REPORT DOCUMENTATION PAGE			Form Approved OMB No. 0704- 0188	
data needed, and completing and reviewing the collection of inform	ation. Send comments re te (0704-0188). Respond ntly valid OMB control nur	garding this burden e ents should be aware mber.	estimate or an	r reviewing instructions, searching existing data sources, gathering and maintaining the y other aspect of this collection of information, including suggestions for reducing the standing any other provision of law, no person shall be subject to any penalty for failing
<b>1. REPORT DATE</b> ( <i>DD-MM-YYYY</i> ) <b>2. REPORT T</b> 12-2-2018	YPE Research	1		3. DATES COVERED (From - To)
<b>4. TITLE AND SUBTITLE</b> Managing China's Behavior			5a. CON	TRACT NUMBER
			5b. GRA	NTNUMBER
			5c. PRO	GRAM ELEMENT NUMBER
6. AUTHOR(S) LTC(P) Daniel W. Ruecking			5d. PRO	JECT NUMBER
			5e. TAS	KNUMBER
			5f. WOR	K UNIT NUMBER
7. PERFORMING ORGANIZATION NAME(S) AND U.S. Naval War College 686 Cushman Road Newport, RI 02841	ADDRESS(ES)			8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(	S) AND ADDRESS(	(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)
<b>12. DISTRIBUTION/AVAILABILITY STATEMENT</b> DISTRIBUTION A. Approved for public release: necessarily endorsed by the Naval War College or			ts of this p	aper reflect the author's own personal views and are not
13. SUPPLEMENTARY NOTES				
have major economic and financial implications, a consensus at the most basic level, as to whether the geopolitical landscape, protect its interests, and en-	nd will shape global United States shou courage strategic co	l alliances and p Ild impede or ac herence, the Un	artnership commoda ited States	er. It will affect the likelihood and character of future wars, will s. Despite this topic's importance, there remains a lack of te China's rise. In order to best adapt to the changing needs to actively manage China's international behavior by g and aggressively penalizing unacceptable conduct.
<b>15. SUBJECT TERMS</b> China, Strategy, Coercion				
	LIMITATION OF ABSTRACT	18. NUMBER OF PAGES		E OF RESPONSIBLE PERSON EPHONE NUMBER (Include area code)

Reset

Standard Form 298 (Rev. 8/98) Prescribed by ANSI Std. Z39.18 Adobe Professional 7.0 Managing China's Behavior

Daniel William Ruecking

A paper submitted to the Faculty of the United States Naval War College Newport, RI in partial satisfaction of the requirements of the Department of Joint Military Operations.

DISTRIBUTION A. Approved for public release: distribution unlimited. The contents of this paper reflect the author's own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.

Word Count: 3174 (Excluding Footnotes)

February 12, 2018

## **INTRODUCTION**

The U.S. strategy for addressing China's rise is central to national security and future world order. It will affect the likelihood and character of future wars, will have major economic and financial implications, and will shape global alliances and partnerships. Despite this topic's importance, there remains a lack of consensus at the most basic level, as to whether the United States should impede or accommodate China's rise. In order to best adapt to the changing geopolitical landscape, protect its interests, and encourage strategic coherence, the United States needs to actively manage China's international behavior by allowing it to expand its power and influence through acceptable means, while clearly identifying and aggressively penalizing unacceptable conduct.

There are those who believe the "central objective of U.S. grand strategy in the twenty-first century" should be to maintain U.S. dominance in the international system while containing China's rise.<sup>1</sup> Those who share this viewpoint believe that China's rise, even at a regional level, inherently threatens U.S. national interests and are highly critical of efforts taken to better "integrate" China into the international system.<sup>2</sup> This approach, however, entails significant risks as it may be economically and militarily unsustainable and can lead to conflict through the "Thucydides trap," with war being a common outcome when a rising power challenges a status quo power.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Robert D. Blackwill and Ashley J. Tellis, "Revising U.S. Grand Strategy Toward China," *Council on Foreign Relations*, Council Special Report No. 72 (March 2015): 4; Barry R. Posen and Andrew J. Ross, "Competing Visions for U.S. Grand Strategy," *International Security*, Vol 21, No. 3 (Winter 1996/97), 30-41; Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981). Quote from Blackwill and Tellis. Viewpoint consistent with Posen's and Ross' "primacy" definition. Posen and Ross state "primacy" is the "maximal realism of hegemonic stability theory" per Gilpin.

<sup>&</sup>lt;sup>2</sup> Blackwill and Tellis, "Revising U.S. Grand Strategy Toward China," 5-6.

<sup>&</sup>lt;sup>3</sup> Graham Allison, "The Thucydides Trap," *Foreign Policy*, June 9, 2017,

http://foreignpolicy.com/2017/06/09/the-thucydides-trap/; Thucydides, *History of the Peloponnesian War* (New York: Penguin Classics, 1972): 49.

At the other end of the spectrum are those who do not necessarily view China as a threat and are "concentrating on integrating Beijing into the international system."<sup>4</sup> Although rationale varies widely, advocates for accommodation include those who believe that economic interdependence precludes conflict, those who believe that China's intentions are peaceful, and those who want to reduce tensions due to the two countries' nuclear arsenals.<sup>5</sup> China's rise, however, may encourage aggressiveness, diminish U.S. standing, and unnerve U.S. allies and partners.

Additionally, there are many attempts to find a middle ground, including the recently published *National Security Strategy of the United States*, which outlines an approach that frames the relationship with China as "continuous competition" rather than as strictly adversarial or cooperative.<sup>6</sup> While the strategy describes China as seeking a world "antithetical to U.S. values and interests," an economic cheater, and a military threat, it also acknowledges that the "United States seeks to continue to cooperate with China."<sup>7</sup> Attempting to follow a middle road has its own risks, as "rhetorical bobbing and weaving" can communicate both "provocation and weakness at the same time."<sup>8</sup>

This paper describes and provides a rationale for a strategy that attempts to address other approaches' shortcomings, based on encouraging acceptable behavior and penalizing the alternative. Describing the proposed strategy includes defining acceptable conduct, outlining potential penalties, and considering the approach's likely results. The rationale includes recognizing that it is not sustainable for the United States to contain China at its

<sup>&</sup>lt;sup>4</sup> Blackwill and Tellis, "Revising U.S. Grand Strategy Toward China," 18.

<sup>&</sup>lt;sup>5</sup> Richard K. Betts, "The Lost Logic of Deterrence: What the Strategy that Won the Cold War Can – and Can't – Do Now," *Foreign Affairs* (March/April 2013): 96, 98; Allison, "The Thucydides Trap;" G. John Ikenberry, "Liberal Internationalism 3.0: America and the Dilemmas of Liberal World Order," *Perspective on Politics*, Vol. 7, No. 1 (March 2009), 72-73, 76-80. Betts raises economic and intentions rationale. Allison raises nuclear rationale. Viewpoint is consistent with Ikenberry's "Liberal International Order 2.0."

<sup>&</sup>lt;sup>6</sup> National Security Strategy of the United States of America, December 2017: 1, 28.

<sup>&</sup>lt;sup>7</sup> Ibid, 21, 25, 46.

<sup>&</sup>lt;sup>8</sup> Betts, "The Lost Logic of Deterrence," 97.

borders, that expanded Chinese influence can be in U.S. interests if it reduces the likelihood of war and improves regional stability, and that this approach has the potential to attract broad support.

## STRATEGY DESCRIPTION

This international behavior management strategy is intended to allow China to expand its influence regionally in acknowledgement of its great power status, while instituting safeguards to prevent China from being able to threaten the United States globally.<sup>9</sup> To do this, the United States will explicitly signal its acquiescence of Chinese success gained through acceptable tools of statecraft. At the same time, the United States will prohibit China from engaging in coercive behavior and will impose significant costs for transgressions, with international support when possible and unilaterally when required. This combination has the potential to reduce regional frictions and the likelihood of conflict while ultimately limiting China's ability to dominate Asia or threaten the U.S. homeland militarily.

Implementing this strategy requires an understanding of acceptable conduct, which should be defined as non-coercive behavior, generally conducted through "ideational and economic" means.<sup>10</sup> China would be free to use money and soft power to pursue its political objectives, likely allowing it to achieve many of its aims. For instance, the United States should encourage China's efforts to expand its influence through economic agreements, including its 2010 Economic Cooperation Framework Agreement with Taiwan and potential joint development agreements with other South China Sea claimants.<sup>11</sup> Alternatively, the

<sup>&</sup>lt;sup>9</sup> John J. Mearsheimer and Stephen M. Walt, "The Case for Offshore Balancing," *Foreign Affairs*, Vol. 95, No. 3 (July-August 2016): 70-83. While this strategy is China specific, it is generally consistent with Mearsheimer and Walt's "Offshore Balancing" assumptions and approach.

<sup>&</sup>lt;sup>10</sup> Amitai Etzioni, "Spheres of Influence," *The Fletcher Forum of World Affairs*, Vol. 39:2 (Summer 2015): 117. <sup>11</sup> "No Such Thing as a Free Trade," *The Economist*, June 25, 2010,

https://www.economist.com/blogs/newsbook/2010/06/taiwan-china\_trade; Prashanth Parameswaran, "The Danger of China-Philippines South China Sea Joint Development," *The Diplomat*, July 27, 2017, https://thediplomat.com/2017/07/the-danger-of-china-philippines-south-china-sea-joint-development/.

United States must be prepared to impose significant costs when China uses coercive power, which is the forcing of compliance through force or "fear of consequences," including direct or proxy military action, cyber attacks, espionage, and weaponizing economic clout, against the United States, its allies, or its partners.<sup>12</sup> Using this definition would obligate the United States to address China's 2012 seizure of Scarborough Shoal with maritime militia, coast guard, and naval vessels, reinforced by cyber attacks and Chinese quarantine of Filipino fruit imports.<sup>13</sup>

Providing China explicit approval to spread its influence through peaceful means would allow it to feel more secure and would also reduce tensions. This is in contrast to the previous policy of "hedged engagement," which sought to simultaneously constrain and collaborate with China, while leaving it with no clear understanding as to what the United States would ultimately find acceptable.<sup>14</sup> With its economic influence, China would likely come to dominate Southeast Asia, much of the Central Asian region it has already targeted with its "One Belt, One Road" initiative, its near seas out to the first island chain, and significant portions of Africa.<sup>15</sup> With this "sphere of influence," will come potential partners, trade, and access to resources. Yet, these benefits are not without costs, as "there is nothing more destabilizing than a sphere of influence that cannot be defended.".<sup>16</sup>

<sup>&</sup>lt;sup>12</sup> Thomas Schelling, *Arms and Influence* (New Haven and London: Yale University Press, 2008), x; Peter D. Feaver and Eric B. Lorber, *Diminishing Returns? The Future of Economic Coercion* (Washington DC: Center for New American Security, November 2015), 2-3. Using Schelling's definition of "compellence," a term that he admits is not "quite part of the strategic vocabulary," to describe coercion. Feaver and Lorber describe economic coercion as a tool of "statecraft" to separate it from traditional economic policy.

<sup>&</sup>lt;sup>13</sup> Michael Green et al., *Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence* (Washington DC: Center for Strategic and International Studies, May 2017), 95-123.

<sup>&</sup>lt;sup>14</sup> David Shambaugh, "Dealing With China: Tough Engagement and Managed Competition," *Asia Policy* No. 23 (January 2017): 6.

<sup>&</sup>lt;sup>15</sup> Robert D. Kaplan, "The Geography of Chinese Power: How Far can Beijing Reach on Land and at Sea?," *Foreign Affairs*, Vol. 89, No. 3 (May/June 2010): 22-41. Kaplan outlines China's peripheral geography and defines the "first island chain" as "the Korean Peninsula, the Kuril Islands, Japan, Taiwan, the Philippines, Indonesia, and Australia."

<sup>&</sup>lt;sup>16</sup> Jeremy Shapiro, "Defending the Defensible: The Value of Spheres of Influence in U.S. Foreign Policy," *Brookings*, March 11, 2015, https://www.brookings.edu/blog/order-from-chaos/2015/03/11/defending-the-defensible-the-value-of-spheres-of-influence-in-u-s-foreign-policy/.

For this strategy to prevent China from dominating Asia, however, the United States must be willing to impose significant repercussions for unacceptable behavior. Without prospective costs, China will simply continue on its current path, promulgating those international rules that it likes and disregarding the rest, as exemplified not only by its complete disregard for the 2016 Permanent Court of Arbitration in The Hague's ruling on its South China Sea claims but more blatantly by its cyber attack on the court during hearings.<sup>17</sup> Penalizing coercive actions will demonstrate U.S. strength, limit the threat posed to U.S. allies and partners in the region, and prevent China's expansion by force. If feasible, the United States should seek international consensus and partners, but at times may be forced to act alone, which would require great resolve and entail considerable risk. Dependent on the severity of Chinese infractions, potential repercussions might include diplomatic actions, trade or financial reprisals, military demonstrations, material support for Chinese adversaries, or information warfare including cyber attacks, electronic warfare, public affairs, and psychological operations. While this would be a high-risk balancing act, there is little choice, as without the threat of sticks, China will simply eat the carrots.

To be clear, this paper advocates for managing China's conduct, because it is in the U.S. interest and not due to an inherent desire to uphold international norms. Accordingly, this strategy focuses on curtailing coercive behavior regardless of whether it defies an established international norm and willingly overlooks China's domestic transgressions. That said, a focus on preventing coercive behavior would broadly align with established rules for international conduct, even if not the intended objective. Nonetheless, actively managing

<sup>&</sup>lt;sup>17</sup> Blackwill and Tellis, "Revising U.S. Grand Strategy Toward China," 16-17; Ankit Panda, "International Court Issues Unanimous Award in Philippines v. China Case on South China Sea," *The Diplomat*, July 12, 2016, http://thediplomat.com/2016/07/international-court-issues-unanimous-award-in-philippines-v-china-case-on-south-china-sea/; Anni Piiparinen, "Phishing in the South China Sea: Cyber and Hybrid Warfare," *China-US Focus*, July 12, 2017, http://www.chinausfocus.com/peace-security/phishing-in-the-south-china-sea-cyber-operations-and-hybrid-warfare-in-the-troubled-waters.

China's international behavior focusing on prevention of coercive behavior is the best approach because it acknowledges the realities of China's rise, it is in the United States' interests, and it is broadly supportable.

# STRATEGY RATIONALE

First, China's growing economic and military strength will eventually force the United States to concede reality – that it cannot maintain dominance all the way up to China's borders. By treating China as an adversary that must be contained, the United States may well create a classic security dilemma and self-fulfilling prophecy. Unless the United States acknowledges China's growing power with some degree of grace, the bilateral relationship may become unnecessarily adversarial, especially with China's increasing assertiveness and deep historical resentment of Western paternalism.<sup>18</sup>

If, as the *National Security Strategy of the United States* asserts, a robust economy and sound finances are the basis of military strength, China is well on its way to being the United States' equal.<sup>19</sup> Moreover, China appears to use its military budget, which is about a third of the United States', more efficiently, with U.S. Pacific Command's Admiral Harry B. Harris stating that he requires improved capabilities to offset "near-parity" Chinese weapons.<sup>20</sup> Maintaining dominance becomes even more difficult as offensive power projection capabilities, like aircraft carriers, are often far more expensive than the anti-access

<sup>&</sup>lt;sup>18</sup> Kerry Brown, "China's Resentment Problem," *The Diplomat*, March 20, 2015, https://thediplomat.com/2015/03/chinas-resentment-problem/.

<sup>&</sup>lt;sup>19</sup> *National Security Strategy of the United States of America*, 17, 19; Malcom Scott and Cedric Sam, "Here's how fast China's Economy is Catching Up to the U.S.," *Bloomberg*, November 6, 2017, https://www.bloomberg.com/graphics/2016-us-vs-china-economy/.

<sup>&</sup>lt;sup>20</sup> Michael Clarke and Anthony Ricketts, "US Grand Strategy and National Security: The Dilemmas of Primacy, Decline and Denial," *Australian Journal of International Affairs*, 71:5 (2017): 480; Harry B. Harris, Jr., "Statement before the House Armed Service Committee on U.S. Pacific Command Posture," April 26, 2017, http://docs.house.gov/meetings/AS/AS00/20170426/105870/HHRG-115-AS00-Wstate-HarrisH-20170426.PDF: 5, 14.

area denial systems, like anti-ship missiles, that defend against them.<sup>21</sup> All of these factors will force the United States to recognize reality soon. China is a great power and will insist on being treated accordingly.

If China cannot be denied great power status, the United States should refocus on its original and most enduring national security interest, which is "to ensure a balance of power in its two transoceanic flanking regions that keeps them internally divided."<sup>22</sup> No country will be able overtake the United States if it is not able to dominate Europe or Asia first, indicating that some degree of increased Chinese influence is not inherently detrimental.<sup>23</sup> Especially if prevented from engaging in coercive behavior, China is unlikely to be able to thoroughly control Asia given Japan's, India's, and Russia's capabilities and its own internal challenges.<sup>24</sup> Additionally, recognizing China's great power status will help the United States to preserve its limited resources for addressing other global challenges, including Russia, North Korea, Iran, and terrorism.

Second, a behavior management approach to China advances U.S. national interests. While articulation of U.S. national interests vis-à-vis China varies, common elements include security of the homeland, economic prosperity, and regional stability.<sup>25</sup> As discussed previously, an approach focused on preventing coercive behavior makes the United States safer by reducing the likelihood of war while impeding China's domination of Asia. For this approach to be a viable strategy, however, it must also support, or at least not be contrary, to the two other primary interests, economic prosperity and regional stability.

<sup>&</sup>lt;sup>21</sup> Robert S. Ross, "US Grand Strategy, the Rise of China, and US National Security Strategy for East Asia," *Strategic Studies Quarterly* (Summer 2013): 28.

<sup>&</sup>lt;sup>22</sup> Ibid, 20.

<sup>&</sup>lt;sup>23</sup> Ibid, 28.

<sup>&</sup>lt;sup>24</sup> Edward N. Luttwak, *The Rise of China vs. The Logic of Strategy* (Cambridge and London: The Belknap Press of Harvard University Press, 2012), 38-47, 95-99.

<sup>&</sup>lt;sup>25</sup> National Security Strategy of the United States of America, 4; Blackwill and Tellis, "Revising U.S. Grand Strategy Toward China," 18-19; Harris, "Statement before the House Armed Service Committee," 3.

Admittedly, by defining unacceptable behavior as coercive in nature, this approach does not directly address the "unfair" Chinese trade practices that the Trump administration cites as undercutting U.S. economic performance, since it would be unwise to respond to trade infractions with force.<sup>26</sup> It would be a stretch to define barriers to Chinese markets, intellectual property theft, and dumping, as coercive if not part of a larger campaign to force political concessions. Still, this behavior management approach to security is consistent with and could be expanded into a model for encouraging China to "adhere to and enforce [economic] rules of order."<sup>27</sup> Such a model could be based on seeking behavior consistent with World Trade Organization standards with supporting diplomatic or economic actions designed to shape China's behavior. This paper intentionally separates out non-coercive economic infractions, however, because U.S. responses should be different in two important aspects. In non-coercive economic scenarios, the United States should refrain from more provocative responses, like military demonstrations and information warfare, and should focus primarily on bilateral inequities, rather than including allies and partners.

Conceding to China a de facto sphere of influence would improve regional security by removing many of potential flashpoints for broader conflict as "the history of international relations shows convincingly that strategic pressure by one major power on another's periphery areas is a recipe for instability."<sup>28</sup> By insisting on acceptable conduct and pushing back against coercive threats, the United States could maintain its commitments to allies and partners and its international standing. Nevertheless, improved China-Taiwan relations achieved through peaceful means would reduce the likelihood that the United States would be forced to honor a problematic commitment from another era. Similarly, peaceful

<sup>&</sup>lt;sup>26</sup> National Security Strategy of the United States of America, 17.

<sup>&</sup>lt;sup>27</sup> Ibid.

<sup>&</sup>lt;sup>28</sup> Greg Austin, "A New Engine for Pragmatism in the International Security Order?" in *China: New Engine of World Growth*, ed. Ross Garnaut and Ligang Song (Canberra: ANU Press, 2012): 462.

adjudication of South or East China Sea claims through joint development agreements would be another welcome relief, so long as the United States maintained freedom of navigation in accordance with customary international law. After all, little would serve the U.S. interest more poorly than engaging in a costly war over an island in the far reaches of the western Pacific. Acknowledging greater Chinese regional responsibility would also make North Korea efforts more consistent. The United States cannot demand that China be responsible for North Korea's conduct, if it does not acknowledge China's right to project power beyond its borders.

Expanded Chinese influence also has the potential to improve regional stability as China is forced to take a more active role internationally to protect its interests. With the number of challenges the United States is facing globally, it should be eager to divest responsibility for areas outside its core interests in order to lighten its burdens and reduce the likelihood of overreach..<sup>29</sup> While China has a reputation for providing "no strings attached" aid, its "noninterference" policy has evolved as Beijing has acted to promote stability in regions where it is heavily invested..<sup>30</sup> For example, China has over 2,500 peacekeepers committed to United Nations missions in Africa and has pledged \$100 million in support for the African Union..<sup>31</sup> As China's economic ties are in many of the world's most troubled areas, it may well find maintaining a sphere of influence in these regions to be an expensive white elephant prize.

Third, a behavior management approach has the potential to be broadly supportable, because it is simple and can appeal to a wide spectrum of leaders and factions. For a strategy to be bipartisan and enduring in the United States of America, it must be easily understood

<sup>&</sup>lt;sup>29</sup> Etzioni, "Spheres of Influence," 119.

<sup>&</sup>lt;sup>30</sup> Eleanor Albert, "China in Africa," Council on Foreign Relations, July 12, 2017,

https://www.cfr.org/backgrounder/china-africa. <sup>31</sup> Ibid.

and have wide-ranging appeal. Containment, the basis of U.S. strategy for the duration of the Cold War stands as the exemplar of these principles. It was intuitive and easily understood, especially in comparison to subsequently proposed U.S. grand strategies with labels like "New World Order," "Enlargement," and most recently "Principled Realism.".<sup>32</sup> Moreover, administrations, both Republican and Democrat, with widely varying ideological inclinations accepted the strategy's validity because it both protected U.S. interests and resounded with American values.

While "behavior management" has none of the eloquence associated with containment, it is also easily understood and has the potential to appeal to a wide range of ideological dispositions. For those most concerned about avoiding war with China, this approach offers a way to reduce tensions. For those focused on preventing overreach and preserving limited resources, this approach prudently concentrates only on the most essential U.S. security objectives. For those most concerned about limiting China's expansion, this strategy's muscular penalization of coercive behavior could satisfy many of their concerns. For those vested in upholding international norms or institutions, this approach offers a convenient confluence between its focus on preventing coercive behavior and established international standards. As a result, this strategy appears largely consistent with elements in the Trump administration's national security strategy, including a desire to refocus policy objectives on national interests, compete with China more effectively, and force China to play fairly..<sup>33</sup> On the other hand, this sort of approach also could have been espoused by an Obama administration fully vested in "rules-based international order.".<sup>34</sup> While admittedly

<sup>&</sup>lt;sup>32</sup> Jeremi Suri, "American Grand Strategy from the Cold War's End to 9/11," *Orbis* (Fall 2009): 614; *National Security Strategy of the United States of America*, 1.

<sup>&</sup>lt;sup>33</sup> National Security Strategy of the United States of America, 1-3.

<sup>&</sup>lt;sup>34</sup> National Security Strategy, February 2015: 2.

this strategy will not wholly please everyone, it has the potential to be accepted widely enough to be unifying and enduring.

#### **COUNTERARGUMENTS**

For any proposed U.S.-China strategy, there are bound to be a number of valid concerns due to the complexity of the relationship and lack of an obvious way forward. For this strategy, two counterarguments in particular need to be addressed. First, China will not be a passive participant and, based on its past behavior, will likely resist being forced to comply with rules imposed on it by the "U.S.-dominated international order.".<sup>35</sup> Second, aggressively penalizing China, one of the world's most powerful countries, is a high-risk activity fraught with escalation concerns. China is unlikely to respond well to reprisals for which the United States is judge, jury, and executioner.

Although it may well push back against having to follow U.S. established rules and perceived American hubris, Beijing may not be entirely resistant if it assesses that it can continue to progress towards its goals within the proposed framework. China may well perceive unambiguous U.S. acceptance of increased Chinese influence, along with an emphasis on state-on-state coercion rather than internal domestic behavior, as a net positive helping it to achieve its strategic goals, including "pacification of its… periphery" and "cement[ing] international status.".<sup>36</sup> Additionally, China has benefited tremendously from the U.S.-led international order and stability in the Pacific.<sup>37</sup> As illustrated by its leadership

<sup>&</sup>lt;sup>35</sup> Blackwill and Tellis, "Revising U.S. Grand Strategy Toward China," 6.

<sup>&</sup>lt;sup>36</sup> Ibid, 13-17. Blackwill and Tellis assert that China's strategic objectives are "maintain[ing] internal order,"

<sup>&</sup>quot;sustain[ing] high economic growth," "pacification of its... periphery" and "cement[ing] international status." <sup>37</sup> Hal Brands and Peter Feaver, "Stress-Testing American Grand Strategy," *Survival*, Vol. 58, No. 6 (December 2016-January 2017): 103.

on climate change and globalism, it may well determine that it is better to "soften" the liberal international system from the inside, rather than to directly "challenge world order.".<sup>38</sup>

While China would be extremely unhappy with U.S. retribution to its coercive efforts, the bilateral relationship is likely strong enough to withstand turbulence and the United States could take prudent actions to minimize the chances of uncontrolled escalation. Currently, the overall U.S.-China relationship remains solid, despite a litary of irritants, including economic conflict, China's gray zone actions in the East and South China Seas, U.S. support for Taiwan, and recriminations regarding North Korea. In fact, the "stabilityinstability paradox" indicates that while low-level conflict is more likely when highly destructive potential, normally nuclear but possibly economic, exists, that the likelihood of major war remains low..<sup>39</sup> Furthermore, there are ways to reduce the likelihood of escalation, including U.S. compliance with similar standards of conduct, demonstrating restraint along China's periphery, and declaratory policy. By generally refraining from initiating coercive behavior, the United States would signal its seriousness about compliance and reduce potential charges of hypocrisy. Demonstrating restraint along China's borders would reduce the number of opportunities to come into direct conflict and reduce China's incentives to respond provocatively. Finally, through declaratory policy the United States needs to make abundantly clear to China the behavior that would result in penalties, which would be a challenge given recent precedent. Clarification of thresholds, however, is critical to avoiding misunderstanding and miscalculation.<sup>40</sup>

<sup>&</sup>lt;sup>38</sup> "Is China Challenging the United States for Global Leadership?," *The Economist*, April 1, 2017, https://www.economist.com/news/china/21719828-xi-jinping-talks-china-solution-without-specifying-what-means-china-challenging; Austin, "A New Engine for Pragmatism," 473-474. *The Economist* discusses China's increasing international roles. The direct quotations are from Austin.

<sup>&</sup>lt;sup>39</sup> Forrest E. Morgan et al, *Dangerous Thresholds: Managing Escalation in the 21<sup>st</sup> Century* (Santa Monica, California: RAND Corporation, 2008), 28.

<sup>&</sup>lt;sup>40</sup> Morgan et al, *Dangerous Thresholds*, 24-25.

### CONCLUSION

This strategy has risks and requires further analysis on potential methods to punish China for unacceptable behavior and manage the resulting escalation. Still, it is a sound and pragmatic approach that could be effective because it acknowledges the realities of the current strategic environment and protects vital U.S. interests. Additionally, this behavior management approach has the potential to draw the broad support required for sustained implementation. With this strategy, the United States can reduce the likelihood of conflict with China while simultaneously limiting its ability to dominate Asia or threaten the American homeland. It is a middle road between impeding or accommodating China's rise that offers many of the strengths of either extreme while avoiding provocation and maintaining America's global standing. This makes it a strategy worthy of strong consideration.