself in the forefront of those trying to contain China, the potential for future tension—or worse—in Sino-

American relations can only increase. By pulling back from its hegemonic role in East Asia and adopting an offshore balancing strategy, the United States could better preserve its relative

power and strategic influence. It could stand on the sidelines while that region's great powers enervate themselves by engaging in security competitions.

## THE TEMPTATION OF POWER

If American strategy were determined by the traditional metrics that have governed the grand strategies of great powers—the distribution of power in the international system, geographic proximity of rivals, and military capabilities—China would not be considered much of a threat to the United States. The wellspring of US grand strategy lies elsewhere, however: in Wilsonian ideology. This is why the United States remains wedded to a strategy of upholding its predominance in East Asia, as well as in Europe and the Middle East.

One of the few ironclad lessons of history is that great powers that seek hegemony are always opposed—and defeated—by the counterbalancing efforts of other states. Yet the prevailing belief among the American foreign policy community is that the United States is exempt from the fate of hegemons. This belief, really a form of American exceptionalism, is wrong. If Washington gives in to the temptation of hegemonic power, dangerous times lie ahead. ■

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