



**A PROLONGED US-CHINA TWO-STEP  
HAS LEFT US QUESTIONING  
INTERDEPENDENCE**

BY RON HUISKEN

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[Editor's note: The Council for Security Cooperation in the Asia Pacific (CSCAP) publishes an annual security outlook. The focus of the outlook for 2020 is the impact of strategic competition between the United States and China on regional security. The full report is available from the [CSCAP website](#).]

Over the course of 2019, the rivalry between the US and China remained a primary cause of the deepening division and antagonism that characterized the international system. Most of the papers assembled in this edition of CSCAP Regional Outlook confirm this judgement and illustrate the diverse reactions in states across Indo-Pacific Asia.

China's singular fusion of authoritarian governance and a market economy (dubbed 'state capitalism') is being viewed by the US and others as fundamentally incompatible with traditional notions of fair and productive competition. The fundamental question that the contest has exposed is whether dependable agreement is possible on the range of tools and mindsets that states can legitimately bring to the competition. If the answer is yes, interdependence – an extremely valuable but not infallible filter to inhibit animosity and aggression - will continue to be accepted and welcomed; if not, then some significant degree of disengagement will be seen as indispensable to the national interest.

We should not be unduly dismayed by this development. Rapid and significant change in the

distribution of power has ranked as the supreme challenge for the international community throughout recorded history. It can be said that we are testing our collective determination to navigate these challenging times using accommodation and compromise plus a frank assessment of everyone's role in getting to where we are.

The present clash between the US and China is arrestingly sharp and deep not only because the stakes are so high and the parties so profoundly different, but also because it has been brewing over several decades of increasingly intimate and complex interaction. In 1944-45, when the US had a uniquely clean slate to put the broad management of international affairs on a new footing, President Roosevelt insisted that China be among the select group of major powers that would bear special responsibilities for the maintenance of international order and stability. As always, events intervened with the US and China emerging from the Korean War as bitter enemies. More than a decade later, in 1972, came the spectacular US-Chinese accommodation, splitting the communist side of the Cold War and enlarging the strategic space within which China could maneuver in comparative safety.

After Mao's death in 1976, China's new paramount leader, Deng Xiao Ping, courageously took the country in the direction of a market economy attached to the global trading community. A key plank of Deng's political platform was the notion of a 'window of strategic opportunity' – an external environment that was reliably stable because of the US-Soviet nuclear stalemate and China's favorable location between the superpowers (effectively a recipient of US extended deterrence) – that made it 'safe' for the Party to focus its resources and energies on building a functional economy. The outcome has become the stuff of legends. The expectation that these economic practices would have a wider liberalizing influence – more a hope than a precondition for continuing to facilitate China's economic revival - were sharply deflated in Tiananmen Square in June 1989 followed not long after by the end of the Cold War, bringing the special US-China relationship forged in 1972 to an end.

The US basically persisted with the posture of engaging China and relations were rebuilt over the

course of the 1990's but arguably never regained the qualities of tentative partnership from the 70's and 80's. Beijing developed a famous Deng maxim about being patient and keeping a low profile into the major public policy theme of *peaceful rise* (later, *peaceful development*) and as the Clinton administration drew to a close it was characterizing China as a 'strategic partner.' The Republican presidential candidate in 2000, George W. Bush, contended that China was a 'strategic competitor,' a stark contrast that can be traced back to the break-up of the Soviet Union in 1991, thrusting the US into the condition of unipolarity, and the birth (in the Pentagon) of the neo-conservative prescription for US leadership in the post-Cold War era.

There is little doubt that President Bush was made familiar with and was attracted to the thrust of this prescription. He asserted in 2002 that uncontested US strength would limit international rivalries to peaceful endeavors such as trade. His administration's Quadrennial Defense Review, released in early October 2001, constituted a sweeping pivot to Asia to address the emerging challenge from China. Although this strategy was all but swept aside by the attacks of 9/11, China would have begun to think hard about how the trajectory of its re-emergence might be complicated by this new predisposition in Washington.

By 2002-03, however, Beijing was again sensing that a further 'strategic window of opportunity' lay ahead. In retrospect, it seems that China resolved to drive through this window – kept open for more than a decade by the vagaries of democracy and Islamic terrorism - with all deliberate speed and using the full panoply of policy options open to it. When the Global Financial Crisis of 2008-09 dealt a further body blow to US standing in the world, that window was thrown wide open, enticing China to strive even harder to take full advantage of these fortuitous circumstances, including the launch of two stunning geopolitical initiatives – the Belt & Road in 2013 and the construction of seven artificial islands in the South China Sea in 2014-15, some of which now host significant military capabilities.

These are some of the key trends and developments of the post-Cold War era that shaped the US presidential elections in 2016 and the breathtaking victory of

Donald Trump. China's domestic agenda in the years leading up to 2017-18 involved a comprehensive campaign to re-affirm the absolute authority of the Party, sharpening the sense that the Chinese model of *state capitalism* was structurally skewed to preclude open and fair competition.

The abrupt reconfiguration of US policy objectives since mid-2018 effectively drew a line under the posture of engagement that had endured since 1972. Despite the divisiveness of the Trump era, this newly-declared confrontation has significant bipartisan support. It is initially (since mid-2018) being played out primarily as a 'trade war,' alongside negotiations seeking to construct a bridge that will reliably span the stark asymmetries in the instincts of and policy options available to the two sides in the arenas of trade and technological innovation.

More than a year of negotiations have been inconclusive. They have neither confirmed nor precluded that the stark differences between China and the US on the principles and practice of governance can be bridged to sustain constructive economic entanglement.

This is a necessarily selective and subjective account of the primary currents in world affairs over the past several decades but it is unlikely that many readers would contest what appears to be the most important conclusion to be drawn from it, namely, that for longstanding reasons, both states share deep responsibility for the prevailing state of affairs between them.

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