

Remarks
Michael D. Swaine
Carnegie Endowment for International Peace

The creation of a more productive set of global interactions that can avoid the disruptive effects of excessive bilateralism, popular nationalism, and the polarizing consequences of a simplistic market versus state-oriented debate over economic systems clearly requires several initiatives. These initiatives should include: a reduction in the pull of popular nationalism on important publics, a strengthening of support for cooperative multilateral action, and the development of an alternative to the polarizing market versus state debate.

Getting the U.S.-China relationship right can significantly meet several of these requirements, especially with regard to many multilateral interactions and the market versus state debate in the economic realm. Whether improvements in these areas of the bilateral relationship lead to a 'New Geopolitical Order' is another question. As Iain Johnston and others have pointed to, it is extremely difficult, if not impossible, to identify a single geopolitical order, much less develop a new one. It is probably more productive to speak of a set of different yet often overlapping orders, or regimes bound together by the imperative of developing common norms or regulations for each.

These orders can be organized into four general functional areas:

- economic and technological development
- global traditional and nontraditional security threats
- state sovereignty and related dispute resolution issues
- socioeconomic and political rights

Clearly, the state of the relationship between the United States and China can have a central impact on the current nature and future development of all four of these areas, given the central importance of both China and the U.S. to the global economic/technological system, the security and sense of predictability and stability of relations among all states, the handling of norms regarding sovereignty and sovereignty-related dispute resolution, and also regarding the international definition of political and economic rights.

The first area involves the international rules and regulations designed to maximize global and national economic growth and state capacity, primarily by maintaining or strengthening global free trade and investment, open access to critical resources, high levels of technological innovation, and - to the extent possible - technology exchange among nations. At the core of interstate differences on these issues lies the debate over the role of state direction versus laissez-faire market incentives in determining the allocation of resources and the formation and operation of economic and technological entities such as corporations. In truth, this debate is not an 'either/or' debate since virtually all economies, China and the U.S. included, have significant market-led and state-led features and are unlikely to move entirely to one side or

the other. The debate is over the proper balance to strike between the two sets of organizing principles in ensuring both efficient growth and fair competition among nations.

As major participants in this debate, China and the United States will have a major influence over whether and how such a balance is struck and codified in relevant global regimes. From an operational perspective, perhaps the most challenging task centers on how to revise the existing regulations of the World Trade Organization (WTO) and related technology regimes to better clarify definitions of “fairness” and capture a wide range of increasingly complex and influential state and market activities in the trade, investment, and technology realms. The geostrategic rivalry between Beijing and Washington greatly complicates and even undermines this challenge, driving both states toward greater levels of unilateral, protectionist behavior and politically motivated government intervention.

The second functional area includes a wide range of relatively new or recently expanding security threats including: among others the proliferation of weapons of mass destruction (WMD), climate change, pandemics, and terrorism, along with traditional military and technological threats arising from the dynamics of the security dilemma among all states, and finally, the intensifying security competition among the major powers in particular. Considerable agreement exists between Beijing and Washington, and virtually all other countries concerning the importance of many of these threats to every nation’s security and the global security system, especially in the nontraditional area. However, as with the areas of economics and technology, the Sino-U.S. rivalry frequently complicates or obstructs efforts to reach agreement on norms and means for addressing common security threats and mitigating security competition and arms races.

Perhaps the most significant controversy centers on the question of whether, and to what degree Asian and global security requires a single dominant power (in this case the United States) to deter or control emerging traditional and nontraditional security threats. A related issue is the question of the value and proper security role of the U.S.-led alliance system in sustaining American predominance and addressing both types of threats. While the U.S. and its allies support a continued preeminent role for Washington and its alliances in maintaining global security (and some even cite that alliance system as a necessary feature of global governance), Beijing explicitly advocates the transition to a multipolar, cooperative security order and calls into question the positive role of the U.S.-led alliance system, often criticizing it as a remnant of Cold War thinking.

The third area of global governance includes those norms and rules defining and regulating the sovereignty of nation-states (i.e., the supreme authority exercised within a given territory), including the rights of sovereign nations to provide for their security and exercise control over their citizens and territory, and to adjudicate disputes among themselves. Although all states uphold the sovereignty principle as the core tenet of international law, not all states agree on how to define and adjudicate disputes among nations and the nature and extent of any limits that can be placed on a state’s sovereign authority. In this regard, probably the two most significant sources of controversy among states relate to the management of disputed claims

over sovereign territorial boundaries and the conditions under which international bodies such as the United Nations can intervene in the domestic affairs of sovereign states to enforce general principles, such as the prohibition against genocide.

China and the United States share a common resistance to what they regard as excessive interference by other nations, or international organizations in their sovereign affairs, leading both countries to avoid upholding certain global regimes in this area such as the authority of the International Court of Justice in some issues. Nonetheless, this issue area is a strong source of controversy between the U.S. and China. As a result, there is disagreement over the interpretation of certain norms regarding dispute resolution and the conditions governing international intervention on humanitarian issues, for example, due to historical sensitivities, great power geostrategic rivalry, and the differing views each country holds on the role of government. Aside from humanitarian issues, the question of cyber norms also constitutes a major source of controversy between the two powers. While Beijing, Moscow and many others push a state-centered notion of cyber sovereignty, Washington advocates a social-oriented, dispersed view of cyber norms.

Fourth, is the area of socio-economic and political rights, including the definition and protection of human rights, the balance between governmental and individual or group authority within nations, societies, and on the internet, etc. This issue area, along with many of the issues within the area of economic and technological development, relate to the broader issue of whether the U.S. and China offer competing 'models' for societal development. This area contains perhaps the greatest differences in approach between the two countries. Whereas liberal democratic states stress individual political rights, an independent judiciary, and limited government, authoritarian states, China stresses group rights, economic rights, a political judiciary and greater government controls over society.

The COVID-19 crisis is likely to accentuate differences in all of these areas, as Beijing and Washington continue to accuse one another of mismanaging the disease due to various systemic or attitudinal shortcomings and features. This counter-productive squabble over this virus will sharpen the overall debate in the international community between authoritarian and democratic approaches to major global challenges, thus undermining the ability to fashion common norms across the international community.

The U.S. and China will only be able to negotiate their differences in these areas if they can limit their tendency to adopt zero-sum views of the global order and their role within it. This requires much greater efforts to:

- Define more precisely the common and differing norms and objectives desired by each nation in each the four global governance areas above.
- Understand the underlying interests and other factors that will determine or influence each nation's view of these objectives and norms going forward.

- Above all else, on the basis of the above, define and develop a pathway for achieving much higher levels of mutual accommodation in their geostrategic rivalry.

The greatest challenges are as follows.

First, is the issue of how to update and strengthen the rules of the global economic and technology realm while ensuring the protection of legitimate national security interests. This likely requires a strengthened and expanded WTO on the global level including: a more effective approach to state subsidies and technology issues and a streamlined dispute resolution process; a more inclusive Trans-Pacific Partnership structure in Asia, as a step towards a truly region-wide Asian Free Trade Area; and a commercial Cyber Agreement, or some type of understanding regarding the common limits to be placed on commercial cyber espionage among all states and a means of enforcing those limits. It also requires stronger international rules on technology protections and agreed-upon limits on decoupling in this area and efforts to turn the Chinese Belt and Road Initiative (BRI) into a truly international undertaking, employing international standards and transparent implementation and oversight regulations.

A second challenge centers on developing ways to deepen cooperative Sino-U.S. efforts on climate change, probably most productively, in the short term, at the sub-national level, given Washington's current resistance to the crisis and the limited enforcement capabilities of the Chinese central government. Given current events, a second major imperative is to improve U.S.-China and global capacities to combat pandemics. Again, the COVID-19 crisis has brought into sharp relief the shortcomings of both Beijing and Washington in combatting the disease, both domestically, and within the international system. Both imperatives require an aroused public that demands clear and sustained government action, which in turn requires putting aside petty political rivalries and simplistic, ideological labels.

A third, and a truly major challenge involves the development of a greater capacity and willingness to limit the scope and severity of great power rivalry between the United States and China. This requires a reversal or qualification of current policy trends in both countries, with the robust support of other nations, including U.S. allies. Hopefully, the global COVID-19 crisis will force even the most die-hard power maximizers in both the U.S. and China to recognize that the entire world is put at greater risk when Beijing and Washington refuse to cooperate in meaningful ways across many functional areas, especially in the security realm. One major step toward dampening strategic rivalry should involve a reconceptualizing of the purpose and value of American power and the U.S.-led alliance system. Here Beijing needs to drop the simplistic assertion that America's alliances are simply obsolete Cold War relics, while Washington should stop viewing its alliances primarily as a means to undermine and weaken authoritarian states and China in particular. Perhaps most critically, America's allies in Asia and Europe should support both goals by helping to redefine the purpose of alliance systems as critical to addressing common global problems and by working to resist the tendency of both the U.S. and China to define their overall relationship in zero-sum terms.

The fourth challenge is addressing the effort to negotiate differences over cyber sovereignty and the militarization of disputed territories in the Western Pacific. This of course requires stronger international codes of conduct involving agreed limits on cyber attacks and military deployments. The U.S. and China remain central to any such efforts. Any agreement between them will require some significant concessions, with the U.S. recognizing some limits on cyber freedoms and U.S. military operations in disputed areas and Beijing permitting a freer flow of cyber-based information within and into China while limiting its own military activities in disputed areas. This will prove extremely difficult under present circumstances, but could become more feasible in the future in the context of greater cooperation in other areas outlined herein.

Finally, and the fifth challenge, is a major challenge in avoiding the use of state power to advance or oppose each other's political "model" among other states. As suggested above, this will become an increasingly important source of U.S.-China controversy undermining overall efforts at global governance in all areas. Some level of system advocacy is virtually unavoidable of course, but both countries are guilty of pushing their respective model to an excessive degree. To a great extent, domestic politics plays a major role in driving such behavior, with each leadership wanting to portray their system as superior and the other's as deeply threatening in order to bolster regime legitimacy and the political fortunes of individual leaders. And of course, this competition is given further impetus by the Sino-U.S. strategic rivalry. As in that area, the role of other nations, and especially U.S. allies, in dampening system competition, could prove critical. These countries need to work to reduce the most extreme aspects of this rivalry by highlighting through both words and actions the overlapping interests of the U.S. and China and the ability and necessity of both countries to work together, despite their different systems. In this regard, it is essential that the U.S. and China make concrete contributions to the effort to define viable middle grounds in virtually all of the areas above