

# The China Challenge: Response and Restatement

Peter Berkowitz, former director of the U.S. Department of State Policy Planning Staff, which produced *The Elements of the China Challenge*, replies to symposium contributors.

[Peter Berkowitz](#)

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From 2019 through 2021, I served as director of the U.S. Department of State Policy Planning Staff. Its then-members contributed to researching, drafting, and editing the report *The Elements of the China Challenge*. On behalf of the team, I thank the distinguished experts who wrote essays for this symposium; the editors of *American Purpose*, who organized it; and the Hoover Institution, which co-sponsored it.

The report, which synthesized a large body of then-available non-classified information about the People's Republic of China (PRC), drew on work by a wide range of scholars, policy analysts, former diplomats, and journalists, as well as public documents produced by Trump administration officials in the State Department, Defense Department, and White House. The paper explored the reasons why the United States had for decades neglected the threats to freedom posed by the Chinese Communist Party (CCP), which exercises dictatorial rule over China's 1.4 billion people. The report also outlined the CCP's authoritarian conduct at home, within the Indo-Pacific region, and around the world. It distilled the ideas that drive the CCP's conduct by shaping its interests and long-term ambitions. It identified China's vulnerabilities, both those that are endemic to authoritarian governments and those specific to the PRC. And it laid out several tasks that the United States must undertake to secure American freedom.

The responses in this symposium affirm the contention by the Policy Planning Staff that China indeed poses today's foremost threat to America's interest in preserving a free and open

international order. The responses also attest to the accuracy of our description of the CCP's domestic rule and foreign policy and support our argument that countering the China challenge requires the United States to rethink the nation's basic strategic orientation and to retool our armed forces, alliance system, international organizations, and domestic practices.

Then-Secretary of State Mike Pompeo launched that rethinking and retooling within the State Department. By the summer of 2019, he had concluded that to secure freedom at home, it was necessary to reorient U.S. foreign policy around the globe-spanning China challenge. That did not mean neglecting other countries and regions, since China competes for global preeminence in all regions of the world. Russia's brutal invasion of Ukraine, for instance, should be seen not as an alternative focus for U.S. foreign policy but as highlighting the danger posed by authoritarian powers like Russia that share China's ambition to bend the American-led international order, grounded in respect for national sovereignty and human rights, toward one more compatible with authoritarian rule.

To help Secretary Pompeo develop a foreign policy to address the China challenge, the Policy Planning Staff, with its responsibility to step back from day-to-day diplomatic affairs and grasp the larger picture, initially planned a classified report. But eventually, with the secretary's approval, we decided to produce a public paper based on unclassified materials. It would address several audiences at once: State Department colleagues, the foreign policy establishment, fellow citizens, and friends and partners abroad.

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We began by observing that China is no ordinary great power striving only for preeminence within its region or limiting its aspirations to supremacy over the established international order. Rather, the PRC is a revisionist great power that for decades, under the CCP's repressive one-party control, has amassed wealth, developed world-class military capabilities, and spread its influence worldwide with the long-term goal of remaking the international order.

Notwithstanding CCP General Secretary Xi Jinping's occasionally soothing rhetoric about promoting peace and justice and building "a community of common destiny for mankind," the CCP, as Vijay Gokhale [writes](#), is "seeking to define the rules of global engagement with China at the world's center." This amounts to replacing the American-led international order, which

favors liberal democracy, with an international system that serves the interests of authoritarian government.

For decades, our paper argues, the United States was lulled into complacency by mistaken ideas about international affairs in general and China in particular. After the 1989 collapse of the Berlin Wall and the 1991 dissolution of the Soviet Union, many members of the American foreign policy establishment wrongly believed that freedom and democracy would inevitably spread around the world; that economic liberalization in the world's most populous country, China, would bring political liberalization for its inhabitants; that U.S. diplomatic engagement with China and Beijing's integration into the international economy—most dramatically, by welcoming the PRC into the World Trade Organization—would temper CCP authoritarianism; and, despite the gulf between our political systems and cultures, that top CCP officials would understand domestic politics and foreign affairs in the same ways that most American officeholders and scholars do.

A major reason why these misunderstandings persisted, we concluded, was the failure to examine China's conduct thoroughly and to take seriously the ideas about government and the world order that CCP leaders consistently affirm. It was to those tasks that we turned next.

The threats posed by China to freedom, democracy, and national sovereignty around the world stem in part from the CCP's Marxist-Leninist rule at home. Notwithstanding leader Deng Xiaoping's opening of China's economy in the late 1970s and his incorporation into it of free-market elements, the CCP proudly governs China's enormous population on the basis of principles espoused by one of history's most murderous regimes. As Larry Diamond and Glenn Tiffert [highlight](#), the CCP's contempt for human rights is shown in the party's ruthless suppression of dissent by the world's most intrusive surveillance state; its oppression of China's ethnic Mongolians, Tibetans, and Christians; its crackdown on freedom and democracy in Hong Kong and its threat to do the same in Taiwan; its claims, with blatant disregard for internationally recognized territorial water limits, to sovereignty over vast stretches of the South China Sea; and its genocide and other crimes against humanity directed against the Uighur people as set out in a formal State Department [determination](#) issued by Secretary Pompeo in January of 2021 and promptly affirmed by his successor, Secretary of State Antony Blinken.

As Richard McGregor rightly [notes](#), the CCP does not explicitly export its model of Marxism-Leninism; but the party does operate around the world through schemes of economic co-optation and coercion to render nation-states more dependent on China, and more disposed, as James Kurth nicely [puts it](#), to “an authoritarian new world order with distinctive Chinese characteristics.” The Policy Planning Staff identified seven such forms of what Diamond and Tiffert call China’s “sharp power,” examples of which Theresa Fallon [describes](#) in Europe. These include massive intellectual property theft; controlling vital supply chains and essential goods and materials; pursuit of worldwide industrial dominance, particularly in key high-tech sectors; construction of physical and digital infrastructure for the world’s 5G wireless telecommunications networks, providing Beijing with access to enormous amounts of personal, commercial, and government data; implementation of the Belt and Road Initiative so as to draw other nations into China’s geopolitical orbit; leveraging often unfettered access to other countries’ capital markets, particularly the U.S. market, thus enriching Chinese companies with close ties to the CCP and the People’s Liberation Army (PLA); and exploitation of the freedom and openness of the world’s liberal democracies to undercut their cohesiveness and prosperity.

Often, under the duress of these economic forces, a client regime “(1) assures China that its territory will not become a security threat (e.g., it will not provide any other great power a military base on its territory) and (2) gives visible deference to Chinese political practices (e.g., no criticism of China’s human rights abuses),” writes Kurth. “In return, China provides the regime with (1) economic aid and (2) internal security practices that help the authoritarian regime stay in power.” It should be noted, Kurth adds, that “this is the same bargain struck by Imperial China with its tributary states.”

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In contrast to the former Soviet Union, 21<sup>st</sup>-century China—with the world’s largest consumer market and second-largest economy—primarily extends its international influence through economic might; but, thanks to its wealth, the CCP has developed formidable strength in other spheres as well. Consistent with Thomas Mahnken’s [proposals](#) for countering China in the Indo-Pacific, our paper outlines the CCP’s decisive progress in building a “world-class military” that boasts substantial conventional forces and hones its sophisticated nuclear, cyber, and space capabilities. In addition, China has committed significant resources to reshaping international organizations from within, undermining the free and democratic norms that gave birth to those

institutions by installing officials in leadership positions who share—or have been persuaded, pressured, or bribed to back—Beijing’s authoritarian ways.

China’s distinctive way of governing its own people has not developed haphazardly. Nor can its characteristic approach to foreign affairs be explained simply in terms of its geopolitical circumstances and the compulsions of great-power—or even superpower—competition. In line with Kurth’s deft analysis, *The Elements of the China Challenge* shows that a mix of Marxist-Leninist ideas and an extreme interpretation of Chinese nationalism molds both the CCP’s methods of governing China and its strategic thinking about what the PRC sees as its rightful place at the center of world order.

Both sets of ideas are authoritarian, collectivist, and imperial. Marxism-Leninism informs the structure and operation of the CCP’s dictatorial rule. However, Marxism-Leninism can’t explain the CCP’s efforts to indoctrinate the Chinese people with a belief in China’s inherent moral and institutional superiority; the party’s development of an “[authoritarian capitalist](#)” economy; the CCP’s extravagant claims to sovereignty over Hong Kong, Taiwan, and the South China Sea; or Xi’s appeal to “the Chinese Dream of national rejuvenation.” The CCP’s “socialism with Chinese characteristics” combines the conviction that Marxism-Leninism provides China principles of governance appropriate to the modern world with the traditional belief in China’s centrality to and supremacy within the world order.

*The Elements of the China Challenge* argues that although China is a daunting strategic competitor, it possesses numerous vulnerabilities. Some are [common to all authoritarian powers](#): lethargy in innovation and in identifying and correcting problems because of the suppression of dissent; difficulty in forming and maintaining allies owing to contempt for rights and norms of reciprocity; and costs of internal repression stemming from people’s resentment of the state’s heavy hand.

Other PRC vulnerabilities arise out of China’s specific circumstances. First, as Derek Scissors [asserts](#), the economy shows cracks and fissures. To take one example, roughly six hundred million Chinese remain [too poor](#) “to rent a room in a medium-tier Chinese city.” Second, China’s demographic situation is worsening because of the CCP’s one-child policy,

instituted nationwide in 1980 and lifted only in 2016, which has contributed to, among other things, the shrinking of China's working-age cohort even as its over-sixty-five population grows rapidly. Third, China's breakneck industrialization has severely degraded its environment. Fourth, corruption is rife among the elites. Fifth, along with the high cost of policing speech and preventing dissent among the general population, the CCP spends considerable sums to suppress ethnic and religious minorities. Sixth, the PLA, an extension of the party, lacks popular legitimacy. Seventh, China faces uncertainty about Xi's successor. Finally, China has justly acquired a reputation for holding other nations' welfare in contempt; this opinion has crystallized since the CCP's decision in late 2019 and early 2020—a path from which the party has not departed—to cover up the outbreak of Covid-19 and thereby turn the new coronavirus in Wuhan into a global pandemic.

*The Elements of the China Challenge* identifies ten tasks for the United States. These start with securing freedom at home—by rededication to the principles of individual freedom and equality under law on which the nation was founded; by promotion of a growth economy that rewards work and encourages initiative, while properly calibrating a safety net for those who have fallen on hard times and cannot care for themselves; and by cultivation of a thriving civil society composed of innumerable voluntary associations.

These tasks also include maintaining the world's most powerful, agile, and technologically advanced military; renovating the American alliance system to share responsibilities more effectively among fellow liberal democracies and other nation-states that support a free and open international order; and restructuring international organizations that have become mired in bureaucracy and have lost sight of their legitimating purposes. The tasks involve reforming the American educational system to provide students with an appreciation of the American constitutional tradition and equip them with the skills—particularly in science, technology, engineering, and mathematics—that will enable the United States to continue to lead the world in innovation and entrepreneurship while reinvigorating the nation's manufacturing base. All the while and in myriad ways, the United States must [champion the principles of freedom](#), beginning with the preservation and improvement of liberal democracy at home. These principles are at once universal standards and essential to the American spirit.

I hope the contributors to this symposium will join the authors of *The Elements of the China Challenge* in going beyond what our former colleague, David Stilwell—who served as Assistant Secretary of State for East Asian and Pacific Affairs—impatiently called “admiring the problem” to advancing measures necessary to equip the United States to secure freedom at home and preserve a free and open international order. This task, as Kurth provocatively observes, will require the foreign policy establishment, which has not yet prepared itself, to prepare the American people. A good place to start would be to persuade Congress to substantially increase targeted fellowships to study Mandarin and Chinese history—cultural, economic, political, diplomatic, and military.

*Peter Berkowitz is the Tad and Dianne Taube senior fellow at the Hoover Institution, Stanford University. From 2019 to 2021, he was director of the Policy Planning Staff of the U.S. Department of State. Twitter: @BerkowitzPeter*

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