

Political books

America and China – the defining relationship

Competitive co-operation or containment? Two books set out opposing views on how the US should approach its superpower rival



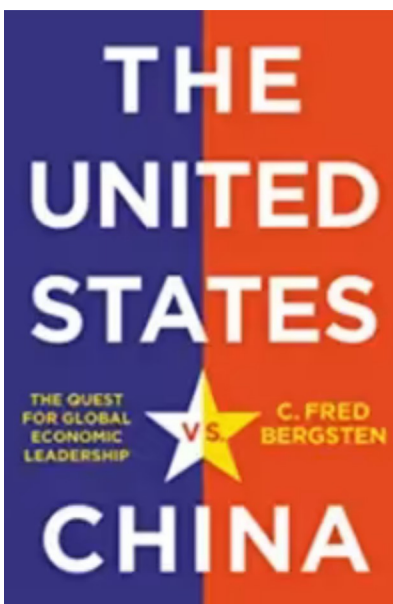
US secretary of state Antony Blinken listens to President Joe Biden and President Xi Jinping's virtual meeting in November © Bloomberg

Martin Wolf 8 HOURS AGO

The relationship between China and the US will shape the world's future on every dimension. Alas, those relations have been deteriorating for a long time. Indeed, probably the only issue on which Republicans and Democrats agree is that China is a huge threat to America's interests and values.

Aaron Friedberg of Princeton University agrees enthusiastically with this view. Indeed, his major complaint is against those who ever believed anything different. Fred Bergsten agrees that this is now an enormously challenging relationship — yet takes a contrasting perspective on the threat.

Bergsten is a doyen of American thinkers on international economic policy. The founder of the Peterson Institute for International Economics has devoted his life to the promotion of the liberal international economic order. His book, *The United States vs China*, starts from the view that preservation of that order should be our core objective. It also focuses on the economic aspects of the bilateral relationship, arguing that “It would be far superior, from both a US and global perspective, to decouple the economic issues from the inherently contentious security and values issues.”



Friedberg considers this hopelessly naive. For him economics cannot be separated from politics. The Chinese Communist party is, he argues in *Getting China Wrong*, a Leninist organisation ruthlessly dedicated to its own power. Quite simply, “Beijing believes that rivalry with the West is inescapable and the stakes are existential.”

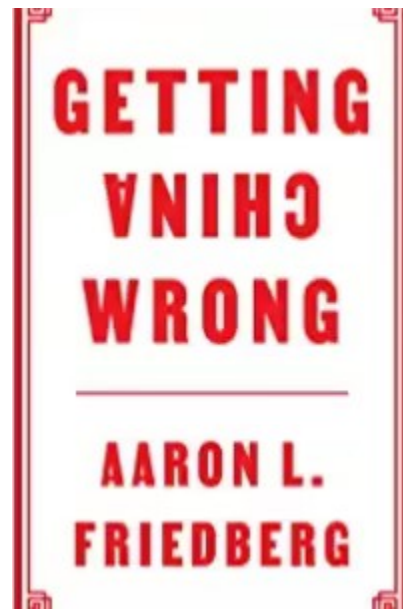
Bergsten’s analysis is made in terms of the “[Thucydides trap](#)” and the “[Kindleberger trap](#)”. The first concept comes from Harvard’s Graham Allison, who started from a pattern first identified by the great historian of the Peloponnesian war, in which a rising power (Athens) clashes with an established one (Sparta). The second concept came from the late Charles Kindleberger, who argued that interwar economic disaster was largely due to Britain being too weak to act as the hegemon the world economy then needed, while the US was too inward-looking to do so. In their economic relations, argues Bergsten, the US and China might now fall into the Thucydides trap. In so doing, they would also open the Kindleberger trap.

The relationship between the US and China is fundamentally different from that in the cold war, which was an ideological and security conflict. The two sides were engaged in an economic competition, which the Soviets lost, but they were economically disengaged from each other. China, however, has created an economy that already matches America’s on many dimensions. Moreover, China and the west are economically interconnected with each other and the rest of the world.

Bergsten concludes from these realities that the US must “reject any efforts to contain China. Even if it were desirable, containment cannot succeed, as President Trump demonstrated. China is too large and too dynamic to be suppressed and few, if any, other countries would join the United States in an effort to do so.”

Fortunately, this will be unnecessary, since China is a “revisionist rather than a

...ultimately, and will be unnecessary, since China is a revolutionist rather than a revolutionary power". Bergsten's core recommendation is what he calls "conditional competitive co-operation".



Competition "will characterize much of their daily interaction through trade, investment, and financial exchanges". But co-operation is essential to "provide a foundation for a stable and successful international economic order". Conditionality will also be necessary, since both sides "will rightly insist that the other accept and faithfully implement agreed rules of the game to govern their interactions".

This leads to 10 policy recommendations. Among these are that the US should resume a global leadership role, everybody should continue to defend the current system and prevent its erosion, there should be a new multilateral trade package, and China should over time even be granted full quota and voting parity with the US in the IMF.

The most important recommendation, concludes Bergsten, is for the US to undertake "a comprehensive program of domestic economic and social reforms to restore a sustainable political foundation for the country to exercise responsible global economic leadership again".

Friedberg's analysis and recommendations are essentially the opposite. "What is emerging today," he asserts, "is an intense, global, economic, technological, military, diplomatic, and ideological rivalry between two superpowers." Whether we call it a "new Cold War" or use words like "containment" is neither here nor there.

"Engagement was a gamble rather than a blunder," he argues, "but the odds were always extremely long." A "more accurate appreciation" of the CCP regime might have instilled "a greater sense of realism about the chances for success and a heightened sensitivity to early indications of failure."

Bergsten focuses on the huge potential gains from bringing China into the system as an equal partner. Friedberg sees an increasingly repressive, deceitful and irreconcilable enemy

So what is to be done? Friedberg recommends four main lines of effort: “the United States and its partners must mobilize their societies for a protracted rivalry with China and harden them against CCP influence operations; partially disengage their economies from China’s while strengthening ties among themselves; intensify military preparations and diplomatic measures to deter coercion or aggression; and actively challenge Beijing’s ideological narratives, both in the developing world and, to the extent possible, inside

China itself.”

The two books differ on almost everything. Yet they do agree on two points: first, alliances with other liberal democracies are an immense asset for the US, especially in the economic struggle; second, Donald Trump was a catastrophe, not least because of his inability to recognise this reality.

The books’ pre-eminent value is that they set out their opposing views with great clarity. Bergsten focuses on the huge potential gains from bringing China into the system as an equal partner. Friedberg sees an increasingly repressive, deceitful and irreconcilable enemy.

Other perspectives exist. One is that the US, not China, is the more aggressive power. America has fought a series of foreign wars in recent decades, not China. It insists on strategic supremacy, not China. The US has [800 military bases abroad](#); China has just one. Moreover, [under Donald Trump the US broke many of its international commitments](#), notably those in the World Trade Organization. The US may view its actions against China as purely defensive. Unsurprisingly China (and others) view them differently.

Again, Friedberg is a moralist. He insists that the CCP, not China, is the enemy. But international realists would argue that ideology does not matter as much as China’s actual and potential power: friction is inevitable.

I find Bergsten’s aspirations appealing and Friedberg’s view depressingly one-sided. But the latter’s perspective seems destined to win. This is partly because the push towards economic separation is now being driven by deep distrust on both sides.

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As important is the increased repressiveness of the Chinese regime and the re-emergence of one-man rule. Above all, China's support for Russia's invasion of Ukraine and [attempt to split Europe from the US](#) are unacceptable. China has, alas, chosen to be the west's enemy. Whether Friedberg's world was inevitable I do not know. It will be hard to escape from it now. This will prove to be a tragedy for humanity.

The United States vs. China: The Quest for Global Economic Leadership

by C Fred Bergsten, *Polity* £25, 384 pages

Getting China Wrong by Aaron Friedberg, *Polity* £25, 246 pages

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