

# China Leadership Monitor

## CLM Insights Interview:

**Kevin Rudd, Author of *The Avoidable War: The Dangers of a Catastrophic War between the US and Xi Jinping's China***

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Kevin Rudd, *The Avoidable War: The Dangers of a Catastrophic War between the US and Xi Jinping's China*. Public Affairs (March 2022). 432 pages. ISBN-10 : 1541701291, ISBN-13 : 978-1541701298

**You devote a significant portion of the book to Xi Jinping's worldview, which you conceptualize as ten concentric circles of interest. How does his worldview differ from that of his three predecessors, namely Deng Xiaoping, Jiang Zemin, and Hu Jintao? Among these concentric circles of interest, which ones are fundamentally incompatible with America's vital national interests? Which ones might be amenable to compromise? Which ones are non-conflictual?**

After the collapse of the Soviet Union, Chinese political elites debated whether to significantly alter, and potentially democratize, the country's political system. According to my Chinese contacts who took part in this debate, such debates had wrapped up by 2001. This is significant because it means the question of whether to open China up to multiple political parties had been settled for a decade prior to Xi's assumption of power. Therefore, Xi alone does not represent an authoritarian, one-party-rule "turning point."

That being said, his worldview differs from that of his predecessors in a few key ways. First of all, he has incorporated the party into almost all aspects of governance. Under Deng, the party had been relegated to a narrower institution for political and ideological supervision, while the state bureaucracy took on the business of actually governing the country. Xi Jinping realized that if the party were to remain absent from China's most important policy decisions (particularly those related to the economy), it would lose its relevance and eventually fade away. As general secretary and leader of the party, he was not about to stand idly by and watch this happen. He has brought the party back to the center of Chinese public politics and, in many ways, private life.

Xi's worldview is fundamentally Marxist-Leninist-Nationalist. He also views today's external environment as far more hostile to China than the one his predecessors inhabited. Xi also sees himself as much more of "man of history" than his predecessors. His aim is to see the China Dream realized (including reunification with Taiwan) under his political watch so that his legacy will be equal to Mao's in the annals of CCP history. All this results in a more assertive Chinese foreign policy, generally less openness to the outside world, and the "securitization" of everything, both internal and external.

Regarding the concentric circles: those that are "farther out," like reforming international institutions and challenging the liberal world order, are the ones the Chinese system will inevitably

compromise on – so long as the trend moves in the direction of a more Sino-centric order that is more accommodating to Chinese national interests and values. But on the “closest in” circles of interest, like ensuring the continued rule of the CCP, Xi Jinping’s China will never compromise. The U.S. may be able to compromise on some of these circles of interest (such as not openly seeking to overthrow the CCP) but compromise becomes impossible once Chinese interests and values are more forcefully projected into the region and the world. On this, of course, Taiwan remains the epicenter.

**Xi has radically, if not fundamentally, altered China’s foreign policy since coming to power. Did he miscalculate? What were his most consequential foreign policy missteps? If you believe he did miscalculate, what explains his miscalculation?**

Xi’s foreign policy has been more assertive – bilaterally, regionally, and multilaterally. Its coercive trade policy has generated negative reactions from around the world. The PLA’s continued acquisition of foreign bases (single use or dual use) has also created reactions from states for whom China previously had been little more than a trading partner. Its development policy has been welcomed by some, but it has also generated negative reactions, for example, around the now infamous Sri Lankan case of a forced 99-year port lease. In retrospect, it would have been a better strategy for China to continue to “hide its light and bide its time” while it grew larger economically, keeping its wolf warriors in their cage. Instead, in most aspects of China’s declaratory and operational policy, after the 2014 Foreign Affairs Work Conference China has increasingly become an assertive, and in some cases aggressive, actor under Xi’s new “striving for achievement” doctrine. There have recently been rumbles of discontent and dissent within the party system about this, featuring a growing realization that Xi likely went too far, too fast, and he acted with a grave danger of overreach. Most recently, this critique has focused on Europe (the key “swing state” in U.S.-China geopolitical rivalry) and on his provision of too much political, diplomatic, and economic support for Putin’s Russia in Ukraine.

Xi is supremely self-confident, however. He believes as a matter of ideological doctrine that “the East is rising, the West declining.” He argues that the forces of dialectical and historical materialism are blowing wind into China’s sails and that the U.S. decline is occurring faster than Chinese analysts had previously assumed. That is now the central line. And once such a framework is established within the party leadership, it is difficult and risky for cadres to deviate from it. Beijing therefore essentially has no choice but to engage with the world under the assumption of inevitably rising Chinese power, even if this represents a fundamental strategic overreach.

**Does China have the capabilities to expand and defend all ten concentric circles of interest under the current adverse external environment? Is some form of strategic retrenchment in order? Where should China retrench? Where should it double-down?**

It remains to be seen. Susan Shirk has a great book coming out soon entitled *Overreach*. Certainly, there are limits emerging in at least three of the concentric circles: the economy, the BRI across Eurasia, and efforts to change the international system given international reactions to China’s “strategic partner without limits” in Russia. The economy is Xi’s Achilles’ heel and the major area of governance where his instincts and knowledge are weakest. As a “Marxist-Nationalist,” Xi’s political economy is, like the rest of his politics, informed by the centrality of the party. He thus

believes less in markets and more in a state-guided and nativist approach to economic management, especially now that he has decided the global economy is tainted by “hostile foreign forces.”

This means that economic growth, unless there is a deep course correction, will slow over time as the private sector becomes less incentivized. While Xi may technically understand that open markets at home and full access to international markets abroad have the power to increase living standards and strengthen economic power, the power of markets is not a natural part of his deepest ideological framework. In fact, he seems to distrust them.

Paired with the sustained slowdown in the Chinese economy we are seeing today, these beliefs make the continued growth of Chinese national power increasingly vulnerable. If China enters a significant recession (which would be its first since the Cultural Revolution), or it for any other reason it does not ever overtake the U.S. as the world’s largest economy, that will change everything, geo-strategically speaking. Failing to usurp the U.S. economically would essentially put an end to Xi’s China Dream. It may also restrain him politically, although simultaneously it may push him to take even more assertive actions abroad to make up for weaknesses at home.

**You prescribe a menu of policies to manage the U.S.-China strategic competition and avoid war. What are the three biggest obstacles to implementing these policies or to setting up the “guardrails” to prevent an unnecessary war? Can these obstacles be overcome?**

It will take a lot for both sides to muster the political will to sit down and define red lines, guardrails, and “rules of the road” (it’s worth noting, however, that “defining” or articulating red lines does not mean agreeing on them). It will be even more demanding to maintain those guardrails amid the inevitable ups and downs in the relationship, domestic political challenges, and growing nationalism. Nonetheless, lines of communication must be established and maintained as the basic technology of an avoidable war. To do this is not a form of capitulation to the other side’s demands. It is a mature recognition that another worldview and the conclusions derived from it do exist.

Beyond political will, both sides also have machinery-of-government constraints that limit their capacity to implant “managed strategic competition.” In the United States, the system shies away from the National Security Council having any operational, as opposed to declaratory, role. In China, the absence of an effective equivalent of the National Security Advisor (straddling both foreign policy and the military) means that the Chinese system remains bifurcated until it reaches Xi’s office. The Central Military Commission and the Foreign Ministry are separate universes that do not coordinate with each other. In large part, this is because of the PLA’s unique political status within the revolutionary party and the fact that the Ministry of Foreign Affairs is kept almost entirely out of the loop on what the military is doing – while at the same time it is operationally required to justify its actions to foreign governments. Similarly, the Chinese intelligence agencies have to abide by their own machinery in reporting to the center.

Finally, there is the perennial problem of strategic “mirror imaging” – or not believing what one side is saying or doing because it fails “to make sense” according to the strategic logic of the other side. This problem is reinforced by the absence of regular strategic communication.

These obstacles can be overcome, however. After all, the U.S. and USSR managed to establish rules of the road during the Cold War after the near-death experience of the Cuban Missile Crisis. But while this is possible, it will be difficult. Unfortunately, at this stage, the two options are either the difficulty of *managed* strategic competition or an *unmanaged* tail-spin toward crisis, conflict, and even war – an outcome that will result in catastrophic harm for all.

**Your book was finished before the Russian invasion of Ukraine. In light of the war and its geopolitical fallout, has the war exacerbated or reduced the risks of a catastrophic conflict between the U.S. and China?**

The long-term shifts in the balance of power arising from Russia's invasion of Ukraine, such as China's increased alienation from Europe, remain uncertain. But what is clear is that, despite the parallels that have been hastily drawn between Russia's invasion of Ukraine and China's long-simmering tensions concerning Taiwan, Xi is hardly one to be pushed off his own predetermined course of action on Taiwan by the ill-advised decisions of Vladimir Putin. While the PLA and the People's Bank of China will take the opportunity to draw relevant conclusions on the military and financial repercussions sustained by Russia in the aftermath of the Ukraine war, Xi will neither speed up nor postpone his own Taiwan timetable because of Ukraine.

More to the point for Xi's political legacy, "reunifying" Taiwan and China is seen as the last step in Mao's Communist revolution – the one that resulted in the KMT retreating to the island in 1949 – and as such it is central to the legitimacy of the party and Xi's status within it. Furthermore, Xi is the first Chinese leader to state unequivocally that China's "great national rejuvenation" by 2049 cannot be achieved without reunification with Taiwan. In other words, we are already on a formal 27-year timeline. Moreover, as noted above, Xi is likely to seek reunification within his own political lifetime, thereby placing it sometime in the 2030s.

It is therefore the task of the U.S. and Taiwan itself to make the military, foreign policy, and economic costs of invasion insurmountable for China, such that Xi's cost-benefit analysis comes out in favor of maintaining the status quo. In other words, credible deterrence is key. Indeed, all of our efforts should be pointed in that single direction.