Cold War Lessons and Fallacies for US-China Relations Today

After a 30-year interregnum, the Cold War is back, or at least that’s what many now argue.¹ The 2017 Trump administration National Security Strategy portrayed China squarely as a “revisionist” power, alongside Russia, that seeks “to shape a world antithetical to U.S. values and interests.”² In a series of four carefully coordinated speeches last summer, senior Trump officials cast the Chinese threat in distinctly Cold War terms. National Security Advisor Robert O’Brien described Chinese President Xi Jinping as Josef Stalin’s successor. FBI Director Christopher Wray cautioned that Chinese leaders have launched a “generational fight” and “a whole-of-state effort to become the world’s only superpower by any means necessary.” Attorney General William Barr warned that the People’s Republic of China aims to “overthrow the rules-based international system and to make the world safe for dictatorship.” Echoing American policymakers at the beginning of the Cold War, Secretary of State Mike Pompeo asserted, “General Secretary Xi Jinping is a true believer in a bankrupt totalitarian ideology. It’s this ideology … that informs his decades-long desire for global hegemony of Chinese communism.”³ As historian Niall Ferguson noted in 2019, “Trump’s once so deplorable China-bashing has become a consensus position, with a formidable coalition of interests now on board the Bash Beijing.

Michael McFaul is the Ken Olivier and Angela Nomellini Professor in International Studies in Political Science at Stanford University, where he also works as the Director of the Freeman Spogli Institute for International Studies and the Peter and Helen Bing Senior Fellow at the Hoover Institution. He served five years in the Obama administration, first as Special Assistant to the President at the National Security Council from 2009 to 2012 and then as US Ambassador to Russia from 2012 to 2014. His latest book is New York Times bestseller, From Cold War to Hot Peace (Houghton Mifflin Harcourt, 2018), and his forthcoming book examines great power relations in the 21st century. He can be followed on Twitter @McFaul.

© 2020 The Elliott School of International Affairs
The Washington Quarterly • 43:4 pp. 7–39
https://doi.org/10.1080/0163660X.2020.1850406
bandwagon.” In 2020, the COVID-19 pandemic accelerated bipartisan disdain for China, with a handful of observers even framing the US-China confrontation in more Manichean civilizational terms.

Not everyone has embraced this new conventional wisdom. Former Director of National Intelligence Dan Coats stated, “there’s no Cold War with China.” Ambassador Chas Freeman wrote that “the struggle with China is not a replay of the Cold War.” And Professor John Mueller argued that “fears about a major war or a ‘New Cold War’ are unjustified.” Some in both Washington and Beijing hold out hope that a Biden administration will reset relations with China onto a less confrontational path.

The Cold War analogy distorts, more than illuminates, dynamics in US-China relations today. Advocates for a new Cold War with China also underplay the costs and mistakes of the actual Cold War—a tragic era that resulted in millions of deaths, including tens of thousands of Americans, support for autocracies in both the East and West, and billions of dollars spent inefficiently. This new hegemonic paradigm also forgets (whether consciously or unconsciously) that containment was not a single, consistent US strategy but stretched to mean everything from détente with Kremlin communists to rolling back communism around the developing world. In addition, many challenges from China’s rise today have little in common with the Cold War and therefore require creative strategic thinking, not simply dusting off the Cold War playbook. At the same time, analytically, some dimensions of US-China relations today do resemble the Cold War. And prescriptively, some lessons from the Cold War—regarding peace through strength, the importance of allies, ideological promotion, crisis management, crisis prevention, and cooperation on transnational issues—are worth remembering and emulating.

Instead of continuing a tedious definitional debate, analysts and policymakers should compare and contrast the old Cold War with US-China relations today to reveal with specificity successes from the Cold War to be emulated for managing our growing rivalry with China and mistakes to be avoided, as well as identifying dimensions in US-China relations requiring the articulation and implementation of completely different strategies from the last century. This type of analysis is complicated. But oversimplification is the enemy of smart, effective US policymaking regarding this most consequential challenge of the 21st century.

Defining today’s great-power competition mechanically as another Cold War risks misdiagnosing the nature of the threat, misunderstanding the nature of
competition, and thereby providing the wrong prescriptions for decisionmakers. But ignoring parallels between US-Soviet relations in the last century and US-China relations in this century risks repeating some of our worst mistakes and not learning from some of our most successful achievements.

To make this argument, this article compares the present day with the Cold War in the four dimensions most important for shaping great power relations: (1) power, (2) ideology, (3) interdependence and multilateralism, and (4) bilateral cooperation. Each section compares similarities and differences from the Cold War to US-China relations today, identifies positive achievements from the Cold War to be repeated, and remembers mistakes from the last century to be avoided today. Section five concludes with a path to avoid a new Cold War with China.

**Power**

Throughout the Cold War, the Soviet Union and the United States dominated the international system and anchored opposing alliance systems. Regarding military capacity, especially nuclear weapons, the two countries stood ahead of all others. While a real gap in economic power endured, the Soviet Union ranked as one of the world’s largest economies with a relatively high GDP per capita and a robust industrial and technological base. Both superpowers also maintained alliances and military relationships with countries around the world.

**Similarities with the Cold War**

Bipolarity is reemerging today. Along many dimensions, the United States and China are the world’s two most powerful countries; both are likely to dominate the 21st century.8 Europe collectively offers an independent pole of power, especially regarding economic influence and democratic values; Russia has reemerged as an influential actor; and other countries, such as India, are rising in relative power9—but, though China is rising faster, both the United States and China continue to rise in power at a pace well ahead of all other countries.

Using traditional metrics, China ranks third globally in territory (after Russia and Canada) and first in population; the United States ranks fourth in territory and third in population, although American demographic trends are much more promising than China’s. The United States and China rank first and second, respectively, in aggregate military power. However, China is rapidly closing the gap along many dimensions, especially in the design and production of new anti-access/area-denial (A2/AD) weapons,
drones, AI, and cyber capabilities. With the exception of nuclear weapons, a domain in which Russia and the United States maintain parity well ahead of China, the United States and China outpace other countries in nearly every dimension of military power.

In aggregate economic power, the United States and China are clearly the world’s only superpowers, a condition unlikely to change for decades to come. And where it matters most to stay ahead in the 21st century—digital, communications, robots, high-tech, AI, quantum computing, and green technologies—China and the United States surpass all others. As the Chinese economy shifts from manufacturing to increasingly producing high-tech products and services, this balance of economic power is becoming less cooperative and more competitive.

Unlike most of the Cold War, China and Russia have cultivated closer ties today than nearly any other time in history. The United States remains the world’s most powerful country, but deepening Sino-Russian relations makes the structure of power in the international system bipolar, in some ways even more so than when Moscow acted independently in the 1990s.

China also is rising in the region of the world that increasingly matters most: Asia. But like the Soviet Union and the United States during the Cold War, both the United States and China seek to exercise power globally, not just regionally. In earlier centuries and even just a few decades ago, Chinese leaders seemed content to dominate their region. In the Xi era, China has global aspirations. Consistent with previous administrations since World War II, most American leaders maintain similar global aspirations—American politicians, thinkers, and movements romanticizing a return to isolationism remain, so far, a minority. This combination of capabilities and intentions between Chinese and American leaders portend future bipolar global competition and confrontation, similar to the height of the Cold War.

**Differences from the Cold War**

Differences from the Cold War regarding the balance of power between China and the United States are also pronounced, however. The Soviet Union achieved nuclear parity with the United States in the 1970s, whereas the nuclear gap between the United States and China remains sizeable. In 2020, the United States spent US$738 billion on defense compared to US$178.2 billion for China. (Of course, aggregate defense numbers hide as much as they reveal—much of the US military budget includes healthcare and pensions, and many Chinese expenditures coded as commercial spending actually serve military purposes. And the United States still spends tremendous resources on large platforms such as aircraft carriers, tanks, and planes that may provide little security in a war...
with China.) In aggregate military power, however, the United States remains ahead.\textsuperscript{15}

Dramatically outpacing Soviet economic power, China’s economic might presents a much greater challenge for American strategists today than they confronted during the Cold War. This dimension is the most important difference between US-Soviet relations and US-China relations today. Yet, we should not assume that we can predict with certainty the long-term trajectory of relative economic power. Sustained Chinese economic growth is an assumption, not a given; US analysts made similar projections about the Soviet economy that proved incorrect.\textsuperscript{16} Chinese economic growth is slowing. An aging population, an avoidance of implementing structural reforms, an increase in the state’s role in the economy, and a growing gap between the urban rich and the rural poor could prevent China from making the very difficult leap from middle-income to a high-income country.\textsuperscript{17} This difference with the Cold War, therefore, may prove to be less significant in the long run than it currently appears.

The Soviet Union’s network of allies and military partners, even if based in part on coercion, vastly exceeded what China has thus far constructed. China has not created anything akin to the Warsaw Pact and formally maintains a military alliance only with North Korea. China’s partnership with Russia today is an asset that Soviet leaders did not enjoy. But beyond Moscow, President Xi’s belligerent foreign policies have alienated, not attracted, new military partners. On this front, the United States enjoys an even bigger advantage today vis-à-vis China than it did during the Cold War.

**Successes to Be Repeated**

US strategists should learn a series of positive lessons about the balance of power during the Cold War for dealing with China today. First, like the Cold War, the US nuclear arsenal will deter competition from escalating into a major conventional war, as long as a sufficient number of invulnerable weapons are maintained for this sole purpose of deterrence. Nuclear weapons mean that we are not destined for war. Second, the United States must preserve its world-class military. Third, US leaders must maintain and expand military alliances. Fourth, US economic power during the Cold War was one of its greatest advantages, even if not fully understood at the time. The Soviet economic model could not keep up. America’s economic advantage over China can and should be maintained.
We must remember, however, how these successes were achieved. Misperceptions about Cold War history must be set aside if we are to emulate these successes today. Soviet military power was not checked by building the same exact weapons or putting under arms an equivalent number of soldiers—it was offset with two technological advances: nuclear weapons at the beginning of the Cold War and the infusion of new technology into military platforms in the 1970s. To achieve similar success against China today, American leaders should adopt new technologies to modernize existing weapons, develop and deploy new weapons and new communications, and equip individual soldiers, pilots, and sailors with greater digital capabilities.

Similarly, the US economy outpaced the Soviet economy due to technological innovations undergirded by basic research and development (R&D). After the Sputnik launch in 1957, the US government invested heavily in R&D, which peaked at 2.1 percent of GDP in 1961. Today, that figure hovers around a mere 0.7 percent. During the Cold War, American universities emerged as the best in the world, and American investments in education more broadly were key to winning the Cold War. Instead of only trying to undermine the Chinese economy through complete decoupling, comprehensive sanctions, or arms races, American leaders need to develop policies and marshal resources to strengthen our economy, as they did during the Cold War. Better healthcare, longer time horizons for investors, improved education, reduced inequality, decreased polarization, racial justice, and successful climate change policies are central components of a smart China policy today.

Finally, American leaders must maintain existing alliances and even consider creating new multilateral security and economic arrangements in Asia. Created in response to the Soviet threat, NATO brought together countries that only four years earlier were on opposing sides in war. Relations between NATO allies during the Cold War were not without tension and conflict, but sustained American bipartisan leadership to maintain the alliance delivered the ultimate objective in Europe—peace. Trump’s decision to withdraw from the Transpacific Partnership (TPP) robbed US leaders of a powerful multilateral mechanism to contain China through non-military means. Deepening existing alliances and considering new arrangements, including new associations between and among democracies around the world, must be a component of balancing against Chinese power today.

Mistakes to Be Avoided
In parallel, some mistakes during the last century should not be repeated. First, US military planners overestimated Soviet capabilities, thus
misallocating resources. The “missile gap” conjectured in the early 1960s did not exist, but instead led to the development and deployment of too many first-strike nuclear weapons. Current American assessments of China’s growing military—especially regarding AI, autonomous weapons, and other cutting-edge technologies—must be done precisely and soberly, devoid of the hyperbole and fear that cast the Red Army and the Soviet military industrial complex as greater foes than they turned out to be.

In retrospect, the United States should have deployed more nuclear weapons on submarines and airplanes and fewer in ground-based missiles in silos only usable as first-strike weapons. The United States did not need to build tens of thousands of weapons, especially those armed with Multiple Independently-targeted Reentry Vehicles (MIRVs), to establish mutually assured destruction, but could have pivoted to arms control and more survivable delivery systems much earlier in the Cold War.

In the 1970s, American leaders also presumed that Soviet power would grow indefinitely. The United States seemed to be in relative decline, having lost several proxy battles in southeast Asia and southern Africa and an ally in Iran. Civil rights protests, the antiwar movement, and Nixon’s resignation created the impression of American democracy in disarray. In retrospect, such predictions about long-term power trajectories—the “correlations of forces” as the Soviets used to say—were radically wrong both in Moscow and Washington. In 1975, the Soviet Union seemed to reach parity with, if not push past, the United States regarding global power. Fifteen years later, the USSR collapsed. Those now making similar predictions about the long-term shift in the balance of power in favor of China and against the United States should do so with humility. As Stanford professor Jean Oi and former National Intelligence Council (NIC) chairman Thomas Fingar remind, “China’s future is neither inevitable nor immutable.”

US military planners overestimated Soviet capabilities, thus misallocating resources

US decisionmakers also should devote less attention to pressing for Chinese domestic economic reforms, which in the long run will only strengthen Chinese power. Focused on expanding influence abroad, Brezhnev neglected his domestic economy, and the sustained period of zastoi (stagnation) eventually doomed the Soviet Union. Instead of prodding Chinese leaders to restructure, reform, or privatize state-owned enterprises, US interests might be better served by allowing more wasteful Chinese subsidies devoted to this non-performing sector of the economy to continue.
Ideology

Analysts during the Cold War who focused solely on calculating power capabilities made miscalculations (such as predicting an enduring stability once bipolar parity was reached,\textsuperscript{23} the emergence of a Japanese threat,\textsuperscript{24} or a return to war in Europe after the Cold War\textsuperscript{25}), primarily because they ignored regime type in their assessments. During the Cold War, ideology played a crucial role, with each country standing in stark contrast to the other: the Soviet political regime was a dictatorship, and the American system was a democracy. Soviet rulers maintained a communist economy, whereas the United States was a market economy. While the United States maintained close relations with several anti-communist dictatorships, all democracies in the world were allies or close American partners; most Soviet allies were communist regimes.

Similarities with the Cold War

As during the Cold War, the United States remains a democracy, albeit a declining one.\textsuperscript{26} Like the Soviet Union, China is a Leninist one-party communist dictatorship, which has become more autocratic in recent years. Xi has consolidated more individual power than any of his post-Mao predecessors, tightening personal control over the levers of state and Party power and gaining approval to stay in power for life. He has deepened Chinese Communist Party (CCP) control over Chinese society by expanding censorship, placing greater controls on domestic and foreign NGOs, intensifying surveillance, assigning social credit scores to deter unacceptable political behavior, increasing control over courts, constructing repressive internment camps in Xinjiang, and expanding authoritarian rule in Hong Kong. Under Xi, the Party has also expanded control over the economy.\textsuperscript{27} In 2020, Freedom House ranked China as one of the 15 worst-performing regimes and one of only 11 countries flagged for “evidence of ethnic cleansing or some other form of forced demographic change.”\textsuperscript{28}

The Chinese regime is becoming more (though has not become yet) like the Soviet political system.\textsuperscript{29}

After decades of incremental political liberalization, the Chinese regime in recent years is becoming more (though has not become yet) like the Soviet political system.\textsuperscript{29}

The very existence of each competing ideology challenges the other. Since the 1917 Bolshevik Revolution and throughout the Cold War, these competing systems did coexist within the United States and the Soviet Union. Yet each system inherently threatened the other, because their norms were incompatible.
Similarly, the differences between Chinese authoritarianism and American democracy will not fade away even if leaders or analysts try to pretend they do not exist.\textsuperscript{30} As a 2013 CCP Central Committee \textit{Communiqué on the Current State of the Ideological Sphere} stated that “promoting Western Constitutional Democracy” is an “attempt to undermine the current leadership and the socialism with Chinese characteristics system of governance.”\textsuperscript{31} Seven years later, Secretary of State Pompeo replied, “China is working to take down freedom all across the world.”\textsuperscript{32}

Especially after World War II, leaders in Washington and Moscow aimed to not only preserve their opposing systems at home, but also promote their ideas abroad. At times during the Cold War, American leaders believed that communism had to be checked everywhere to preserve the free world, with Truman approving NSC-68 to contain global communism, Eisenhower flirting with not just containing but rolling back communism, and Reagan outright providing economic and military assistance to anti-communist insurgents in Afghanistan, Angola, Cambodia, and Nicaragua. To varying degrees, the Soviet leaders embraced a similar view about the global ideological struggle, devoting major resources and developing multiple tools for the promotion of a worldwide communist movement such as translations of Marx’s collective works, AK-47s for communist guerillas, and even military invasion.\textsuperscript{33}

The United States and China also seek today to propagate their competing ideas abroad. The US government has maintained its basic architecture of democracy promotion constructed during the Cold War and expanded in the 1990s—including the US Agency for International Development (USAID), the Peace Corps, Voice of America, Radio Free Asia, Radio Free Europe, the National Endowment for Democracy (NED), and dozens of other non-governmental organizations.\textsuperscript{34} The newly configured United States Agency for Global Media (USAGM) affirms without nuance that its mission “is to inform, engage, and connect people around the world in support of freedom and democracy.”\textsuperscript{35}

CCP leaders also allocate significant resources to ideological promotion. Beijing has invested heavily in broadcast, print, and social media to shape global views and has created a vast network of public educational organizations, known as Confucius Institutes, with footholds in over 100 countries.\textsuperscript{36} Beijing supports the Thousand Talents Program, which provides financial support for research around the world, scholarships for students, and training programs for journalists, academics, and non-governmental leaders, including for Americans.\textsuperscript{37} In a striking parallel to Soviet methods, the CCP also provides direct assistance and training to political parties, and the CCP’s United Front Work Department coordinates influence operations not only against domestic opposition, but also foreign actors and states.\textsuperscript{38} Some even characterize the CCP’s expanding economic assistance programs such as the Belt and Road Initiative
(BRI) and the Asian Infrastructure and Investment Bank (AIIB) as other means to propagate Chinese communist ideology.

**Differences from the Cold War**

At the same time, the current ideological contest is qualitatively different from US-Soviet competition in the previous century. CCP leaders do not promote their ideology or system of government to the same degree or with the same blunt instruments used by Soviet leaders. China has not invaded another country to impose communism. Beijing’s new draconian security law and crackdown in Hong Kong is the closest approximation, but Hong Kong’s sovereignty status complicates this analogy. Beijing is not supplying military assistance for insurgents seeking to overthrow democratic regimes or subvert American allies.

Even rhetorically, the CCP does not champion communism as a superior model to the same degree that the CPSU promoted the Soviet system. Xi’s foreign policy pronouncements are more ambitious, nationalist, and threatening than his recent Chinese predecessors, but he has never given a speech like Stalin, Khrushchev, or Brezhnev (or Mao) encouraging communist revolution worldwide. His paramount priority remains the overwhelming task of sustaining “socialism with Chinese characteristics” and “national rejuvenation” at home.

Evidence that Chinese leaders proactively export generic autocracy—not the Marxist-Leninist-Maoist totalitarian brand—is more compelling, but still mixed. First, the CCP prefers working with autocracies to provide diplomatic and economic assistance to them, although not exclusively. Second, companies controlled by or loyal to the Party export surveillance and facial recognition technologies that bolster autocratic rule (yet dozens of democracies purchase these products as well and US companies also export such technologies to autocracies). Third, the Chinese government consistently rejects human rights, freedom, and democracy as universal values, instead championing sovereignty and thereby giving normative cover for autocratic regimes. Fourth, as already mentioned, CCP leaders have developed several instruments, media, policies, and training programs to advance their ideas, yet even in this domain, the motivations are mixed. Party training programs, for instance, do not target only communist, or even socialist, parties. Fifth, Beijing actively rebuts, sometimes using coercive means, criticism of its regime from foreigners. Sixth, perhaps most importantly, the CCP champions the Chinese economic model as superior to Western systems and deploys
mercantilist arrangements to benefit Chinese firms. But unlike the Soviets, Beijing does not yet coerce other countries to adopt their economic practices and institutions as alternatives to US-style capitalism, in part because the Chinese economy has evolved away from communism over the last 40 years. To date, Chinese methods and instruments do not add up to a global strategy to export Marxism-Leninism and undermine freedom worldwide.

What is also striking so far about Chinese ideological promotion efforts are their limited results. If the United Front is seeking to export communism, it has failed miserably. A new Marxist-Leninist regime has not emerged in the post-Cold War era. Nor have the BRI, AIIB, party-to-party training courses, or Xi Jinping thought inspired a single country to overthrow an existing democracy and resurrect a Leninist party dictatorship. By focusing only on possible Chinese ideological motivations, we leave out the intentions, agency, and capabilities of targeted countries whose governments and citizens, especially in democracies, have more resilience to thwart autocratic export than is often assumed. Trump's retreat from global engagement created a vacuum, but Xi's foreign policy initiatives have not inspired demand for greater Chinese leadership.

American ideological promotion today is also different from the Cold War. In reaction to President Bush's Freedom Agenda, the Obama administration pulled back on blunt instruments of regime change, particularly military intervention. While in office, President Trump expressed limited interest and resources toward advancing democracy and liberalism abroad.

**Successes to Be Repeated**
During the Cold War, the quality of American democracy varied, but gradually improved over time, helping the United States to sustain a reputation of a political system to be admired and emulated. In parallel, several US long-term, strategic investments for promoting democracy, liberalism, and human rights produced results. Radio Free Europe inspired activists in the Soviet bloc, student exchanges planted seeds of liberalism, USAID and public diplomacy more broadly promoted a positive American image abroad, NED grants sustained democratic actors, and careful diplomatic engagement in countries like Chile, South Korea, and the Philippines helped to ease out autocrats.

One lesson from the last century, therefore, is that recent erosion of American democracy at home must be stopped, and recent inattention to defending and promoting democratic values should be first reversed and then updated. Above all else, to compete against China in this century, US leaders must devote more attention to improving democracy at home. Passing House Resolution One “to expand Americans' access to the ballot box, reduce the influence of
big money in politics, and strengthen ethics rules for public servants, and for other purposes would be an excellent first step toward competing more effectively with China ideologically, but deeper reforms must follow.48

As the United States successfully did during the Cold War, American leaders today must also innovate to support and expand democratic ideas abroad. A return to Cold War objectives of democracy promotion are necessary, but the strategy for achieving these objectives must be modified and include, first and foremost, helping new democracies consolidate; developing new methods and technologies for enhancing learning about democracy, human rights, and the rule of law; creating real firewalls between USG information promotion and surrogate media entities like Radio Free Asia; growing financial support for independent media and anti-corruption organizations; enhancing the distribution of non-governmental soft power content; no longer portraying post facto military interventions as democracy promotion; and deeper cooperation between democracies to advance collectively universal values.49

Mistakes to Be Avoided
In the ideological sphere, strategists also must avoid several cataclysmic errors from the Cold War. Most detrimentally, American leaders at times defined the mission of containment too expansively and overestimated communism’s appeal. In the late Truman era, advocates for global containment (e.g., then-US Secretary of State Dean Acheson) won out over those promoting a more constrained scope (e.g., US diplomat George Kennan).50 The absence of nuance in defining the threat produced McCarthyism, led to the disastrous military intervention in Vietnam, delayed Sino-American rapprochement, and produced failed alliances such as the Southeast Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). The overly expansive containment mission also pulled the United States into immoral alliances and partnerships as US presidents greenlighted coups, embraced dictators, provided aid to illiberal governments and movements, and encouraged societal mobilization against communist regimes when chances of success were near zero.

These mistakes in the ideological fight during the Cold War must be recognized in order to help shape a more successful and nuanced policy of competition,
containment, and engagement with China today. US strategists must distinguish between essential national security interests and peripheral concerns. For example, preserving borders—especially Taiwan’s de facto borders—and freedom of naval navigation in Asia are vital US national security interests. Just as defending Berlin and codifying post-war borders proved essential for keeping the peace in Europe during the Cold War, signaling credible commitments to these strategic necessities is the most important component of a successful China strategy for the 21st century.\(^{51}\)

Conversely, attempting to contain every Chinese action around the globe is not necessary and could lead to failure in achieving more salient goals. Not every Chinese investment, trade deal, or party-to-party training program with other countries should be framed in zero-sum terms.\(^{52}\) Projects pursued for security interests should worry US military planners, while others servicing and shifting domestic Chinese industrial capacity abroad may be less threatening. And some Chinese infrastructure projects might actually benefit economic development in recipient countries, which in turn could create new economic opportunities for US companies. Attempting to block every action is misguided and infeasible.

And some Chinese expansionist policies abroad might actually hurt China domestically and internationally. Notably, the time when the Soviet Union seemed to make the biggest ideological gains—the 1970s—turned out to be when Moscow overreached; the invasion of Afghanistan proved especially costly, but support for communist regimes in Cuba, Angola, Mozambique, Nicaragua, and eastern Europe placed severe burdens on the Soviet economy, accelerating the end of the Cold War. Failing loans, “wolf warrior” and “hostage” diplomacy, military conflict with India, increased repression in Hong Kong, or over-investment in non-sustainable infrastructure projects in the developing world might play the same role for China. Some infrastructure projects in developing countries are already underwater, while backlash against Chinese investments, poor quality COVID-19 assistance, and political influence is growing.\(^{53}\)

Another lesson from the Cold War is that economic statecraft, which distorted market incentives and channeled development assistance to pursue communist containment, rarely worked.\(^{54}\) Today, rather than using aid for geopolitical influence or to thwart Chinese investments, the US government should prioritize government accountability, the rule of law, and sustainability as key components of our development assistance strategies, especially as the modernization theory—the idea that economic development produces democracy—has now come...
under increasing scrutiny because of China’s own success of achieving growth without democracy. American diplomacy, technical assistance, and standards-setting power in multilateral institutions also might help countries receiving PRC aid or investment compel Chinese interlocutors to acquiesce to greater transparency, more competition, and better environmental standards.55

The ideological dimension of US-China competition is real and will not go away anytime soon. US government-funded grants to Hong Kong human rights organizations threaten Chinese communist leaders; Confucius Institutes unnerve American democratic leaders. At the same time, this new ideological struggle is not nearly as fierce as the Cold War. The Cold War was not cold, but helped to fuel needless proxy wars between the Soviet Union and the United States around the world for four decades. Thankfully, that moment in US-China relations has not yet arrived and need not occur. Despite recent setbacks, democracy as a system of government is practiced in many more countries than during the Cold War, and democracy as an idea is still widely embraced around the world. Predictions of democracy’s demise are grossly premature. A patient, peaceful defense of democratic governments and ideas, as Kennan recommended during the Cold War, still has a real chance of success again.

**Interdependence and Multilateralism**

Power and ideology are not the only factors that influence relations between states. Economic interactions and participation in multilateral institutions also can shape great power behavior. These forces played only a small role in shaping Soviet-American relations, but they could play a much greater role in US-China relations today.

After World War II, some Western leaders hoped that new multilateral economic institutions could prevent war between the two emerging superpowers. US leaders never believed that Soviet or East European membership into international organizations would socialize communists into becoming responsible stakeholders or integrate them into the international system. The American-anchored economic institutions aimed to contain, not tame, Soviet power.56 Nor did most American leaders and analysts believe that the West should assist Soviet economic modernization as a strategy for stimulating political pluralization or democratization. While some academics embraced this modernization theory to describe Soviet political and economic developments, that analytic framework never guided US policy until after the collapse of the Soviet Union and the birth of an independent Russia.
The United States and other market economies created the Bretton Woods system in order to get “more goods produced, more jobs, more trade, and higher standard of living,” as President Roosevelt argued. Soviet leaders created their own network of multilateral economic institutions, anchored by the Council for Mutual Economic Assistance (COMECON). In Europe, NATO and the Warsaw Pact likewise established security interdependence between allies but not across the continent as a whole. Although the United States and Soviet Union had mostly independent competing economic orbits, there were pockets of economic interdependence that did emerge, similar to US-China relations today. For instance, with Western assistance, Moscow built a giant gas pipeline, *druzhba*, to sell gas to NATO allies, which continued to operate throughout many crises and to this day.

The Soviet Union did join the United Nations, but superpower cooperation in the UN Security Council occurred infrequently. Thirty years after World War II, communist and democratic governments negotiated together the Helsinki Accords and created the Conference on Security and Cooperation in Europe (CSCE), later renamed the Organization on Security and Cooperation in Europe (OSCE). While the OSCE wielded limited influence over Soviet or American behavior, the Helsinki Accords did codify post-World War II European borders, until domestic political change in the communist world between 1989–91 upended arrangements. Soviet and American officials also provided joint leadership on several multilateral treaties, negotiations, and projects including nuclear non-proliferation, smallpox eradication, European security, and the UN Convention on the Law of the Sea. For the most part, however, economic and security interdependence during the Cold War occurred within blocs, not across them.

**Similarities with the Cold War**

Similar but to a far greater extent than Soviet-anchored international institutions, Beijing now anchors several of its own multilateral organizations independent of the American-centric liberal international order, including the Shanghai Cooperation Organization (SCO) and its affiliated development bank, BRICS (Brazil, Russia, India, China, and South Africa), the BRI, the AIIB, ASEAN plus Three (APT), the Regional Comprehensive Economic Partnership (RCEP), the “17 + 1” in Europe, formally known as Cooperation between China and Central and East European Countries, and the Forum on China-Africa Cooperation (FOCAC). China has developed its own financial and interbank payments system—the Cross-Border Interbank Payment System (CIPS)—independent from the Western-controlled Society for Worldwide Interbank Financial Telecommunication (SWIFT).
Not unlike their Soviet predecessors, Chinese officials argue that their international institutions and economic assistance programs aim to achieve win-win outcomes without “geopolitical and ideological goals.” Chinese concessional development assistance and non-concessional financing totals are on par with American programs; no third country comes close. However, the scale of Chinese trade, investment, and aid dwarfs what was spent by Soviet leaders during the peak of Cold War competition. As decoupling accelerates, the emergence of a Chinese economic bloc and an American economic bloc similar to the East-West divide during the Cold War is a possibility.

**Differences from the Cold War**

Mao despised US imperialism in all forms, but Deng Xiaoping radically reversed that strategy after coming into power in 1978, animated by the belief that greater connectivity to the liberal international order and global capitalism could spur Chinese economic development. Deng was right. Today, the American and Chinese economies are highly intertwined and entangled, China’s economy is integrated deeply in the global economy, and China actively participates in many multilateral institutions. This condition is radically different than the Cold War. Soviet communists sought the destruction of world capitalism and the institutions that undergirded it; Chinese communists today do not.

Interdependence generally (though not always) places constraints on bellicerent foreign policy. Soviet leaders did not have to factor in trade or investment losses when deciding to invade Hungary in 1956, Czechoslovakia in 1968, or Afghanistan in 1979. Chinese leaders do, when considering, for instance, a military move against Taiwan. If Soviet leaders were hamstrung by a stagnant, autarkic command economy, Chinese leaders have derived their main source of power from a rapidly growing, gradually opening, and progressively globalizing and interdependent economy. According to a 2019 analysis of 186 countries by the McKinsey Global Institute, “China is the largest export destination for 33 countries and the largest source of import for 65.” These trends are beginning to change now as Chinese domestic consumption becomes a greater percentage of GDP. But complete isolation or disengagement from the global economy is not an option for Beijing strategists the way it was an option for Soviet leaders.
As Chinese power and integration has grown, Communist Party leaders have demanded a greater voice in rewriting the rules, standards, and norms of previously American-dominated institutions, an ambition facilitated in part by recent American disengagement from many of them. This dynamic is very different from superpower relations last century, when the Soviet Union never sought a greater voice in the IMF, World Bank, or GATT because the Soviet Union was not a member.

In addition, China today plays a much more cooperative role in non-economic multilateral institutions compared to Soviet behavior during the Cold War. At the UN Security Council, China and the United States have worked together to prevent Iran from developing a nuclear weapon. China plays an active role in UN peacekeeping missions, the World Health Organization (WHO), and the Paris climate agreement.

Successes to Be Repeated
A clear lesson from the Cold War is that multilateral institutions, especially the economic international organizations, contributed to Soviet containment and ultimately helped the West prevail. American diplomats should seek play a similar leadership role in multilateral institutions today, because withdrawal weakens the US ability to address the China threat. The WTO must be reformed, not abandoned. The IMF and World Bank must become more robust in support of market economies, not less. More ambitiously, US leaders should join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The Cold War success of multilateral security cooperation in Europe offers another positive lesson. Mutually assured destruction guaranteed by superpower arsenals and a relatively equal balance of conventional power between NATO and the Warsaw Pact played a central role in keeping the peace on a continent that had endured countless conflicts for centuries, especially two devastating wars in the 20th century. But the Helsinki Accords played a facilitating function as well, especially in locking in border changes after World War II, including one border that divided Germany. Today, Asia lacks a similar security organization. Most precariously, the de facto border between Taiwan and the People’s Republic of China is not securely codified in any multilateral arrangement. An Organization of Security and Cooperation in Asia could provide a venue for developing crisis management mechanisms between adversaries and freezing ambiguous sovereignty arrangements. The absence of direct military confrontation over Taiwan ranks as one the greatest bilateral achievements of US-China relations since 1949. Maintaining that success requires creative thinking.
In parallel to encouraging Chinese participation in existing international institutions, US leaders could create new multilateral arrangements, agreements, and institutions as a strategy to contain China. In recent years, Beijing has been much more active in creating such new organizations that exclude the United States than Washington has. In the Cold War, American and European scientists cooperated on projects from nuclear weapons to computer design, animated in part by a common cause to compete with Soviet scientists. This collaborative spirit must be rekindled again. A new union of democracies could develop collective responses to Chinese technological challenges and advance together shared policies and norms for (1) nurturing cooperation between 5G and 6G suppliers in democracies (i.e., an industrial policy for fostering synergies among Nokia, Samsung, and Ericsson); (2) containing, exposing, and deterring digital meddling; (3) encouraging scientific cooperation on quantum computing or sharing a “democracy cloud” for research; (4) prohibiting companies from exporting surveillance technologies or internet-controlling tools to autocracies; (5) ensuring secure and diverse supply chains of rare-earth minerals; (6) adopting shared data privacy practices; and (7) implementing a shared “cyber-deterrence doctrine.”

Mistakes to Be Avoided

The Cold War offers few lessons regarding strategies for addressing China’s embeddedness in the global economy and its expansion of multilateral institutions. However, Soviet gas exports to Western Europe during the Cold War (or Russian energy exports to Europe today) are instructive. Even when Soviet proxies crushed the Polish Solidarity movement in 1981, NATO allies were reluctant to go too far with economic sanctions. If Reagan could not compel allies to decouple from the evil empire in response to blatant aggression, US leaders are unlikely to convince allies, let alone non-allies, across the world to disconnect from Chinese trade and investment in response to abstract, futuristic Marxist-Leninist threats. Few countries will embrace with vigor a Manichean realignment into East and West camps. As foreign policy experts Kurt M. Campbell and Jake Sullivan have assessed, “This thick web of ties [between China and the world] makes it difficult to even start to determine which countries are aligned with the United States and which are aligned with China.”

Different from the era of US-Soviet rivalry, maintaining interdependence gives American leaders leverage because China still relies heavily on trade and investment with democracies. More entanglement may constrain Beijing’s behavior in the future, as globalization and interdependence increase the costs of disruptive undertakings. Rather than a strategy of complete economic
disengagement, US foreign policymakers need to carve a nuanced course of limited decoupling and comprehensive diversification. In sectors such as digital infrastructure or pharmaceutical production, US national security interests require deeper decoupling. In other sectors, such as textile or electronic component manufacturing, diversification offers a more prudent path. In a third category, sustaining or even growing bilateral trade and investment can continue to produce mutually beneficial outcomes.

Conversely, pivoting back to Cold War blocs would be costly to the American economy. Scientific and educational cooperation still provides meaningful opportunities for producing win-win outcomes. While developing better means within the Intelligence Community to identify and stop Chinese espionage, American strategists must simultaneously adopt more creative policies to attract Chinese students to American universities and then provide incentives for them to stay, work, and obtain citizenship. Trying to completely decouple knowledge and science will produce negative consequences for American research and innovation.

Likewise, US leaders should pursue an engaged strategy for influencing Chinese behavior within existing multilateral institutions. Expulsion is not a smart option. An effort to return to competing networks of multilateral organizations would likely fail; even trying could make the United States look weak and therefore worse off. Rather than assuming China wants to destroy the liberal world order from within, American leaders should instead test vigorously the Chinese claim of seeking to be a “participant builder, contributor, and beneficiary of the current international system,” and then either confirm the stated Chinese objective or expose it as false through renewed efforts at cooperation within multilateral forums. Because China benefited enormously from the Bretton Woods system—the World Bank and WTO especially—it is not unreasonable to imagine that Chinese leaders seek reform, not destruction, of this global economic system. While American power still remains greater than China’s, US diplomats also should mobilize allies to engage in reforms within these institutions that serve American interests.

Another clear lesson from the Cold War is that multilateral institutions, especially economic organizations, contributed to Soviet containment and helped the West prevail. Withdrawal weakens the US ability to address the China threat. The WTO must be reformed, not abandoned; the IMF and World Bank must become more robust in support of market economies, not less.
Bilateral Cooperation

The actual Cold War was a mix of isolation and engagement, deterrence and cooperation. Proponents for returning to the Cold War paradigm to address China today usually promote confrontational strategies. However, the actual Cold War—not the caricature being often invoked today in the China policy debate—was a mix of isolation and engagement, deterrence and cooperation, rivalry and negotiation. Containing Soviet power and ideology endured as the central components of US policy, but different administrations simultaneously engaged in direct diplomacy with Moscow and with citizens of communist regimes. Soviet and American leaders also, for example, recognized their mutual interests regarding global health and worked together to eradicate smallpox.

During the Cold War, containment as a strategy was a highly elastic term invoked by US presidents to pursue both détente in the 1970s and a rollback of communism in the 1980s. On occasion, Soviet and American leaders pursued confrontation and engagement at the same time. For instance, Soviet and American leaders negotiated arms control treaties, including the Nuclear Non-Proliferation Treaty, SALT I, SALT II, the Threshold Test Ban Treaty, the Anti-Ballistic Missile Treaty, and the Intermediate-Range Nuclear Forces Treaty, while also competing for influence and promoting communist and anti-communist regime change in the developing world. These agreements slowed deployments but equally importantly provided information about respective weapons systems to reduce uncertainty. As a component of détente, the United States and the Soviet Union also expanded trade, increased scientific and educational exchanges, and launched joint space projects. Despite Soviet constraints, societal contacts and people-to-people ties also grew gradually throughout the Cold War. Non-governmental bilateral ties, especially between scientific communities, helped to reduce tensions between the two superpowers and even helped to end the Cold War. After the Cuban Missile Crisis, an elaborate network of crisis prevention and management mechanisms was developed, notably represented by the red phone hot line connecting the White House and the Kremlin.

Similarities with the Cold War

Parallels in US-China relations are many. At the United Nations, China and the United States do not vote together often, but on several crucial security concerns
—recently including sanctions on Iran in 2010 and the non-recognition of Russian annexation of Ukraine in 2014—American and Chinese positions have aligned. The United States and China have provided leadership on several cooperative projects, including most dramatically the 2015 Paris climate accords.

Cooperation on bilateral issues during the last four years has diminished rapidly as confrontational trade negotiations and the differences over COVID-19 have taken centerstage. But like Cold War dynamics, Chinese and American diplomats—as well as businesses, scholars, students, athletes, and performers—have found ways to engage on areas of mutual interests even while managing more confrontational issues in other domains.

**Differences from the Cold War**

Compared to US-Soviet relations, Chinese and American leaders share a much longer history of bilateral cooperation only recently disrupted. After resumed diplomatic relations, US and Chinese officials deepened bilateral ties on multiple dimensions—economic, cultural, and even military. Bilateral entanglement accelerated in the 1990s and 2000s, especially regarding trade and investment, but also in educational exchanges and cultural ties, which dramatically outpaced similar ties between Moscow and Washington during the Cold War. Although now suspended, the Strategic and Economic Dialogue (SED) between China and the United States created the most comprehensive and frequent framework for government-to-government contacts of any US bilateral relationship, well beyond anything in place to engage even with existing American allies, let alone the Soviet Union.

Despite recent bilateral tensions, more Chinese students still study in the United States than any other country in the world. Tens of thousands of American students study in China. During the Cold War, only a handful of Soviet students came to the United States and vice versa. Chinese Americans, Chinese immigrants, and Chinese nationals living in the United States provide deep connective tissue between American and Chinese societies that did not exist between the Soviet Union and the United States during the Cold War.

**Successes to Be Repeated**

In the last four years, the quality and quantity of contacts between American and Chinese officials has declined. Lessons from the Cold War suggest that they should be expanded again today. As achieved even with the Soviet Union, the United States can simultaneously compete and engage, deter and cooperate with China as long as objectives are clearly defined. Improved relations with China should never be a goal of American diplomacy in itself; at a minimum,
interaction with hostile regimes is a method for acquiring better information about intentions and capabilities.

On a range of issues, no amount of talking will reduce disagreements, but confrontation, let alone armed conflict, can never be permitted based on misunderstandings and misinformation. More interactions between our presidents and senior diplomats must be cultivated once again. At a minimum, mechanisms of “crisis management” and “crisis prevention” similar to the Cold War must be expanded in US-China relations today.72

**Mistakes to Be Avoided**

During the Cold War, overzealous efforts at cooperation also produced mistakes. President Roosevelt’s original ambition for the UN Security Council and the “Four Policemen” proved naïve. Because Stalin, Khrushchev, and Brezhnev sought to expand Soviet power and overthrow the liberal international order, they rarely behaved as cooperative interlocutors. Likewise, when pursuing détente, President Nixon and Secretary of State Kissinger wrongly assumed that their counterparts shared realpolitik theories about the stability of bipolarity and therefore sought to maintain equilibrium; that was a miscalculation.

In dealing with Chinese communist leaders for decades to come, US leaders must seek cooperation without being lulled into the false assumption that engagement can eventually end bilateral competition regarding power and ideology. A successful strategy for addressing China’s rise must include a comprehensive mix of containment and engagement. The United States and China will continue to compete in multiple arenas around the world. Regarding certain priorities, US presidents must deter and contain Chinese ambitions. In parallel, they must engage Beijing and cooperate on issues of mutual interest. And simultaneously, US government officials must create the permissive conditions for sustained engagement of Chinese society, because deeper ties in business, academia, culture, and the non-governmental sector serve American long-term interests.

Navigating this balance between deterrence, competition, and cooperation will require adept bilateral diplomacy including clear communication and credible commitments. Knowledge of when to pursue containment, when to pursue engagement, and the wisdom to know the difference will be a central challenge of effective policymaking for decades to come.
Avoiding Fallacies about the End of the Cold War

Many Americans may take comfort in reverting to Cold War analogies to deal with China, because the United States won this last conflict. But the shallow application of this historical metaphor to US-China relations today can distort who won the Cold War and how it was won.

In the long run, Kennan was right. A sustained commitment to containment allowed for the internal contradictions and domestic inefficiencies within the Soviet Union to fester. Mikhail Gorbachev attempted radical political and economic reforms to address deep structural flaws within the Soviet system, but instead launched a series of unintended consequences. The collapse of the Soviet Union ended the last Cold War, at least for a few decades.73

So far, there are few clear parallels between the end of the Cold War and US-China relations today. Chinese economic growth is slowing, but not nearly as quickly as Soviet decline in the 1970s and 1980s. The strength of the Chinese economy indicates that the regime will not collapse of its own internal inconsistencies as quickly as the Soviet Union did, and the USSR lasted seven decades. We lack accurate measures to judge popular support for the CCP. New digital technologies also empower the CCP to maintain coercive rule in ways Soviet leaders never enjoyed. And social scientists and intelligence analysts are generally very bad at predicting the breakdown of autocratic regimes.74

Therefore, basing US policy on any assumption about Chinese communist erosion or promotion of regime collapse would be imprudent. The United States prevailed in the Cold War because democracy as a system of government and capitalism as an economic system outperformed and thereby proved more attractive than the Soviet alternative. Making investments to improve US democracy and capitalism will be essential for challenging China’s alternative political and economic model and winning this new great power contest.

US grand strategists should remember how the Cold War actually ended, and not pursue policies based on inaccurate, romantic tales from the past. Contrary to popular myth, the United States did not spend the Soviet Union into oblivion, and it possesses even less capability to pursue such an approach toward China today. The Soviet political and economic system could have persevered for decades. Under different leadership, Soviet leaders might have introduced incremental reforms that generated growth and stability without collapse. Gorbachev, however, chose a different path. His unique set of choices, not overdetermined structural factors, led to political and economic openings. And Soviet citizens seeking
fundamental democratic change—not Gorbachev, let alone Reagan—drove the system’s collapse, inspired first by ideological allies in Hungary, Poland, East Germany, Czechoslovakia, and Romania. Ultimately, mass pro-democratic movements, especially in the Baltic Republics, Ukraine, and Russia, undermined Soviet rule.

In the end game, Reagan’s engagement of a Soviet Communist Party dictator—not pressure, sanctions, or direct military or economic assistance to anti-communist forces in the developing world—ironically helped create the permissive international conditions for Gorbachev to pursue his reform agenda. After Gorbachev launched perestroika and political reforms, foreign non-governmental organizations were invited inside the Soviet Union and later independent Russia. These groups promoted democracy and human rights in cooperation with these new countries to emerge from Soviet collapse, not in opposition to these regimes. Eventually, Gorbachev lost legitimacy and relied more heavily on anti-Western conservative forces during his last year in office, but it would be wrong to characterize US policy at the time as a strategy of regime change. Just two months before the August 1991 coup, President George H.W. Bush gave a speech in Kyiv warning against nationalism. Even after the coup attempt, Bush still supported Gorbachev and the preservation of the Soviet Union for a time.

As US-China relations become more contentious, arguments in favor of greater confrontation—including sanctions, decoupling, support for separatist groups, and even promoting regime change—will grow. These new methods may be effective in the 21st century. But lessons from the Cold War suggest the opposite: the Chinese people, both liberalizing leaders from within the Party and democratic forces from below, will determine the future of their political system, not external actors. The United States has too few effective instruments and too limited resources to try to precipitate a democratic revolution inside China. Xi also is no Gorbachev. The prospect of ending our current confrontational era with China through domestic political change inside China is unlikely in the near future.

At the same time, American leaders must learn another lesson of the Cold War—détente with a communist regime also will not end confrontation or produce permanent cooperation. They tried that approach in the 1970s, and it didn’t work. (More recently, Trump tried the same with Russia’s current dictator, Vladimir Putin, and that didn’t work either.) The United States cannot end its great power ideological rivalry with China anytime soon. Instead, it must be managed.

That leaves only a third, complicated, nuanced path—a patient mix of sustained confrontation and cooperation, containment and engagement, isolation and integration. Such a strategy obviously must avoid war, but also abandon
the false hope of partnership. Such a strategy must seek to reduce misperceptions, but also realize that some issues, no matter how many times they are discussed, will never be solved or reconciled. Such a strategy must look for ways to engage the Chinese government on issues of mutual interest, but without checking our values at the door. Such a strategy must seek to deter Chinese expansionism when US vital interests are threatened, but not seek to block every Chinese investment, political partnership, or security arrangement around the globe. And engagement with the Chinese communist regime must always be followed in parallel with engagement of Chinese society. These are the lessons of the last Cold War. Learning from the successes and mistakes in competing with the Soviet Union from the last century can help American leaders avoid a new, dangerous, and lethal Cold War with China in this century.

Notes


32. US Secretary of State, “@SecPompeo: China is working to take down.”
40. Xi Jinping, “Secure a Decisive Victory in Building a Moderately Prosperous Society in all Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a


53. Bataineh, Bennon, and Fukuyama, How the Belt and Road Gained Steam.


57. Roosevelt, quoted in Ikenberry, A World Safe for Democracy, 171.


63. Woetzel et al., China and the World, 41.


67. Xi Jinping, quoted in Rolland, China’s Vision for a New World Order, 35.


71. On the ups and downs of bilateral relations over centuries, see John Pomfret, The Beautiful Country and Middle Kingdom: America and China, 1776 to the Present (New York: Picador, 2016). 


73. On the story of the return of US-Russian confrontation, see McFaul, From Cold War to Hot Peace.

74. See William C. Wohlforth, “Realism and the End of the Cold War” International Security 19, no. 3 (Winter, 1994-1995), 91–129. While I served in the US government, we did not predict the Green revolution in Iran in 2009, the Arab Spring in 2011, mass demonstrations in Russia in 2011–12, or the Maidan revolution in Ukraine in 2014. See also Armin Rosen, “The Long History of (Wrongly) Predicting North Korea’s Collapse,”

75. On the crucial role of pro-democratic, anti-communist forces inside communist regimes, including within the Soviet Union, in winning the Cold War, see Michael McFaul, Russia’s Unfinished Revolution: Political Change from Gorbachev to Putin (Ithaca, NY: Cornell University Press, 2001).
