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OCCASIONAL PAPER

Conflict with China

Prospects, Consequences, and Strategies for Deterrence

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Summary

Over the next twenty years, China’s gross domestic product (GDP) and defense budget could grow to exceed those of the United States, allowing it to become a true peer competitor. Despite this potential, we believe China’s security interests and military capabilities will remain focused on its immediate periphery. Possible conflicts might arise there involving Korea, Taiwan, one or more countries of Southeast Asia, or India, more or less in that descending order of probability. A U.S.-China conflict might also start in—and perhaps be entirely confined to—cyberspace. We do not assess armed conflict between the United States and China as probable in any of these instances, but that judgment is based on an assessment that the United States will retain the capacity to deter behavior that would lead to such a clash.

American ground forces will be essential for the most likely East Asia contingency, that arising from a Democratic People’s Republic of Korea (DPRK) collapse, but less so for the others. While China’s overall military capabilities will not equal those of the United States anytime soon, it will more quickly achieve local superiority in its immediate neighborhood, first in and around Taiwan and then at somewhat greater distances. In consequence, the direct defense of contested assets in that region will become progressively more difficult, eventually approaching impossible. The United States will therefore become increasingly dependent on escalatory options for defense and retaliatory capabilities for deterrence. American nuclear superiority is not likely to be much help in this regard, both because China will retain a second-strike capability and because the issues at stake in most potential crises are not of vital consequence to the United States. Conflict is likely to escalate into the cyber and economic realms. In both cases, U.S. vulnerabilities are such as to make this unattractively costly. Conventional strikes on mainland Chinese military targets may be the best escalatory option, but there is little reason to be confident that conflict could be so confined.

One means of improving the prospects for direct defense and reducing the risk of escalation is for the United States to enable the capabilities and buttress the resolve of China’s neighbors. Such a strategy should not be—or be seen—as a U.S. attempt to encircle or align the region against China, lest it produce greater Chinese hostility. Indeed, a parallel effort should be made to draw China into cooperative security endeavors, not only to avoid the appearance of an anti-China coalition but also to obtain greater contributions to international security from the world’s second-strongest power.

The economic consequences of a Sino-American conflict could be historically unparalleled, even if both sides avoid economic warfare. This is a powerful mutual deterrent, one marginally in the American favor at present. Strengthening the U.S. economy is the best way of ensuring that the balance of interdependence and of the associated deterrence does not shift dangerously against the United States over the next several decades.
While the risk of conflict with China cannot be ignored, neither should it be exaggerated. Any number of other conflicts are more likely. These more likely conflicts will be with opponents quite different from China and will call for capabilities quite dissimilar from those required to deal with a real peer competitor. Individually, these contingencies will be less consequential than a conflict with China, but collectively they will shape the international environment in which both countries interact and fundamentally influence Chinese perceptions of U.S. power and determination.