

In the superpower competition, the best software will win
by Denny Roy

Denny Roy (royd@eastwestcenter.org) is senior fellow at the East-West Center in Honolulu.

In a Nov. 2 article in the *Financial Times*, celebrated US political scientist [and co-chairman of Pacific Forum's Board of Governors] Joseph Nye argued that the United States holds four areas of long-term advantage in its superpower competition with China. On Nov. 7, the *FT* published a rebuttal from Chinese Renmin University senior academic Wang Wen. The exchange was a sign of our times, in which a major storyline is the projected change in global leadership from a retrenching United States to a surging China. The exchange was also highly meaningful in what the two authors did not say, at least directly. Ironically, this unstated part of their debate contains perhaps the most critical element in the China-US competition for global influence.

Two of what Nye identifies as US advantages, which he compares to "aces" in a "poker game with China," are physical: the United States' geographic circumstances (great oceans to the east and west, and non-threatening neighbors to the north and south) and potential energy independence because of its generous natural resource endowment. By contrast, China is surrounded by formidable states, several of which it has had military conflicts with during the past century, and is dependent on increasing energy imports – mostly via international sealanes patrolled by the world's most capable navy.

The other two US advantages Nye names stem from the size and productivity of the US economy: America's relatively low reliance on international trade for its prosperity and the US dollar's roles as the main international reserve currency. China's need for foreign trade is relatively high, and the Chinese renminbi has made but a tiny dent in the dollar's dominance.

In his rebuttal, Wang starts with the patently absurd assertion that America's geographic cushion does not matter because "lone-wolf terrorist attacks [are] capable of visiting far greater destruction than traditional geopolitical animus." Suffice it to say that occasional attacks by individual fanatics against random people on the street are not a threat to destroy nation-states; traditional major-power war is.

Wang does not dispute that China is highly dependent on energy imports, but he attempts to put a positive spin on it, saying "China [is] welcomed with open arms on energy markets in the Middle East, Russia, Africa and Latin America." Yes, oil exporters "welcome" big-spending customers.

On Nye's point about relative dependence on foreign trade, we get more spin from Wang: "While the US might fare better in a trade war, it is China that flies high the banner of global

free trade." His point seems to be that this Chinese weakness is obviated by the honor of doing the right thing. But Chinese support for "free trade" is largely one-way. For example, US cars sold in China get hit with a 25 percent tariff, while the tariff on Chinese cars sold in the US is 2.5 percent. Also, Chinese businesses operating in the United States are not required to partner with a local company and hand over technological expertise and cyber security data, as are US companies in China.

From here Wang's rebuttal devolves into uncritical cheerleading and repetition of the Chinese Communist Party (CCP) line. China has "business acumen," is "increasingly confident," and now "shape[s] the future of Sino-American relations" while the USA is "deliberately obstructive." China, Wang says, is internationally respected for its Belt and Road infrastructure-building proposal, commitment to mitigate climate change, championing of "free trade," "reforming of the international order," and "supporting UN endeavours." By contrast, Wang says, America's international prestige has fallen with its "withdrawal from global affairs" and the decline of US "soft power." Even "traditional US allies such as France, Germany, Australia, Japan and the UK have heaped praise upon China and President Xi Jinping." Consequently, he predicts the CCP's principle of "seeking truth from facts" will win out with Washington conforming to China's agenda of "no conflict, no confrontation, mutual respect, and win-win co-operation" in US-China relations. Ultimately that means US acquiescence to a structurally non-reciprocal trade and investment relationship in China's favor and a withdrawal of US strategic influence from Asia. At this point, that outcome is just Chinese wishful thinking, albeit encouraged by the Trump administration's disavowal of the Trans-Pacific Partnership.

In the contest between China and the United States for global ascendance, the decisive factor will be one neither Nye nor Wang discussed. The key difference is not in the hardware – large territory, large populations, substantial natural resources, and powerful, highly diversified economies – but rather in the software: the political systems and relationship between state and society.

The US federal government currently appears unable to tackle the large and well-recognized domestic challenges facing the country. State and municipal governments can maintain conditions that foster justice, economic productivity and public health and safety, but ineffective government at the national level will be a drag on the nation's well-being and eventually on its global influence and soft power. Wang mentions internal political conflict as evidence of the failure of Western liberalism. We should recognize this instead as part of a process by which society expresses grievances and pressures government to address them. The discontent openly aired in US media over issues such as racial inequity and sexual harassment prompts some Chinese officials to gloat, but the reaction of

many Chinese citizens is “those problems exist here, too, but we don’t discuss them.”

welcomed and encouraged. Click [here](#) to request a PacNet subscription.

With his mandate to rule for at least another five years and probably longer, Xi Jinping must lead China through a difficult period of economic restructuring, manage rising expectations among the newly-wealthy segment of Chinese society, contain the discontent of several large disadvantaged or aggrieved groups, and push China’s foreign policy objectives without stimulating cooperation against China by other states. By enhancing the primacy of the CCP in political and economic affairs and limiting the space of civil society, Xi will attempt to do all this with a governance model retrieved from the “ash heap of history.”

China's political system facilitates bold central government action. This certainly has an upside, but there are also downsides. As many observers point out, Xi's rule is reminiscent of Mao Zedong's in its re-centralization of power and personality cult that demands unquestioning loyalty to the person of the leader. The Mao era included disastrous policies such as the Great Leap Forward and the Cultural Revolution, made possible precisely because of a dictatorship with an over-centralization of political power and intolerance for dissent.

My intention here is not to hold Wang the person up to ridicule, but to use his essay as an example of a larger phenomenon. Although Nye has a pro-US point of view, he makes clear, plausible points and, in the short space available in a newspaper column, supports them with evidence and logic. This is the approach that Nye and his university colleagues throughout the US use to teach their students, an approach nurtured by a political system that welcomes open discussion of political issues and policies. This environment facilitates innovation, efficiency, and the exposure of bad ideas and practices.

Wang’s rebuttal was published in an international daily newspaper for a global audience. Yet it is written as if his goal is not to seriously engage Nye’s arguments, but rather to demonstrate to his superiors at home that he had stood up to US arrogance, promulgated Party buzz-words and extolled Xi Jinping. In the atmosphere created by Xi’s neo-Maoist tendencies, otherwise productive energy is wasted demonstrating “Redness” rather than “expertness.” Worse, there is a chilling effect on critical thinking and discussion, especially in the realm of government policy, which can have immediate and profound effects on large numbers of lives.

Wang asserts, “In contrast with the internecine conflict rending Western society, China’s increasing ability to impose orderly governance is a beacon of hope for the developing world.” This is a reprise of the old question of whether a liberal political system stimulates economic dynamism while delivering justice (the US view) or unleashes social chaos and disrupts economic development (the CCP view). The matchup of a Trump-led United States and a Xi-led China, with both countries facing major internal problems, will provide a clear test of the resiliency of these rival political systems.

PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always