

HOW WILL CHINA'S NATIONAL POWER EVOLVE VIS-À-VIS THE UNITED STATES?

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THE UNITED STATES AND CHINA increasingly differ in their national systems, interests, and objectives. Never before have they been powerful simultaneously. China's leaders scrutinize trends in relative comprehensive national power and attempt to finely calibrate policies accordingly. China's economy is already at least the world's second largest and funds the world's second-largest defense budget. While the United States leads in overall military quality, sophistication, and coordination, China's armed forces enjoy increasing advantages. Much is at stake in their great power competition, including regional and global security, governance of all domains beyond national boundaries, and international rules, institutions, and order. All this makes how China's national power will evolve with respect to America's among this era's greatest questions.

TALLIES, TARGETS, AND TRENDS

Precise national power calculations are problematic. It is more productive to compare national goals and the required capabilities with forces affecting efforts to meet them.

Tallies

Comprehensive national power can be defined as a nation's ability to exert or resist influence in all major dimensions of the international system. For the US government, this is often divided into diplomatic, information, military, and economic categories. Measuring national power, however, has proven elusive. Empirically rich attempts to systematically quantify these various components can be extremely complex yet often miss critically important intangibles, such as "soft power" influence and the potential for innovation and transformation. As a result, analysts, whether in the United States or the People's Republic of China (PRC), have produced widely divergent estimates for the ranking of nations' relative power. A more realistic approach to assessing comprehensive national power involves considering a range of potential future scenarios and surveying and weighing key dynamics that will likely inform the great powers' trajectories across them.

Targets

The United States avoids long-term central planning. Broadly stated, its overall strategic goal is preserving the existing rules-based international order, in part by remaining the leading power within it. Increasingly this entails resisting and countering PRC efforts to revise both aspects.

Beijing's official documents and statements reveal with striking clarity that China has the grandest and most strategic plan of today's major powers. Xi Jinping wants to make China great again, with Chinese Communist Party power and policies unchallenged at home and abroad. He has codified an ambitious plan for "national rejuvenation," articulating major goals out to 2049, with a key milestone—

completion of military modernization—targeted for accomplishment by 2035, and key aspects advanced to 2027. Related aims, including resolving sovereignty disputes in Beijing's favor, currently lack an explicit public timeline but are clearly important. Having coercively enveloped Hong Kong, Beijing seeks control of Taiwan as its leading military goal.

Xi doubtless aspires to oversee such a historic achievement. But this and some of his other ambitions face concerted opposition from the United States as well as its allies and partners. Hence, the speed and extent to which China realizes these leading objectives hinges in large part on its power trajectory relative to the United States.

Trends and Elements of Power

Structural trends are useful for assessing power trajectory prospects; these include demographics, environment and technology, and economic and military elements of power.

Demographics, Environment, and Technology

Population is one of the most consequential, predictable factors influencing national power and priorities. Here China's prospects are bleak: fertility fell below replacement level in the early 1990s, working-age population peaked in 2015, total population will peak at no more than 1.44 billion no later than 2028, and new entrants into the workforce will halve by 2030. By 2040, typical marriage-aged males may outnumber females by 30 million, China is projected to have 340 million people over age sixty-five, more senior citizens than the total current population of the United States, and China's overall population will be shrinking by 4 million annually. China will soon have more retirees than any society in history, with an ever smaller working population supporting them. By 2100, China may

have half the population it does today. No great power has ever risen with such an inverted population pyramid.

China's One-Child Policy, which ended in 2015, prematurely and permanently depressed birth rates below replacement. The policy also resulted in a growing proportion of "kinless families" of single children of single children with no aunts, uncles, or cousins, only ancestors and a child or two of their own at most. With potentially sole responsibility for as many as four parents and eight grandparents, couples will face unprecedented eldercare obligations. This abrupt curtailment of 2,500 years of extensive Confucian family networks will also severely undermine resilience and entrepreneurship. China's dramatically aging and shrinking society represents uncharted waters.

The welfare programs that China develops to fill this growing void will consume considerable resources that might otherwise fuel economic growth and defense and foreign policy efforts. And the prospect of single-child soldiers' deaths causing widespread lineage extinction could well influence military planning. The PRC is encountering unprecedented extremes in long-term challenges common to developed societies.

Another fundamental factor decidedly working against China is environmental degradation. China suffers some of the world's worst air, water, and soil pollution. This combined with its low per capita arable land heightens food insecurity risks. Pollution weighs heavily on the quality and quantity of China's growth, health care, productivity, and overall national prospects.

Finally, technology holds considerable potential for China but is not a panacea. First, it cannot fully offset other challenges. Second, China's sophistication and capacity for innovation remains mixed at best. The limited effectiveness of its self-developed coronavirus vac-

cines offers a consequential example of the PRC's inability to innovate on demand. Third, societal aging and kinship shrinkage don't preclude technological innovation but undermine it overall.

Economics

A great potential advantage for China is its arguable return to being an East Asian economic center of gravity and driver of international economic expansion, as it was during much of its long dynastic period. As recently as two centuries ago, China produced roughly 30 percent of global wealth. The US National Intelligence Council projects that China will become the world's largest economy by 2040 with 22.8 percent of global gross domestic product, slightly larger than the United States at 20.8 percent.

But growth is slowing, debt is growing, and reforms are stalling. Some impressive investments, such as grand infrastructure development projects within China and throughout the global Belt and Road Initiative, appear to be financially draining.

The economic model that propelled China through three-plus decades of catch-up growth appears unsustainable. China risks getting stuck in the middle-income trap that plagues developing economies and keeps them from attaining the economic levels of developed countries. Leadership, however, is unlikely to achieve its goal of transitioning to a domestic consumption-based economy that can support a new growth model. A true transition from government investment and manufacturing toward an innovative service economy would require reforms that powerful vested interests steadfastly oppose. For the Chinese Communist Party, breaking this policy logjam is too politically risky. China's leaders know what is required from an economic standpoint, but acting accordingly would undermine

their authority. Faced with this dilemma, they pursue short-term stability to preserve existing power structures at the cost of further slowdown.

Military

The power of China's armed forces will be a key determinant in achieving both Xi's overarching national objective and its subgoals. This is one of China's areas of greatest relative advantage. By prioritizing and concentrating its efforts on strongly held goals in close geographic proximity, China's military is making progress vis-à-vis the globally committed United States. Beijing's decisions might conceivably spur transformative actions that could overturn American security commitments and the regional order, particularly vis-à-vis Taiwan. Accordingly, this has emerged as a leading focus for analysts and policy makers alike.

China's military capability and presence possess a comprehensive-ness rivaled only by the United States. Supported by both indigenous efforts and a massive system for acquiring and applying foreign military technology, China's armed forces are improving rapidly across the board on an unmatched scope and scale. While hardware capability leads that of software, both are advancing. China has the tactical flexibility to accept the "good enough" solutions for today while strategically funding many megaprojects to exploit the technologies of tomorrow.

The Pentagon's 2020 annual report to Congress contends that China's recent meteoric military modernization has not only narrowed the US lead across the board to varying degrees but has even, broadly speaking, surpassed the United States in shipbuilding, land-based conventional ballistic and cruise missiles, and integrated air defense systems.

These achievements will not necessarily translate well over space and time, however. The closer China approaches leading-edge capabilities, the more expensive, complicated, and difficult advancing further will become.

Potential Dynamics and Net Effects

China under Xi has arrived as an undeniable great power but faces long-range obstacles to fully realizing its ambitious goals. Achieving further gains vis-à-vis the United States entails diminishing returns on traditional development approaches. This already demanding treadmill may well be steepening further in a world that is aging, fragmenting, and restructuring socially; encountering technological disruption; facing growing disparities and volatility from climate change; and confronting instability from human displacement and migration.

At an unusually early stage, China faces the mounting costs and diminishing returns that have plagued previous rising powers. Beijing has likely already reached the zenith of its power to mobilize national resources for repression at home and abroad. Its rate of national power growth is slowing across the board. Shifts in citizens' priorities to emphasize their individual welfare, a seemingly unavoidable consequence of development, will exacerbate these trends.

Uncertainties, Advantages, and Adaptability

Scenario modeling should include both internal and external elements. Internal variables drive underlying national power trends. This chapter thus focuses substantially on visible, albeit often underappreciated, domestic risks. Yet, history is shaped by contingent or emergent events that are not foreseeable or at least cannot be predicted accurately but nonetheless become likely turning points.

And when points consistently turn in the same direction, they produce fundamental trends themselves. The Great Recession of 2007–2009 and the COVID-19 pandemic are cases in point; both strengthened PRC nationalist resolve (and possibly relative power) and caused Sino-American distancing.

Emerging wild card factors and events could transform things dramatically to the benefit or detriment of any given nation, including the United States and China. These include international disasters both natural and artificial; relations among state and nonstate actors, with power diffusing away from the former; and disruptive technologies. Impactful breakthroughs may materialize in such areas as alternative energy, water purification, space and hypersonics, biometrics and biotechnology, and robotics and artificial intelligence. Here China's long-term focus on science, technology, economics, and math education and planning as well as its well-funded human capital and facilities infrastructure and its utilization of the world's largest state apparatus for acquiring, incorporating, and developing technologies all offer undeniable advantages.

Overall, however, both internal and external factors will tend to privilege resilience and adaptability over long-range, state-directed planning and implementation. China's repressive, brittle political system and its subordination to Xi's personalist leadership impose tremendous vulnerabilities and risks.

The United States may thus retain significant advantages over China. These include abundant resources, cutting-edge universities and research institutions enjoying the creative dynamism of academic freedom, an innovative economy, the world's largest and most advanced military, a diverse and adaptable democracy, a robust and reasonably efficient legal and regulatory system, attractive cultural soft power, exceptional demographic possibilities, and a diverse network of allies, friends, and partners poised for cooperation.

OUTLOOK

Even as the United States remains unsurpassed in overall power and influence, China has reclaimed its historical status as a great power. China's relatively short periods of acute weakness during its Century of Humiliation (1840–1945) and economic isolation under Mao Zedong's rule appear an aberration. The question now is how great a power China will become, particularly vis-à-vis Xi's goals and the United States, and with what implications. The ultimate answers remain uncertain, but consideration of the aforementioned dynamics can yield insights and indicators.

Most broadly, China's rate of national power accumulation is slowing considerably and is poised to slow still more, yet China remains far from surpassing America in overall power and influence and far from achieving key transformational objectives, such as absorbing Taiwan. Regarding both current difficulties and long-term trends in national power, the world is acutely aware of America's well-publicized challenges. They have been fully assessed already and perhaps exaggerated. Meanwhile, China faces its own mounting challenges, which arguably remain far from being sufficiently factored in. Even a slowing China, however, may attempt significant revisionist achievements in specific areas of priority and strength. Here one of America's greatest advantages may be that it seeks to uphold the status quo; whereas China's objective of gaining control of the many disputed territories it claims may be far riskier and more difficult to pursue in practice.

Of course, there will be more to the international system in coming years than great power competition between the United States and China. Larger dynamics and uncertainties will affect them and other nations alike. One megatrend looms particularly large: the unprecedented, irreversible aging of China, northeastern Asia, and

the rest of the developed world including, to some extent, the United States. Perhaps following an initial period of heightened tensions, crises, and risk of conflict among the great powers, there will be growing tendencies toward a “geriatric peace.” Of course, aging, deteriorating states could also increase latitude for nonstate actors to contest norms and promote disorder and danger. Perhaps such contingencies could ultimately recalibrate US-China relations away from rivalry.

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Sheena Chestnut Greitens

PRESIDENT XI JINPING’S approach to security in the People’s Republic of China—both domestic security and foreign security policy—has emerged as a defining feature of his leadership. Most commonly, when Chinese sources talk about these questions, they use the term “national security.” But what does China mean by that term? How does understanding it help us explain recent Chinese behavior both at home and abroad?

Signs emerged early in Xi’s tenure that he planned to pursue a different direction for China’s security policy. A brief mention appeared in November 2013 at the Third Plenum of the 18th Party Congress, but it became clearer in April 2014 when he presented something called the *zongti guojia anquanguan*, which Chinese sources translated as “comprehensive national security concept.” Another way to translate it would be as a “holistic state security concept.” This concept’s debut occurred in tandem with the launch of the Central National Security Commission (CNSC), designed to oversee implementation of the new concept across the party-state.

In January 2015, the Politburo approved China’s first-ever national security strategy. The strategy was not publicly released, but from official media summaries it appeared to reflect the principles outlined in Xi’s earlier speeches. Commentators acknowledged at the time that it was “a new thing for China,” describing it as “an