

**Sino-American Bipolarity, 2015-present<sup>1</sup>**

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**Sino-American Bipolarity: Capabilities and Consensus<sup>2</sup>**

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***Abstract:***

In this paper, I examine the emergence of Sino-American bipolarity. The paper has two parts. In Part I, I apply structural-realist theory to assess China's military, economic, and political capabilities relative to the US and other states, and I date the emergence of Sino-American bipolarity to 2015. In Part II, I demonstrate that my assessment of Sino-American bipolarity is not unique.

Given the anarchic structure of international politics, one would not expect all states, non-state actors, or people to join a consensus. But as Kenneth N. Waltz explained, a

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<sup>1</sup> These talks were part of a weekly webinar hosted by the U.S. National Geospatial-Intelligence Agency for US intelligence analysts, war fighters, and policymakers. More than 1,000 members of the intelligence community are invited to attend or watch a recording of each talk; recordings are also used in US Defense Department trainings. The program is organized by the Defense Critical Language and Culture Program at the University of Montana. I thank Owen Sirrs for inviting me to talk and Richard Crothers for technical assistance.

I presented earlier versions of this paper at the International Studies Association (2004, 2005), the University of Montana (2006), the University of Denver (2015), ISAC-ISSS (2015), the University of Pennsylvania (2015), the American Political Science Association (2016, 2018, 2019), Flathead Valley Community College (2018, 2019), and the International Society of Political Psychology (2019). For funding, I thank the Maureen and Mike Mansfield Center Yamaguchi Opportunity Fund. For research assistance, I thank Kedra Hildebrand, Nicholas Potratz, and Kathleen Weldon. I benefitted from comments and suggestions from many people, including: Deborah Avant, Abhishek Chatterjee, Erica Chenoweth, Eileen Doherty, Eugene Gholz, Avery Goldstein, Robert Harkavy, Cullen Hendrix, Michael Horowitz, Mehrdad Kia, Peter Koehn, Christina Lai, Steve Levine, Sean Lynn-Jones, Eva-Maria Maggi, Susan Martin, Christopher Muste, Jennifer Sterling-Folker, Bob Seidenschwarz, Rudra Sil, Owen Sirrs, Ole Waeber, C. William Walldorf, Kenneth N. Waltz, Terry Weidner, Alex Weisiger, Suisheng Zhao, my fellow panelists at ISPP 2019 in Lisbon, and the students in my international relations seminar.

<sup>2</sup> Specifically, I added the abstract and footnotes, clarified my discussion of Kant, and provided more information on US and Chinese state behavior from 2012 to present (pp. 15-16). Most of my sources are cited in the power points (Appendix I). Footnotes provide additional information. Please email me if you would like to receive the next version of this paper, which will be an academic article with full citations and without power points or Q&A. I include the Q&A here as a further indicator of consensus. None of the approximately 50 analysts who attended each of my two live talks questioned my arguments about the manifest reality of Sino-American bipolarity, the timing of its emergence, or the extent of global consensus.

major structural change should be widely noticed, resulting in a “general agreement” or clear consensus about the distribution of power in the international-political system. To understand Waltz’s argument about why and how a consensus should form, I examine and apply his approach in *Foreign Policy and Democratic Politics* and *Theory of International Politics*, as well as arguments from Kant’s philosophy, sociology, public administration, and epigenetics upon which Waltz built and to which he referred. I also consider contemporary arguments from psychology and neuroscience.

To test for consensus, I consider several empirical measures, including data and analysis in major news sources, public opinion polls, academic and policy journals, and think tank reports. I argue that the best indicator is state behavior, and I demonstrate that US and Chinese policy makers seem to agree with my assessment of China’s rise to great power status by the end of 2014. The next best indicator is discussion of China and Russia in the US National Intelligence Council *Global Trends* reports from 1997 to 2021. These reports synthesize input from across US government, academia, and society, as well as other states, including China. In these reports and elsewhere it is clear that a broad global consensus has formed: the US and China, and only the US and China, are great power peers. As one would expect, there is less agreement about appropriate policies to respond to this structural change.

## **PART I: CHINA ROSE TO GREAT POWER STATUS BY THE END OF 2014**

*Day 1 – 15 June 2021*

Welcome, everyone. I’m glad to be here on the last day of your 2020-2021 series. I’m looking forward to sharing my research with you. Today, I will share my argument about China rising to great power by the end of 2014. Tomorrow, I will talk about the consensus that has emerged on this point since 2014. That will give us a chance to talk about the G7 and NATO meetings and today’s meeting between Biden and Putin. I will save some time at the end of both talks for Q&A. Here you can see the overview for today (Appendix I, p. 1, slide 1).

I’m going to start with some international relations theory. I will explain why I think it’s important to have this tool of international relations theory. As analysts, you have a lot of different frameworks and documents and doctrines to keep in mind. This is a good one, I think, to add to your repertoire if it’s not already there. It’s the main international relations theory in academia, developed by Kenneth N. Waltz and known as structural realist theory. We’ll talk a bit about that, then I will share my argument about China becoming a great power by the end of 2014. We’ll talk about the military, economic and political capabilities that I assessed in 2014 2015 that led me to argue that Sino-American bipolarity began in 2015.

Tomorrow, we’ll talk about how to assess a consensus on a matter like this, and whether we should be concerned about differences among analysts in terms of the nature of the consensus. For example, there is strong agreement about China being a great power, but whether the world is bipolar or tripolar has been an issue for some people; that seems to be diminishing now. Another issue is, if everybody doesn’t agree about what to do, then do we really have bipolarity? Tomorrow, I’ll argue we need to separate these things analytically. What we should do about Sino-American bipolarity is a separate question with, I think rightly, a lot of critiques and debates.

### **Anarchy, polarity & great power in international relations theory (Waltz's structural realism)**

Kenneth Waltz was an American political scientist. He is best known for his three books: *Man, the State and War*, which was published in 1959; *Foreign Policy and Democratic Politics*, which was published in 1967; and *Theory of International Politics*, 1979. As an undergraduate, Waltz took a lot of math, physics, and political philosophy classes. He started graduate school in economics but decided he wasn't interested enough, and his math was not good enough to make an impact. Waltz wanted his analysis to make a difference. So he decided to get a Ph.D. in political science. He served in World War II and in the Korean War.

Waltz's dissertation, which he wrote as a graduate student at Columbia University, was published in 1959 as a book, *Man, the State and War*. In *Man, the State, and War*, Waltz used political philosophy to analyze various strains of international relations scholarship. With his mathematical and economic modeling mind, he distilled all international relations theories on the question of why does war occur down to three competing images, as he called them, three different ways of seeing the world and causation in the world. These images are depicted by the title, *Man, the State, and War*.

The first tendency people have is to boil everything down to human nature ("man"). A group known as traditional or classical realists say that people are rapacious and greedy, and argue that's why we have conflict, both internationally and domestically. Other people argue at the state level of analysis. We're seeing a lot of that in the paper this week. President Biden, for example, has gone back to the American tradition of distinguishing between democracies and authoritarian states, arguing that authoritarian states are more inherently dangerous in international relations. That is the second ("state") image. Finally, "war" refers to an international systemic image based on scholars and philosophers like Rousseau and Kant. You also see this in the American Federalist Papers. Madison and Hamilton argued that to understand the threats to the new American state after the revolution and thus the best way to organize the state, one had to understand the international system as a whole.

*Man, the State, and War* was a "theoretical analysis." It wasn't a theory. We see this approach all the way from Thucydides in ancient Greece through the classical European scholars I just mentioned all the way to the present day. Waltz created a sort of Rosetta Stone to explain why so often it seems like international relations theorists, policy makers, and analysts are talking past each other. In that book, he argued that the anarchic nature of the international system (no world government) meant it would be difficult, if not impossible, to get completely beyond war. So the question becomes: how do we live in this world?

Waltz's second book was *Foreign Policy and Democratic Politics*, published in 1967. There Waltz explored differences between the US and the UK, democracies both but one a presidential structure and the other a parliamentary structure. At the time, there were a lot of arguments about how it would be better for the US to have a parliamentary system -- that the British system was more authoritative and would be a better match for the Soviet Union. Waltz said he started the book thinking that that would be what he would find. After interviewing parliamentarians in London, interviewing American policymakers, doing a lot of research, and using his typical incisive logic and implicit modeling, he decided that was not the case. Instead Waltz argued that the US presidential system is a stronger form of democracy because of things that we often think of as being very dangerous, like very public disputes, intense party competition, and the long time it can take for Congress to decide to hold hearings on something.

Of course, we see that in the present day as well, with discussion of hearings about the January 6 insurrection. Waltz argued that the process of coming to a consensus throughout society strengthens American democracy, not only in terms of its ability to survive and satisfy human needs within America but also to compete at the highest level with any other state in the system.

After that, Waltz wrote a third book, *Theory of International Politics* (1979). We'll talk more about that today.

### **Waltz's Kant**

Waltz was strongly influenced by Immanuel Kant (slide 3). He doesn't reveal this very much in his writing. It isn't hidden, but the extent of Waltz's Kantianism has only become evident to me as I've been working over the last year to figure out step-by-step what Waltz was drawing from and what his thinking process was. Also, Waltz gave a number of interviews before he died. In those interviews he talks repeatedly about Kant as his primary influence.

Immanuel Kant is considered to have been the first philosopher of science. That's one of the reasons Waltz gives in these interviews to explain why he was a Kantian. When Kant wrote, there was a debate between realists, skeptics, or empiricists, like David Hume, and idealists, dogmatists, or rationalists, like George Berkeley. It resulted in an either-or argument: back and forth, back and forth between realism/idealism, skepticism/dogmatism, empiricism/rationalism, and induction/deduction. It wasn't productive, and Kant explained why. He also explained how to overcome the problem. Specifically, Kant demonstrated that these were false dichotomies. He demonstrated throughout his work on many different scientific, social scientific, ethical, and aesthetic issues that human cognition is a three-fold or dialectical process. If we understand that, we can use it to improve our situation.

Kant said, we need data, and we have data. Human beings can perceive manifest reality. Sitting in this room, for example, I see simultaneously myself and the room. There's no reason to think that these things that we perceive don't exist. At the same time, however, we must recognize that we experience this manifest reality through our mental constructs. The room and myself, those are constructs I use to construct an interpretation of reality. These things (experiencing and thinking) are both happening. In fact, they influence one another.

Waltz often wrote about the interdependence of theory and fact. That was something Hume had come around to as well, but he didn't know what to do about it. Kant was the one who figured out how to handle it, which is to say that we need to be more critical thing in our thinking. This is where the idea of critical thinking comes from. You know: we gather data provided by our experiences, we ask questions based on our experiences, we formulate theories to evaluate the data, and we judge how adequate is this theory for explaining, predicting, and prescribing. How satisfied are we with this theory or model of reality – not as a description or reproduction of reality, but as an explanation of recurring outcomes that will give us some ability to understand and achieve our goals in the world.

Waltz was very influenced, as Kant was, by the scientific revolution in the natural sciences, where concepts and theories have come further and further away from the material they are explaining. Waltz used to talk about the difference between a model like a model airplane that matches an airplane; it's just smaller. That's not the kind of theory he was looking for. Why would you need a theory like that? It's just basically the thing you're trying to explain. Instead, we want to explain. We want to be able to answer questions with the theory, like why does it fly, and how far can it fly? For that kind of analysis, you don't need a descriptive model, you need an explanatory model. In natural science, and Waltz believed also in political science, our concepts and theories need to move away from the thing itself to yield the most utility.

The third part Kant added to skepticism/empiricism and idealism/rationalism is this: judgment. Individually, as scholars and analysts, as citizens, we need to become more aware of the experiences we bring to the table and the concepts and theories we use to analyze them. We must also be aware that we are making judgments, both about concepts and empirics and about how to use them for practical purposes. This emphasis on judgment is why Kant called his approach critical philosophy. He also called it transcendental idealism to distinguish it from the pure idealism/rationalism of those who believe ideas “really exist” in the world, apart from the people who create them for certain purposes. For Kant and for Waltz, we create ideas to understand our world. It’s important to remember we’re doing that and consider whether we would be better off with different ideas.

Kant argued that to achieve as much human freedom as possible (a goal Waltz sought as well), we should examine and reveal as many of our assumptions and biases as possible and be open to questions and criticism from others. That is why Kant is considered to have founded philosophy of science, the scientific process of doing careful theoretical, empirical, and interpretive work and seeing if others agree. According to Kant and Waltz, due to changing circumstances and human freedom, this is a never-ending process.

This is a kind of realism, an empirical realism. Reality is manifest; it exists. We can’t understand it directly, however, with either empirics or concepts. The only way to get a handle on it is by creating concepts and theories and using judgment to evaluate our experiences or data. By stipulating that third position, transcendental idealism, Kant is said to have carried out the Copernican Revolution in philosophy and philosophy of science. It gives us a vantage point outside of our own perceptions and ideas, an Archimedean point.

In international relations, Waltz carried out a similar revolution, both by using this methodology and by demonstrating that we can’t just look at people as the center of the international-political universe. To improve life for people as much as possible, we have to see the system that people and states are operating within.

Kant also had a systemic view of international politics. I’m not going to go deeply into this. I just want to say that we know we need a systemic theory when we notice that the motives states and people have, the goals they adopt policies to achieve, are consistently thwarted or when their actions have unintended effects. When that occurs, something other than people and states and their motives is influencing outcomes. That something else is a system with a structure. That’s why Waltz’s theory is referred to as structural realism. It is a third approach, between the IR approach known as classical realism, which is skeptical and empirical or inductive, and constructivist idealism, which is dogmatic or rationalist and deductive. Structural realism is the IR analogue of Kant’s transcendental idealism.

The third way Waltz and Kant were similar was in a fear of world government. Both highly valued human freedom and believed that even if a world government could be formed, which they doubted, it would not be the best thing for human freedom. Kant is famous for having written a piece called “Towards Perpetual Peace,” which some interpret as saying that he believed that perpetual peace would be possible if the world were composed of republics (representative democracies). In a 1962 article, Waltz argued that Kant was doing a thought experiment. Kant didn’t argue that this was definitely going to happen. In fact, there’s some irony in the title. There was a sign in one of the towns Kant was familiar with. It said “towards perpetual peace” and pointed to the graveyard. So Kant demonstrated some irony and criticism of the idea in the title, as well as his analysis. Waltz’s interpretation of the argument is widely shared.

Nevertheless, Kant did argue that it is helpful to think of concepts in terms of extremes, to set up boundaries at the outer limits and analyze within these conceptual boundaries. There's a theoretical possibility of perpetual peace. How close can we get to that? Kant argued even at the best, it would be asymptotic. We would never completely get there, and if we did we would never stay there. Politics is a flux. This logic (the mathematical concept of an asymptote) really appealed to Waltz, and he used it in his work on bipolarity and nuclear weapons. This asymptotic logic is also the core of Kant's dialectic. We can imagine pure induction and pure deduction, but in practice our data and concepts are based on judgements, and we must judge their worth.

### **Waltz's scientific theory**

Waltz wanted to develop a scientific theory to replace the traditional empirical and rationalist approaches to international relations. So in addition to studying philosophy of science, he studied cybernetics, which had become a big field in the 1970s, when he began to work on this book, and also systems theories. In one of the interviews he gave late in his life, he talked about the particular importance to him of a series of edited volumes, by C.H. Waddington called *Towards a Theoretical Biology*, which is where the field of epigenetics got started. Epigenetics is a theory that says our genes don't determine our fates. Instead, our genes interact with our environment, our upbringings, our food scarcity, and other factors. All sorts of things in our environment and in our experience can cause genes to express more strongly or more weakly. There's a strong connection between the unit and the environment.

Waltz was really on top of the systemic move that was happening in all of these different natural and social scientific fields in the 1960s and 1970s. At the same time, and earlier, there was also a movement towards abstraction. Art, for example, had become more and more abstract. And of course there was the theory of general relativity in physics, which was both systemic and abstract.

Waltz published this book in 1979. It fundamentally changed international relations and remains today the primary theory that's either used or critiqued by scholars. I've done some research on these different fields that Waltz drew from, to see if they have moved on from the way he characterized them or if his work is still current in terms of modern science generally. The latter is the case. He was very prescient in this way.

Waltz built his theory, first by bounding a conceptual domain. In science, of course, you don't study everything at once. You need to hold some things constant. Initially, Waltz thought he would write a theory of international relations. He decided that was too much, and that it wasn't really necessary. "Relations" involve many more actors than "politics." So his domain was the international-political system. Then he defined the structure of the system as anarchic, there being no world government, either purported or effective. Next, he defined the units of the system as sovereign states. In other words, units with de facto sovereignty; we're not just talking about diplomatically recognized states here. Then he defined relations within the system in terms of relative power.

Notice this kind of mathematical approach. Given his mathematical and economic background and the tendency in fields using systems theory to develop mathematical notations, Waltz came up with the quasi-mathematical concept of relative power. He didn't use scientific notation, and he didn't do any sophisticated quantitative analysis. But relative power -- for example, US power relative to (divided by) Chinese power -- implies a fraction, and that gives you a structural property of the system that isn't just the US or China. It's the US in relation to China. We can do this with any two states in the system. That's referred to as relative power.

Next, Waltz said, to understand the big questions in international relations, you don't study everything all at once; you study the most important actors. Who are the most important actors in international politics?

They're the great powers. So you count up the great powers, and then based on that, you determine the distribution of power (the polarity of the system). Polarity is a concept that was used before Waltz came along, but Waltz really clarified what polarity meant. We'll get to that in a minute. I want to assure you we are getting to these concepts of great powers and polarity.

Remember, we talked about model airplane versus scientific modeling. Here (Appendix I, page 2, slide 6) is a simple model of Waltz's theory. Notice that it is systemic in that it's not just the structure affecting the units; it's also the units affecting the system. This is the view of cybernetics and self-organizing systems. This is how any theory of that ilk will be modeled at some level. The structure is not something that anyone consciously builds. It just emerges from the coexistence of at least two sovereign state-like entities in the absence of a world government.

Notice this idea of state-like entities. This can apply to tribes in the absence of a larger government, and it can apply to empires. Waltz made a theory that he argued could be and that has been applied to all manner of situations before and after the Peace of Westphalia in 1648, when the modern concepts of state and sovereignty came into the lexicon.

Here (Appendix I, page 2, slide 7) is Waltz's more complete model of his theory of international politics. Here we have the individual states. They are coexisting, and they are carrying out activities that are having external effects. These may be deliberate policies towards other states, or they may just be something that the states are doing with regard to their domestic populations. Regardless, these things build the structure, and they affect other states. For example, if this (N1) is the US, the US has these things that it's doing internally, and these are the effects of those things, deliberate or inadvertent, in the international system. The circle represents the structure of anarchy. Notice how anarchy is affecting the way that these external things are being chosen and the effects they have. It's a complicated model. In current language, it's a complex system.

How the system works depends largely on great powers. As he argued, they "set the stage" for conflict and cooperation. So when we apply the theory to different historical eras, we ask, is there still anarchy? If so, the theory applies. According to Kant and Waltz, a world government is highly unlikely to emerge, and if one did emerge it would not last for long for two reasons. First is a control issue: it would be very hard to manage everything globally. Second is a concern that the Federalist Papers articulated well: the division of power into multiple states and within states secures the most human freedom.

### **To understand particular eras, apply and test the theory**

Before 1944, multipolarity obtained. When World War II ended, Britain, France, Germany, Japan, Italy - all of the pre-war great powers -- had lost their great power status; they were devastated. Just the US and USSR were left standing as great powers, ushering in the bipolar Cold War.

The Soviet Union fell apart in 1990-1991, but I use 1989 to date the end of bipolarity because that was when the Soviet Union started to have trouble with its external debt. By 1990-1991, when the US got the Soviet Union to agree at the UN to authorize the US invasion to throw Saddam Hussein out of Kuwait, the Soviet Union was relying on loans and other forms of credit from the US and our allies and was no longer a great power. Great power requires independence, a significant degree of independence, and especially economic independence to allow a state to take strong positions without the fear of devastating sanctions.

Since 2015, I argue that we are back in bipolarity. Unipolarity lasted 25 years, from 1990 to 2014.

### **The structural-realist definition of great power**

Let's discuss the structural realist definition of great power. First off, great powers are peers. They are very powerful, but more importantly, relatively powerful, relative to all the other actors in the system. We can think in terms of ranks or roles. There are great powers, middle powers, and weak states. In this analytic system, there is usually no need for further categories.

Great powers are defined by having roughly equivalent capabilities. What are capabilities? They are capabilities to survive and prosper because in the international political system, given anarchy, there is no world government or anybody else, to reliably help states that fail to have the capabilities that they need to help themselves. States must have sufficient capabilities to exist and survive. Great powers have that and more. They have the capability not only to survive and to maintain themselves and their strategies, but also to prosper, to compete, and in the modern era to have global reach.

Waltz argued that the rank of great powers depends on all of these different factors: "population, territory, resource endowment, economic capability, military strength, political stability," and something he called "competence" (Appendix I, page 3, slide 9).

In *Theory of International Politics*, Waltz does not talk very much about what he means by political competence. The previous book, *Foreign Policy and Democratic Politics*, is basically all about political competence. I would strongly recommend that book to you. If this is something you would like to know more about, if you would like to see how Waltz thinks through these problems, historical issues of his day, take a look at both *Theory of International Politics* and *Foreign Policy and Democratic Politics*. The logic, the examples, the kind of data that he uses, I think, are all extremely instructive for our current situation and for a more complete understanding of competence.

To give you the short version, Waltz argues that political competence is matching one's capabilities to the day, having capabilities that are current, in other words, to meet current needs for survival and prosperity and to roughly match or counter those of the other great powers. That's the external meaning of competence. The purpose of competence in the more fundamental domestic meaning is to maintain the state, to cultivate sovereignty domestically. That means to provide for human security, human prosperity and human freedom -- values that he closely shared with Immanuel Kant. Neither was optimistic that states would reliably do this, but they saw it as our best bet, and a reasonable bet for those fortunate enough to live in republics or democracies.

I want to point out that this is very different from the way many people analyze power. Notice Waltz is not calling capabilities power. Sometimes he does, in an interview or something like that. But in his writing he talks about capabilities. These are capabilities to achieve certain things. It's a functional theory; he characterizes it in some places as a structural-functionalist theory. States need to perform functions for human society. Power in terms of influence, success, those are outcomes we can study. We could examine the extent to which extent capabilities (independent variables) lead to influence over others (dependent variable). But Waltz's ultimate goal was not power over others. Like Kant's, it was human freedom. So Waltz argued we should focus on capabilities as an independent variable, not on power or influence as an outcome. And we should consider what capabilities states need capabilities to avoid war and other outcomes that are detrimental to human freedom.

### **What would it take for others to rise?**

Following Kant, Waltz argued that to determine what it takes to achieve any goal (such as becoming a great power) in a particular time and place can't be understood purely empirically (by generalizing from history) or purely theoretically (through reason). It requires judgment, specifically the construction and deliberate application and testing of theory.



As shown here (Appendix I, page 3, slide 10), structural realists argue that today a great power needs to have a second-strike force of nuclear weapons and a global military that is capable of establishing and substantiating tripwires. That doesn't mean having thousands of bases or large contingents of military personnel all over the world. Tripwires (those of you who are older will remember that was a big term during the Cold War) demonstrate commitment to a place. A tripwire enables a state to quickly respond with a gesture or move that reminds others of its full array of capabilities. Finally on the list of capabilities great powers need are economic independence to survive sanctions and political competence.

As soon as the state achieves these capabilities, it's a great power. Ideally scholars and analysts, at least, would recognize that. Policymakers may or may not find it convenient to publicly acknowledge the rise of a new great power, but they should acknowledge it to themselves because as the system changes the capabilities and strategy required for state survival and prosperity can change quite a bit.

Let's consider unipolarity versus bipolarity (Appendix I, page 3, slide 8). Unipolarity was a system with a lot of freedom for the unipole, the US, to act without having to worry much about anyone else. If there are restraints in a unipolar system, they're going to be primarily domestic -- Americans not wanting to pay for things or getting tired of long and large deployments, things like that. Now that we are back in a bipolar world, the first thought should be ... Well our first thought should probably be of our domestic situation, right? But our second and third thoughts should be, how will China respond? What is China doing? Policymakers who fail to appreciate the difference between these two systems are not exhibiting political competence. That is because in the movement from unipolarity to bipolarity, we would expect to see and we have seen China more assertively defending its existing interests. In addition, year by year, China is expanding its definition of its interests.

### **How and when China met the targets and became a great power (US peer competitor)**

I started working on this analysis in 2004. It seemed likely that some other state, probably China, would rise to great power status. So I established the terms of my analysis. At that point, China just had a second strike force of nuclear weapons, and it had demonstrated considerable political competence. It did not have global military reach or economic independence. By the end of 2014, and I'll walk you through my logic, China had all of them. So we were back to bipolarity by the beginning of 2015.

#### **Military capabilities**

Here (Appendix I, page 4, slide 14) were the top 15 defense budgets in 2014. This data is from the 2015 ISSS *Military Balance*. China had surpassed all others as the number two to the US. Spending of course is not really what we care about, especially in the nuclear era. Nuclear weapons have made it possible for states to achieve a lot of security without having far-flung deployments and engaging in a lot of spending. Also, as I'm sure you are aware, the largest portion of American spending is personnel. US and Chinese military salaries and benefits are quite different. Also, this is in US dollars. So the impression created by this chart overstates US spending relative to Chinese spending. In PPP, the Chinese defense budget would match the US much more closely. We'll discuss those measures when we get to economics.

By 2014, China had developed and was demonstrating its capabilities with long and intermediate range missiles that can target US aircraft carriers and the US territory of Guam. Of course China has long had long range missiles, ICBMs. These capabilities demonstrated China's ability to deny and deter US entry to various places near to China. Also, around this time China had developed and was starting to test and carry out exercises with fighters, long range bombers, and subs. China is still far behind the US in terms of aircraft carriers, bases, and so on. But it was beginning to have those capabilities. It was also

beginning to demonstrate various forms of global reach. The Belt and Road initiative was announced in 2013. Already communication and transport bases had been started in the Indian Ocean and elsewhere. There were warships in the Gulf of Aden in a UN pirate interdiction effort. There were naval exercises, increasingly global. By that point, China also had tripwires -- we wouldn't call them tripwire forces, but tripwires -- globally, with workers, advisors, peacekeepers, and tourists on every continent. So its interests had become global, its reach had become global, and its military capabilities were not matching the US but they were sufficient to have global reach. They were not a one-for-one match with the US, but that wasn't necessary because of nuclear weapons.

### **Economic capabilities**

Here we see world GDP in 2015 (Appendix I, page 5, slide 16). That's the year I argue Sino-American bipolarity began. On the left is GDP in current prices in US dollars. Here, the US looks much bigger than China. But as shown on the right, if you convert to PPP, by that point, in late 2014, China surpassed the US in terms of PPP GDP. You'll notice here, I do read the *Global Trends* reports and tomorrow we'll talk more about *Global Trends* reports. I'm sure you're all familiar with them, from the National Intelligence Council.

In 2012, well before China passed the US in terms of PPP GDP, a footnote in *Global Futures 2030* said "PPP based measures provide better insight into fundamental economic strength." China surpassed the US in 2014, eight years earlier than the IMF had predicted. Here (Appendix I, page 5, slide 17) is the original blue line in the original IMF forecast. That was revised by 2014, when it was clear that the original estimate had been wrong. Here (red line) is where Chinese PPP GDP was as of 2019, still higher than the US blue line.

In 1979, when Waltz published *Theory of International Politics*, he argued that the Soviet Union was a great power and had been a great power since 1945, although its GDP had reached 50% of the US only by the mid-1970s. So you can see he did not think great powers had to be closely matched. We're looking for rough parity and a very functional concept of what these capabilities are for. (We'll open up for questions soon, and we'll discuss more recent data tomorrow.)

In terms of why I chose 2014 for the last year of US unipolarity, economic capabilities were most important because China's military and political capabilities had been in place before that. Here are the economic capabilities I see as most important (Appendix I, page 5, slide 18). Between 2000 and 2015, external trade in China had fallen below half of China's GDP, demonstrating less vulnerability to trade sanctions and thus more self-sustaining growth. China had also greatly diversified its trading partners. In 2013, the EU caught up to the US in terms of the size of its share of export markets for China. So China was less dependent on the US for trade than it had been before. The EU was also the largest source of imports into China.

In 2014, the Chinese Foreign Ministry talked a lot about how China was the leading trading partner of more than 120 countries. That's an interesting, significant statistic for two reasons. First, there are only 194 UN member states. Second, the concept of leading trading partner is a bit like Waltz's concept of relative power in that it gives you a glimpse of interstate relations in general, over the globe as a whole, and US-China competition in particular. I think China demonstrated some political competence by emphasizing that. It was a common sense concept and a surprising change. It got some attention.

China has, as you probably know, enormous foreign exchange reserves. That gives them the ability to withstand sanctions if necessary. By 2014, China had an array of diverse international investments. Often Americans, especially in the general media, make a lot of the fact that China and Japan are ranked number one and two among holders of US Treasury bonds. But that just refers to the share held by non-

Americans. The majority of US Treasury bonds are held by the US government and US citizens. When you put the Chinese share in the larger context of all publicly-held Treasuries, the peak was 11% in 2007. In 2013, that figure was 10%. It was just 5.5% of the total held publicly and by the US government. I checked this morning; China's share of the latter is now 4.6%.

Here's the thing that really got me thinking about Sino-American bipolarity. I had been sort of following the crowd. I had been thinking, maybe sometime around 2020. That was a year Waltz mentioned at some point, probably based on those earlier GDP estimates from the IMF. Also China had a publicly-announced target of becoming a "middle income country" by 2020.

The combination of the IMF's revaluation of PPP GDP and these currency swap agreements that China entered into over the years culminating with one in late 2014, with America's largest trading partner, Canada, really got me to see the extent to which China had diversified in terms of trade and finance and productivity share of its own economy away from the United States – to the point that it seemed likely to me that China could withstand very significant economic sanctions. I came to this conclusion in late 2014 and early 2015, well before Donald Trump was elected president. After he was elected, I was surprised by the speed with which the US and China got into a trade dispute, a significant trade dispute with sanctions and tariffs on both sides. But given this change in Chinese economic vulnerability my expectation was that China could withstand that kind of pressure, and it has.

### **Political competence**

I decided not to modify this slide today for you (Appendix I, page 5, slide 19). I wanted you to see what my assessment of China's political competence was in 2014-2015. Things have changed a bit since then. For example, I wouldn't characterize the Hong Kong situation as being managed with restraint, but it certainly has been managed, and it has not been a source of weakness for China other than maybe in its image.

### **Q&A**

That's what I wanted to cover today. I'd like to take your questions. If you have questions about what's happened since 2014, I'd be happy to show you some trends since then. If we don't get that to that today, I'll start with that tomorrow. I will stop sharing my slides so I can read your questions.

*Question:* "Does Waltz's theory of great power status also include geopolitics - where a state is located, the number of its neighbors? China seems to be in a better location than the US."

That's an interesting question. No, the theory is very abstract. If you think about an abstract painting versus a representational painting, this theory is deliberately abstract, but then you can take the concepts and apply it to different situations. So we could apply it to a different planet, for example. Or we could apply it to Somalia or Afghanistan, which have been more anarchic than hierarchic in recent years. So no, the theory does not include geography. Population size, territory, geopolitical location, those things obviously matter. In international relations, there is a debate about whether the US has a privileged position from its remoteness or whether it is far away from the important things that need to be managed. It's generally thought that the fact we dominate the North American continent, as opposed to China which has so many contiguous neighbors, is of great benefit to the US. Of course, those things matter less when you have a world with missiles and cyber and so on. Personally, I think it depends on what we want to know. In terms of defending the South China Sea, China definitely has the home field advantage. We are on long supply lines on vulnerable aircraft carriers. That's not to our advantage. On the other hand, it isn't like 50% of US GDP is running through the South China Sea. So American vulnerability to China being more assertive in that region is significant, but it isn't enormous. There's no inherent value or even

inherent meaning to geography. We have to think of it in terms of what the value is that we're trying to think of with the challenges of the day.

*Question:* “What relevance if any do you see Taiwan having in these scenarios?”

Great question. It's kind of the question of the day. Taiwan is extremely important right now because it is a potential flashpoint. The US has a form of commitment to Taiwan that is becoming more explicit. I would love to talk about that more tomorrow when we get into some policy implications. To relate this to the question about geography, I don't think Taiwan has any inherent meaning to us. Its meaning to us is what we make of it. Personally, I would prefer to see Taiwan remain de facto independent. That has been managed pretty well, and pretty obliquely, over the years by the three most concerned parties -- Taiwan, China, and the US -- and I think there's a very high probability it can continue to be managed. There are no guarantees, though. Great powers have the ability to act in independent ways. China, as you have seen in my analysis, can probably withstand very significant sanctions, sanctions from the US and perhaps the EU that would devastate any other state in the world.

Does China see maintaining exactly this situation or regaining control of Taiwan as its most important goal? Probably not. I read some articles yesterday where analysts said, Taiwan is number one for China. I don't think that's true. I think there are probably a lot of other goals that are equally important, that can be weighed in terms of their possibility and security implications and so on. It's important for us not to get distracted by a single issue. Also, there's the danger of thinking that because we've developed all of these scenarios there's a high probability they will happen. Liddell Hart would tell us, be ready for surprises. There are other places a great power can act. Also, as Waltz emphasized in *Foreign Policy and Democratic Politics*, leadership or political competence is the art of defining reasonable goals and explaining continuity and change in strategy. Xi Jinping clearly understands this. We should too.<sup>3</sup>

*Question:* “Is it a coincidence that your assessment coincides with Xi Jinping's rise to power?”

Yes, it is a coincidence. It took China a long time to return to great power status. In terms of social science or scientific analysis, we would say it was over-determined. Sooner or later, it was extremely likely that China was going to become a great power. Notice how in the slides, I haven't said anything about China being more assertive. Before 2015, it was building capabilities, which is a form of assertion, a demonstration of power. But it wasn't using them much. For example, the most significant island fait accompli occurred after that time. I'm trying to maintain a scientific approach: cause and effect separate; capabilities and assertion separate. So yes, I would say it is a coincidence. Plus Xi Jinping had been president for a couple of years before 2015 (beginning March 2013).

*Question:* “Is your assessment of China's leading trade status based on combining exports and imports in countries?”

Yes, those are leading trade partners (Appendix I, page 5, slide 18), measured in terms of exports plus imports. It tells us that China is important economically to many countries. Do I think that's the most important thing I've shown? No. Who would be number two? Probably the US. But it does tell us something about China's ability to use political leverage by the end of 2014. Think about, say, UN Security Council deliberations on some topic that matters to China. The Chinese delegates to the UN can gently or forcefully remind their peers that China is their most important trading partner. We know from

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<sup>3</sup> In 2019, Xi said, “On matters of principle, not an inch will be yielded, but on matters of tactics there can be flexibility.” Steven Lee Myers, Chris Buckley and Keith Bradsher, [“Is Xi Mishandling Hong Kong Crisis? Hints of Unease in China’s Leadership.”](#) *New York Times*, 7 September 2019.

interviews with delegates and so on that that kind of pressure has become more pronounced over time. I do not think that is the most important statistic, but it is an interesting one, and what was especially interesting to me was that the Chinese were articulating it so strongly. At the end of 2014, Foreign Minister Wang Yi and President Xi Jinping gave a series of big speeches in which they basically said, hey, we've arrived. This was one of the statistics to which they often referred. The fact that China was the most important trading partner of more states than any other state in the system demonstrated China's relative importance and global reach.<sup>4</sup>

*Question:* "Can you say that China has been asserting/bullying its neighbors for several years now?"

Sure. Of course the meaning and measures of bullying depend on the beholder. I think we can clearly see that China has been more assertive. The analysis I do is more global. I'm not getting into details on particular cases. To talk about bullying, I would want to have some criteria and look for those criteria in particular cases. All of you, with your much more field specific knowledge, are going to be much better at doing that. Does it matter whether we use the word asserting or bullying? Probably not for straight analysis. Maybe for rhetoric, but we should reflect on the possibility that someone can turn that back on us. Structural realists expect China to act more assertively now because it is a great power. If there were things it had been waiting to do until it became a great power, it's more likely that it's going to do them now. I think we can see that in Hong Kong, but even there outcomes are the result of interactions between the Hong Kong protesters and China. I doubt there was a clear plan to do this or that, by such and such date. It's possible; China does have a lot of plans. But China's implementation is highly contingent on things that are happening at the same time in Hong Kong and globally.

Structural-realist theory predicts that as a state like China becomes more powerful, passing the great power threshold and continuing to gain power relative to the US, its appetite at the global buffet is likely to expand. Just as the US after the fall of the Soviet Union began to define our interests much more globally -- because we could, there was nothing to prevent it -- we should expect and we have indeed seen China defining its interest increasingly broadly. We are not in unipolarity. China has not surpassed the US in terms of overall relative power. China is not the only great power. Happily, right? We're in a bipolar world, which Waltz argued in *Theory of International Politics* is the best of all possible situations because the two great powers will compete strongly with one another and therefore deter the other from the worst aggressions, the worst despotism. With nuclear weapons, it's an even happier situation of being deterred, not likely to have a major war like World War II. With all of our much more devastating conventional capabilities today, that would be a very deadly situation. A bipolar nuclear world is not a world in which China can do everything it wants. However, it is a world in which we should see China doing and achieving and wanting much more than in the unipolar world where China was building capabilities but trying to hide them and stay out of our way until it reached the point where it would be safer to be more assertive.

Thanks for your questions. See you tomorrow.

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<sup>4</sup> In 2012, the Associated Press calculated and published data on leading trading partners. It is unclear if Wang and Xi were referring to that or to similar Chinese data. Youkyung Lee and Joe McDonald, "[China overtakes U.S. as trading partner.](#)" *Seattle Times*, 2 December 2012.

## **PART II: THERE IS A BROAD GLOBAL CONSENSUS ABOUT SINO-AMERICAN BIPOLARITY**

*Day 2 – 16 June 2021*

Yesterday, we talked about my argument about China rising to great power status by the end of 2014. Specifically, I introduced you to Waltz's structural-realist theory, and we talked about the military, political and economic indicators I used to make this assessment. Today, I'm going to start by talking about Waltz's approach to studying consensus, which is to focus on state behavior. There I will demonstrate that US and Chinese policymakers seem to agree with my assessment of China's rise to great power status by the end of 2014. Next, I will discuss Kant's theory of cognition and its implications for studying consensus more generally. From there, we will take a look at China's economic capabilities since 2014 and the National Intelligence Council's *Global Trends* reports, which are in my view the second-best indicator of global consensus, after state behavior. I will save at least 15 minutes for Q&A. I will address explanation, prediction, and policy prescriptions throughout and in the Q&A.

### **Waltz's approach to studying consensus, applied to China's rise**

A bit of recap: we're talking here about Kenneth N. Waltz, who developed structural-realist theory. I don't really expect to see President Biden carrying around *Foreign Policy and Democratic Politics*, but it would be nice if someone in the administration would read that book. Waltz's approach to studying consensus is where we'll start today.

Waltz was a Kantian. He built on Kant's critical approach of considering both empirics and concepts or theory and then making a judgment. As discussed, Kant used this three-pronged approach instead of the two-pronged approach of Hume and Berkeley and others who were involved in the dualistic empiricism-rationalism debate. In doing so, Kant developed the philosophy of science. Waltz based his argument on Kant. Not very transparently -- he didn't often say here's where I use Kant. He cited Kant occasionally. But when you become familiar with Kant's analytic and dialectical approaches, you can see how Waltz developed his theory of international politics.

Waltz argued in both *Foreign Policy and Democratic Politics* and *Theory of International Politics* that when significant aspects of reality change -- really significant things that have important consequences for many people, such as the rise and fall of great powers -- sooner or later, people will notice (Appendix I, page 6, slide 22). Certain kinds of people are especially likely to notice, namely people who are strongly affected by and people who are most vulnerable to the changes. So people in weak states should have noticed China's rising power before others. US and other political-military analysts, economic and business analysts worldwide, and China experts in academia and journalism should also have been sensitive to the change because it was their job to monitor the situation.

Since 2015, China experts in academia and journalism have found their ability to travel through China and businesses have found their ability to operate in China to be more restricted. That very direct experience of increasing Chinese assertiveness makes one ask, why is this happening? Has the distribution of power or balance of power changed?

Structural realists should also notice the rise and fall of great powers more or less as it happens. Structural realists argue that great powers are important, so they should be among the first to recognize such a change. And that has been the case. As you can see, I work in this area. Waltz was my Ph.D. advisor, and I worked for him as a research assistant. Other structural realists include: Avery Goldstein,

a China expert and a professor at the University of Pennsylvania; Stephen Walt, a Harvard professor, who writes a blog in *Foreign Policy*; Barry Posen at MIT; John Mearsheimer at Chicago; Christopher Layne at Texas; and Susan Martin at Kings College London, who is an expert on weapons of mass destruction. They are leading structural realists. Some of them adhere more closely than others to Waltz's theory. Mearsheimer, for example, is an outlier. He has a dim view of human nature that he adds on to structural realism, whereas the others I've mentioned are more strictly structural realist, mostly paying attention to capabilities and relative power not so much to intentions. Interestingly, most of these structural realists have not been very "out there" with their assessments of China's rise, probably because like Waltz they are not as concerned about US-China competition in this bipolar, nuclear world as they would be if we were in a bipolar conventional world with offense-dominance. Also, most of us think there is too much attention on military competition and don't want to feed that.

Policymakers responsible for security decisions should also be attentive to the rise and fall of great powers. Of course, we have seen a lot of Congressional attention to China over the years. I'm sure you're familiar with that. Structural realism predicts that Democrats and Republicans should not be very divided on the fact of Sino-American bipolarity. There should be a lot of bipartisanship about the fact of the threat, and that has been the case, both in Congress and across presidential administrations. Because states may not be completely honest about their security assessments, Waltz and other structural realists argue that a state's behavior is the best indicator of its evaluation of international polarity and the identity of other great powers. Behavior includes policymaker rhetoric, written strategies and reports, and especially changes in military, economic, and political/diplomatic capabilities, postures, and operations. Together, these suggest that US and Chinese policy makers would generally agree with my assessment of China's rise to great power status by the end of 2014.

Here is a brief summary of US and Chinese behavior around that time. In 2012, President Obama announced the "Pivot to Asia." From 2013 to 2016, Obama and Xi held several summits. In April 2014, the IMF revised its data and said Chinese PPP GDP would surpass the US by the end of the year. In November 2014, Xi gave a major speech in which he reiterated the long-standing Chinese claim to be one of an unspecified number of major powers in a multipolar world. According to China expert Michael Swaine, the speech was "unprecedented" in articulating an assertive and ambitious global role for China going forward.<sup>5</sup> In early 2015, when China held its first air force drill over the Western Pacific, the Ministry of Defense blandly noted that it was routine for Chinese forces to exercise far from home.<sup>6</sup> In September 2015, after a parade in which China displayed many new advanced weapons, five Chinese warships surfaced in the Bering Sea when Obama was in Alaska. According to China expert Dean Cheng, the message was, "We are now a blue-water navy. We will operate in the far seas, and we are a global presence."<sup>7</sup>

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<sup>5</sup> Michael D. Swaine, "[Xi Jinping's Address to the Central Conference on Work Relating to Foreign Affairs: Assessing and Advancing Major Power Diplomacy with Chinese Characteristics](#)," *China Leadership Monitor*, 46 (2 March 2015), pp. 4, 12. Swaine used the word "unprecedented" five times.

<sup>6</sup> "Chinese Naval Taskforce Goes to Western Pacific Ocean for Training," The People's Republic of China Ministry of National Defense, February 13, 2015, [http://eng.mod.gov.cn/DefenseNews/2015-02/13/content\\_4570541.htm](http://eng.mod.gov.cn/DefenseNews/2015-02/13/content_4570541.htm).

<sup>7</sup> William Branigin, "[China sends warships into Bering Sea as Obama concludes Alaska visit](#)," *Washington Post*, 3 September 2015.

Throughout this time, Obama resisted Xi's pressure to formally acknowledge China's rise as a major power,<sup>8</sup> but by the end of his administration (2014-2016), Obama had done so tacitly,<sup>9</sup> and it was clear the US was increasingly focused on China's military, economic, and political capabilities and behavior.<sup>10</sup> Formally, however, US defense strategy before 2018 was on "4+1" threats: Russia, China, North Korea, Iran, and terrorism. According to defense analyst Michael O'Hanlon, "it wasn't even clear in the pecking order where China might be vis a vis the others."<sup>11</sup>

During the 2016 presidential election, both major candidates, Hillary Clinton and Donald Trump, ran on platforms of standing up to Chinese economic competition.<sup>12</sup> During the Trump administration, "Make America Great Again" rhetoric and trade sanctions were aimed primarily at China.<sup>13</sup> The formal 2018 US National Defense Strategy treated China and Russia as roughly comparable threats, but in practice defense operations and guidance focused increasingly on China.<sup>14</sup> In 2019, President Trump called Xi "an enemy."<sup>15</sup> Since President Biden's inauguration in January 2021, the US has used different rhetoric and a more diplomatic approach with more concentration on allies, but US policy hasn't changed as much as observers who focus on personality differences predicted. Instead, it's become more clear that the US sees China as the peer competitor or "pacing threat."<sup>16</sup>

As individual people, social groups, corporations, organizations, and states are affected by the rise or fall of a great power – a powerful state with global reach -- a general agreement will tend to emerge. We

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<sup>8</sup> Jane Perlez, ["China's 'New Type' of Ties Fails to Sway Obama,"](#) *New York Times*, 9 November 2014.

<sup>9</sup> Elizabeth C. Economy, ["The Xi-Obama Summit: The Four Takeaways and Taglines,"](#) Council on Foreign Relations blog, 15 September 2015.

<sup>10</sup> For a summary of Obama administration policy towards China, see Mark Landler and Jane Perlez, ["Rare Harmony as China and U.S. Commit to Climate Deal,"](#) *New York Times*, 3 September 2016.

<sup>11</sup> ["A Conversation with Vice Chairman of the Joint Chiefs of Staff General John E. Hyten,"](#) Brookings Institution webinar moderated by Michael O'Hanlon, September 13, 2021, p. 7. This document provides a concise overview of post-2000 US defense assessments and strategies.

<sup>12</sup> Max Ehrenfreund, ["Why Clinton and Trump keep talking about Chinese steel,"](#) *Washington Post*, 19 October 2016.

<sup>13</sup> Ana Swanson, ["As Trump Escalates Trade War, U.S. and China Move Further Apart With No End in Sight,"](#) *New York Times*, 1 September 2019.

<sup>14</sup> According to defense analyst Michael O'Hanlon, "with the [2018] National Defense Strategy the focus was on great power competition and it sort of seemed like Russia and China in some places were being treated as roughly comparably dangerous threats, but in other places people would say well, you know, Russia is a shorter-term problem, but China is really the pacing threat, it's the more comprehensive super power." According to General John E. Hyten, the Vice Chairman of the Joint Chiefs of Staff, "the two pacing threats were Russia and China. And then we began to discuss China in more certain terms. ["A Conversation with Vice Chairman of the Joint Chiefs of Staff General John E. Hyten,"](#) p. 7.

<sup>15</sup> Swanson, ["As Trump Escalates."](#)

<sup>16</sup> According to General Hyten, "the current administration, both President Biden and Secretary Austin have made it crystal clear that China is the pacing threat. China is the pacing threat that we have to be concerned about, not only today but in the near-term and in the long-term." ["A Conversation with Vice Chairman of the Joint Chiefs of Staff General John E. Hyten,"](#) p. 7.



should see this general agreement in many places and in many ways. We should see it in the business section of the *New York Times*. We should see it in the *Economist*. We should see it when we go to a Rotary Club meeting and talk with people about their businesses. We should see it in a whole array of different countries. Today, of course, we're seeing it in media analysis of the (June 2021) G-7 and NATO meetings. Yesterday, there was a *New York Times* article by David Sanger and Mark Landler, who recapped the rise of China and discussed reactions from the US and our allies.<sup>17</sup>

The rise of a particular great power isn't a once and for all kind of thing. Both Waltz and Kant argue that reality is constantly changing. Given the array and extent of capabilities required to be a great power, China and the US will probably continue to be great powers for a while. But we shouldn't assume that. Just as states need to keep their capabilities up to date, scholars and analysts need to keep testing their theories and making new assessments of both capabilities and consensus.

When Waltz wrote *Theory of International Politics*, he went out on a limb and said he thought bipolarity was not only the best international system he could imagine but also the most durable; he thought it would last through the end of the century unless, he said, one of the competitors fell out. Well that's what happened. The Soviet Union lost its economic independence and great power status and disintegrated just 10-12 years after *Theory of International Politics* was published.

The current international distribution of power could also change in a short window of time, with China or the US falling from great power or additional states rising to great power status. It's also possible that bipolarity will last a long time. Meanwhile, what would Waltz advise us to do? He would advise us to see the benefits of bipolarity and especially nuclear bipolarity.

Waltz was very critical of the US military buildup towards Russia in the late Carter administration after Russia invaded Afghanistan and in the Reagan administration. As discussed yesterday, he saw bipolarity as the best possible system because it allows for the clearest understanding of anarchy and the most extreme distribution of power, which concentrates everybody's mind on the main competitors. It eliminates the jockeying for allies and the importance of defections in pre-1945 diplomatic history. With nuclear weapons, we get a further clarifying effect.

Waltz was a strong critic of militarism, the tendency to focus on military competition and engage in unnecessary military operations and spending. Of course there's no world government to tell great powers they should be grateful for the bipolar nuclear world. Theorists like Waltz try to explain it, but they have a hard time persuading states and people that it's good to be able to easily identify peer competitors and that nuclear weapons help to clarify our thinking as we make policy choices.

As Kant explained, there's no inevitable accumulation of good outcomes, like perpetual peace, and there is no inevitable accumulation of bad outcomes, like perpetual war. Instead, despite our intentions, we keep ending up in the middle, with a mix of peace and war, security and insecurity, and satisfaction and dissatisfaction with other states and systems of different polarity. These unintended, equifinal outcomes are why Kant and Waltz developed dialectical balance of power theories. They saw that as states get close to total war, there's a tendency for others to try to balance or counter the power of aggressive actors, like Napoleon or Hitler, and put a stop to their expansion. On the other hand, as things get more cooperative, or with appeasement before 1939, some states take advantage of others or prove to be unprepared for major crises. As crises accumulate, states quickly adapt, if they can, so that at least some of them survive with a mix of security and insecurity.

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<sup>17</sup> David E. Sanger and Mark Landler, [“Biden Tries to Rally G7 Nations to Counter China’s Influence,”](#) *New York Times*, 12 June 2021.

Here you see the self-organizing or dialectical nature of the international-political system. Most actors are not trying to end up in the middle (between total conflict and total cooperation). Similarly, most actors are not constantly scanning the environment to determine whether the distribution of power has changed. Contrary to Henry Kissinger, who says states do and should have deliberate policies of balancing, Waltz said states get there regardless, sooner or later, deliberately or inadvertently, because of their sensitivity or vulnerability to one another. Waltz was a Kantian, though, so he thought we could and should do better than end up there sooner or later. That's why he wrote *Theory of International Politics* and why he wrote and taught about the politics of national security. That's why he called for us to reflect on the effects of our actions on others (pay attention to the security dilemma). That's why he called for us to be more scientific, with constant updating and discussion within scholarly, analysis, and policy circles.

### **Kant's theory of cognition**

On Kant's tombstone is this passage from his *Critique of Pure Reason* (Appendix I, page 6, slide 23). "Two things fill the mind with ever new and increasing admiration and awe ... the starry heavens above me and the moral law within me." Kant is saying, look, I can look out there and see the starry heavens. I see a manifest reality; those are the empirics. Also, I have a concept of moral law, from my reason or theory. Ultimately, Kant decided the moral law was that people are free, to some extent, and seek and deserve freedom unless their freedom harms someone else. That is how he ended up with the categorical imperative, which is basically the golden rule (do unto others as you would have them do unto you). It turns out that maxims like that are quite prevalent globally and historically. According to Kant, we are unlikely to get to theoretical optimal that's absolutely best for everyone, but through reflective judgment we can see ourselves and others and moderate our actions so we do as little harm to ourselves and others as possible.

If you're interested in this way of thinking, it's easy to get kind of stuck; philosophy can be difficult to wade through. If you would like to find out more and see an ordinary language discussion by a scholar whose interpretation of Kant is similar to Waltz's, I recommend Robert Hanna at the University of Colorado.

Here is a chart Hanna published in a newsletter about teaching philosophy (Appendix I, page 7, slide 24). This is Hanna's depiction of Kant's theory of cognition. I interpret it like this. Here we're looking out at the world (middle left). We perceive it with our senses. It's part of our manifest reality. We go through some process. There are a lot of different ways of assessing. What concepts could match that thing (middle)? Then we judge, is that the right concept? Do I need a new concept? Should I test some different concepts? Ultimately, we say, this is a bottle (middle right).

Interestingly and in contrast to Waltz's argument that models should get further from reality, Hanna's image of Kant's theory allows us to think in an embodied way. Here (on the left) are the starry heavens. Here is my body standing with my feet on the ground, my head making concepts. You could even think left hand, right hand. I pick the thing up with my left hand, move it to my center and examine it with my concepts and judgment, including what we might call my gut feelings or heart. Ultimately I say, okay, that's a bottle and put it down on the right. This process (embodied or not) is basically what I did yesterday when talking about my assessment of China's rise as a great power.

### **Similar arguments about cognition and consensus**

If you're interested in doing some further reading, especially about what this looks like from the ground level, I recommend these two books (Appendix I, page 7, slide 25). Kant and Waltz both focused on this very high theoretical level (top of Hanna chart, Faculty of Reason and Faculty of Understanding). It helps to ground it in terms of how actual people think about and experience a major change in their situation.

Stinchcombe was a sociologist. His book, *Constructing Social Theories*, strongly influenced Waltz when he was writing *Theory of International Politics*. It's a theory of self-organizing systems. In one section, Stinchcombe writes about business people being out trading and noticing certain things shifting in society that raise questions for them. It's a helpful way of getting a more tangible take on what we've been talking about here.

*Dynamic Administration* was written by Mary Parker Follett. Follett was an interesting person. She lived in the late 1800s and early 1900s. She was an adviser to Roosevelt during the Great Depression and New Deal. She died before the war was over. She was very influential in public administration and in Waltz's understanding of self-organizing systems. Follett had an interesting and influential argument about perception and scientific and political discussion and decision-making. If you want to read just one of these, I suggest this one because it has an interesting approach to managing a big change like the rise of a new great power. Follett was a realist, very similar to Kant and Waltz. She said, we're never going to get to a perfect outcome, and no outcome is stable. There's no equilibrium that lasts and lasts. Life is a constant process. Follett develops the concept of integration, where we try to find a stable point or a decision that we can live with for a little while, before we move on to another one. It isn't strictly compromise. It's really seeing one another and one another's issues and trying to find a new point that is mutually satisfying and thus will work for a while. She anticipated and greatly influenced modern management theory.<sup>18</sup> Follett doesn't get as much credit for her contributions as she should, so I recommend her to you.

Those were two works that influenced Waltz in the 1970s, when he wrote *Theory of International Politics*. Since then, well, we should be updating. We should be asking, is this stuff even still relevant? Yes. As you may know, the Nobel Prize winning psychologist and economist, Daniel Kahneman, talks about *Thinking Fast and Slow*. What he means is if we aren't careful, if we aren't aware, we pick up this thing (Appendix I, page 7, slide 24), we move it to the other hand, we don't even know we're doing it. All of our biases and preconceptions are shaping our perceptions and actions. For effective decision-making, we need to think slowly. System 2 (slow) thinking is using a very self-conscious way of monitoring our thinking, updating our thinking, maybe even journaling as we're reading and making decisions, sharing our questions and decisions with others, getting feedback, reflecting on and integrating feedback – in other words, being conscious of and testing our theories, as a society.

Another current methodology is the “Predictive Processing Paradigm” in neuroscience. You may be familiar with it. Here (Appendix I, page 7, slide 26) is a recent article arguing that this paradigm is based on Kant.

Before we turn to our final discussion of capabilities and consensus, I would like to mention two interesting aspects of Kenneth Waltz. The first was that when he would make presentations or give interviews, he would always talk about his critics being his friends, which it turns out to be a Kantian thing. The last article Kant wrote was about friendship. In the same way he had argued that perpetual peace is asymptotic, he argued that friendship, true friendship, is asymptotic. It's very hard, perhaps impossible, to be completely honest with one's friends, but that's what we need our friends to be. This obviously has important implications for policymaking within America and with our allies and adversaries. To be blunt is not the worst thing. It allows, as Follett would put it, the opportunity to really understand and integrate, to arrive at a relatively satisfactory and relatively stable outcome.

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<sup>18</sup> Peter F. Drucker, “Mary Parker Follett: Prophet of Management,” in Pauline Graham, ed., *Mary Parker Follett -- Prophet of Management: A Celebration of Writings from the 1920s* (Boston: Harvard Business School Press, 1995), pp. 1-2.

Second, in *Foreign Policy and Democratic Politics*, Waltz talks about the virtues of crises, crises like the Cuban Missile Crisis, and how they – as well as mundane recurring opportunities, like international organization meetings -- provide opportunities for states to articulate their positions, learn what other states' positions and experiences are, and then mutually adjust. States may or may not acknowledge to themselves or others that they are reflecting on and adjusting to these experiences. Nevertheless, we see adjustment, and we see that skillful leaders explain adjustment. Waltz, like other realist scholars, often talked about how leaders will say, "This is the most important thing we could ever do. It's absolutely the most important." Then all of a sudden, they change the story and say, "Well, you know, that just wasn't that important. We're onto this other thing now." For him, competent leaders give themselves room to make such changes and explain their thinking to others, contributing to further adjustment.

In this way of thinking, criticism and crises are helpful. I'm sure you are familiar with that view, and I would imagine you practice it the American intelligence community. It's important to keep that in mind as you read Waltz and you hear about Waltz because he often sounds quite critical. It's easy to think he was being grumpy or power-seeking or something like that. But the more I read Kant, the more I understand that Waltz was trying to get these things out on the table. He knew when he wrote *Theory of International Politics* that it was going to put a big target on his back because he was simplifying, and he was making a strong argument. He felt that that was a useful thing to do so we would understand how to improve international-political outcomes.

### **China's economic capabilities since 2014**

I want to give you an update on the economic capabilities I showed you yesterday, so you know I'm not living in a world back in 2014 that doesn't exist anymore. Yesterday, I talked about how in 2014, Chinese trade as a percentage of GDP had fallen to less than 50% of Chinese GDP. That trend has continued (Appendix I, p. 7, slide 27).

I talked yesterday about China's largest trading partners and how the European Union had surpassed the US by 2014. Here you see the EU in blue, the US in gray, and ASEAN nations in orange (Appendix I, p. 8, slide 28). This chart was published recently by China's General Administration. Again they're touting this; they're choosing to show their reduced vulnerability to sanctions, especially from the United States. It's important to notice a couple of things that are conflating the story. You can see that the US share of Chinese trade has fallen. You can also see that the EU share has fallen. China's number one "trading partner" is now the ASEAN countries in Southeast Asia. Of course, like the EU, ASEAN is not a single state; it is a group of states that trades on favorable terms with each other and with many other countries. Still, it's interesting to see that China's trade has become more focused on its own region. These numbers are highly affected by the Trump tariffs, which Biden has continued. Also the EU decline reflects Brexit, the departure of the UK from the EU. If we added the UK back in there, China's trade with Europe as a whole would rival its trade with ASEAN. Nevertheless, the overall trend has continued: the US is a less significant trading partner for China than it used to be. That makes China less vulnerable to US sanctions and gives it more room to maneuver.

I talked yesterday about Chinese foreign exchange reserves. This is from the *Wall Street Journal* (Appendix I, p. 8, slide 29). By the way, I'm showing you a variety of sources so you can see the many media outlets and other groups that are highlighting the data I think is important. That broad array of sources is another indicator of the consensus about Sino-American bipolarity.

This chart is from 2015. I haven't found an updated one that I like as well. What's significant here is that China has very large foreign exchange reserves. The US, as of January 2020, had \$129 billion compared

to China's \$3.1 trillion. That's more significant for China than for the US; it doesn't keep me awake at night. Because, as we'll see in a minute, the dollar is still the main global currency, China's vulnerability, especially before 2014, was losing access to markets and transactions denominated in US dollars. That's why foreign exchange reserves are so significant for China. Here in 2015, the *Journal* was showing us that China could go two years on its foreign exchange reserves. If all of China's trading partners had environmental disasters or collapsed or refused to trade, those reserves would enable China to keep its economy going at its previous rate for two years. That's a huge cushion.

In this chart (Appendix I, p. 8, slide 30), the green section shows the percentage of US Treasuries held by China's Treasury. I mentioned this yesterday. This chart goes to 2019. These figures are slightly different from the ones I referred to yesterday; I don't know why. According to this chart, at the peak in 2011, China held 14% of total publicly held US debt; now it holds about 7%. What's more significant and interesting here, as you can see, is that China has allowed the yuan to fluctuate. No major currency is ever completely market driven. But Beijing has the yuan fluctuate more than it used to, and the value of the yuan to the US dollar has generally risen since 2010. That demonstrates international demand for yuan and means that China can trade with other states in its own currency if blocked from US dollars for some reason.

Yesterday I talked about how significant it was for me to see that China had entered into all of those currency swap agreements up to 2014 and, in Fall 2014, entered into one with the US's largest trading partner, Canada. Currency swaps are a device that the US developed during the 2008 housing crisis, when the global economy crashed. Swap agreements allow central banks to keep their economies going when they are short of reserves. What was interesting to me about the China-Canada agreement was that Canada was willing to enter into a public agreement with China to say, if necessary, we will swap goods denominated in each other's currencies instead of using dollars or other instruments; we can do some sort of off the book accounting to continue our trade. Since then Canada-China relations have deteriorated. In and of itself the swap agreement with Canada is not that significant. What was significant was that China was getting our major trading partners to say: we value Chinese trade, and we're willing to find ways to work around major disruptions such as a financial crisis or a major political-military crisis accompanied by sanctions.

Here (Appendix I, p. 8, slide 31), you can see that today, the renminbi or yuan (they use both of these terms for the Chinese currency) is still not a major payment currency overall (this is all forms of payment). But that doesn't matter in terms of whether China is a great power. During the Cold War, the US and Russia had such extensive economic walls up that the dollar and the ruble were not convertible. The ruble was a major currency in the Eastern bloc, but that was not a significant part of Russian power. So this fact is not very important. What's more important is that 20% of China's trade is now settled in renminbi (Appendix I, p. 9, slide 32).

Overall, then, you can see that these measures of reduced economic vulnerability continue to support my argument that China and the US are great-power peers.

### **Is there a consensus about Sino-American bipolarity?**

Let's talk about whether there is a "general agreement" about China's rise to great power (Appendix I, p. 9, slide 33). This slide has several indicators, first some public opinion polls. You've probably seen a recent set of Pew polls from 2021, saying that citizens of many countries worldwide now see China less favorably than they ever have. That is not a direct measure of China's great power status, but it is an

interesting indication that others increasingly see China's behavior to be deliberately or inadvertently aggressive or insensitive, in other words typical of great powers.

Second, I mention some academic and policy journals. If you're not familiar with the journal *International Security*, I recommend following that. It's the major academic and policy journal on international security issues. Since at least 2015, that journal has had on its topic list on the website a number of topics like national security and arms control. The only countries it specifies in the list are the US and China. That's an interesting indicator that the editorial board has seen or expected Sino-American bipolarity. I need to contact the editors to find out when they made that change and how (based on what logic and evidence) they made the decision. Similarly, in January 2015, the journal *Foreign Policy* issued its first Pacific Power Index, which referred to two great powers, the US and China.

Third, we should consider whether there is a consensus among analysts at think tanks. In 2015 or 2016, we started to see the first of what I'm sure you know is a long series of articles from think tanks and other sources about simulations of US military conflict with China. One of the early ones was published by Rand in 2016. In this study, Rand said that based on a simulation and other analyses they had done of overall capabilities -- economic military, and so on -- that the US and China were peers, and it was impossible to forecast which would prevail in a conflict. That is what we mean by peer competitors.

Clausewitz, the Prussian philosopher of war, talked about how most of the time states don't fight because they look at each other's capabilities and reflect on the costs of war and say, especially a weak state looks at a stronger state and says, we should avoid that. Generally weak states decide to fight only on their own territory, against an external aggressor or occupier. When a weak state is fighting for survival on its own territory, it can take advantage of defensive advantages based on nationalism, friction, and the fog of war. Clausewitz, incidentally, was a Kantian. He talks about how (empirically) there is no absolute war. You can think conceptually about absolute war, but it's asymptotic. Because of friction, the fog of war, long supply lines, politics, day to day survival needs, and other factors, it is highly unlikely we will ever see a war in which everything goes off at once or a single state conquers the whole world.

### **Global Trends reports**

Here is a summary of recent US National Intelligence Council *Global Trends* reports (Appendix I, p. 9, slide 34). I did this analysis today. I'm sure you're familiar with these reports. These are useful indicators from a Kantian and structural-realist perspective because they deliberately seek and synthesize input from an array of agencies and people in and out of the government in the US and abroad, including in China, and they do so on a regular basis.

In my view, these reports do not have a clear conceptual framework. That's okay. In other words, I conceive of the *Global Trends* reports as empirics (left side of Hanna chart of Kant's model). Someone has gathered data from a bunch of sources. Someone has induced or inferred from the data. In other words, they've aggregated or generalized from the data. They aren't, as far as I can tell, consciously or explicitly using theories or concepts or criteria to gather and aggregate the data. They're doing empirical generalization. Like Hume, they seem to assume that they know the right approach and that the concepts will emerge as they go. Kant tells us we've already got those concepts, and that to be sure we are as careful as possible we should make them explicit. Nevertheless, because we need empirics to test our theories and concepts, these reports are helpful.

I searched the seven *Global Trends* reports from 1997 to 2021 for the words China and Chinese and Russia and Russian. The authors also refer to Beijing and Moscow, so a more complete analysis would consider that. I think we would probably see about the same ratios. In 1997, when the reports began, the emphasis was still more on Russia than China. 2012 was the report I mentioned yesterday, where the

NIC said, based on IMF predictions, that they didn't think China would pass the US in PPP GDP until 2022. You can see the effect of that incorrect prediction in the similar focus on China and Russia in 2012, followed by the much greater emphasis after 2014 when the IMF corrected its estimate and said China had surpassed the US in PPP GDP. Overall, I think this table is a good indicator of both the National Intelligence Council's view and of the consensus they have encountered and constructed as they have sought input.

Numbers aren't enough. We need to consider qualitative indicators as well. The *Global Trends* reports are, probably deliberately, kind of vague. Until 2017, they talked about China and Russia as major powers or something like that. In the 2017 report, they didn't draw a bright line in terms of the concepts used for each of them. But when you look at each reference, you see that China was characterized as a competitor across multiple domains, while Russia was referred to as disruptive, especially militarily and especially in its region. In the most recent report (2021), the analysis is clearer. There's a section in which China and only China is discussed as a "global power," and there's another section called "other major powers," where Russia is discussed.<sup>19</sup>

In the *Global Trends* discussions sponsored by the National Intelligence Council and held in the US and worldwide at academic and other institutions, there must have been some debate about whether both China and Russia were US peer competitors, and it took some time to resolve. Should Russia be considered a major power or a great power? A peer of the US and China? I did not and do not think so, but there has been some dispute about that. Some scholars continue to argue that both are great power peers of the US. Others argue that neither is a US peer.

Current US policymakers and other foreign policy elites, like the former US ambassador to Russia, Michael McFaul, who was the ambassador during the Obama administration, often use the *Global Trends* terminology. In a recent article, McFaul used exactly this lingo, referring to China as a full spectrum competitor and Russia as disruptive.<sup>20</sup> That's significant. When you see someone who is an expert on Russia, who has a stake in Russia being important, saying that Russia is not a US peer competitor, that is significant. Similarly, when we see scholars who do not typically use structural-realist theory but who work with other theories, classical or neoclassical realist theories, liberal theories, or constructivist theories, acknowledge the rise of China, that is significant because they're questioning their own perspectives and their own interests to some extent.

The *New York Times* also seems to use the *Global Trends* terminology. If the US was an authoritarian state like China, we would probably conclude that the government came up with some terminology that it persuaded news outlets and scholars to use. But the US is not an authoritarian state, so that's not how it works. Instead, the NIC and *Global Trends* personnel (including John Ikenberry, a prominent liberal

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<sup>19</sup> National Intelligence Council (NIC), *Global Trends 2040: A More Contested World*, March 2021, pp. 94-95. See also the chart on p. 91. The states listed as major powers are "Russia, the EU, Japan, the United Kingdom, and potentially India." *Global Trends* reports offer predictions for the coming 20 years, in this case the 20 years ending in 2040. Most of the reports have been vague about the situation at the time of publication. That is why I analyzed the number of times and context in which China and Russia were mentioned instead of specific comments about their current or future capabilities and intentions. As argued above, state behavior is the best indicator of international-political consensus. At present, *Global Trends* reports are the next best indicator. That is not to say they are an ideal source, but they do seem to provide a sense of the broader global consensus among state and non-state actors.

<sup>20</sup> Michael McFaul, ["How Biden Should Deal With Putin: Summits Are Good, but Containment Is Better."](#) *Foreign Affairs*, June 14, 2021.

scholar)<sup>21</sup> convene discussions to gather input and write reports with pronouncements based to some extent on that input and on other sources such as intelligence assessments, academic studies, and Congressional hearings, and people adjust. It's systemic. There's interaction both ways. These reports are useful, and I hope they will continue.

A bit more on general agreement... I understand the briefing recordings the [National Geospatial-Intelligence Agency](#) (NGA) has selected for analysts to study this summer demonstrate similar emphasis on China: 30 recordings on China; 19 on Russia; 10 on Korea; and 10 on Latin America.

There are many other ways to measure consensus, and it is important to test and retest as many indicators as possible.

### **Summary and implications: explanation, prediction, prescription**

To summarize, it's clear based both on capabilities and on consensus that China is a great power peer of the United States, so we're back in bipolarity. What then can we expect to happen, and what has been happening since 2014? The next step in this sort of work is to look more closely at the kind of outcomes that we're seeing, and to what extent they match the predictions of structural-realist theory.

Here (Appendix I, p. 10, slide 36) is a summary of the predictions Waltz provides in *Theory of International Politics*, when he's talking about bipolarity, generally, and when he tests those predictions with regard to US-Soviet relations during the Cold War up to 1979. Notice that there are some shared interests. One of the themes in articles lately is that China looks like a US peer, but policymakers and scholars disagree about what to do about it. Some in the media seem to suggest that if everybody doesn't agree about everything, then we must not really be in bipolarity. In fact, there's no reason to think everybody's going to agree about the best policies for the US and China to pursue. People and states have different interests, different risk tolerances, and different experiences that they bring to the table. That is the process of dealing with the situation. As a result, and for other reasons as well, there's going to be a mixture of appropriate policies. In some areas, we can probably expect some crises. In other areas, we can expect some coexistence. In still other areas, we can expect some cooperation.

One of the reasons Waltz argued bipolarity is the preferable system is that the two great powers are so powerful that they have a strong mutual interest in dealing with the collective action problems that are prevalent in the system. He called these the four P's: pollution, poverty, proliferation, and population. Some of those are a little dated. Poverty and inequality persist, but now we would emphasize climate along with pollution, terrorism with proliferation, and pandemic diseases instead of population growth.

At the same time there is great-power conflict and competition, because the two poles are each other's greatest threats, they also are the two that have the most capability and thus responsibility for managing the system. During the Cold War, we saw US-Soviet cooperation on things like the Nuclear Non-Proliferation Treaty. The US and USSR shared a strong interest in not having more nuclear states come into the system because that would reduce their ability to operate around the world. Now, with Sino-American bipolarity, we should see the US and China cooperating, and we are indeed seeing some of that, especially on climate. I expect to see more as we get through this initial stage of the US recognizing and adjusting to China's emergence. President Biden has done a good job of talking about China's rise and the choices and challenges before us. He has emphasized, rightly, that it is going to be a mixed story of some conflicts, some coexistence and some cooperation.

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<sup>21</sup> NIC, *Global Trends 2040*, p. 143.



I'll stop there and take your comments and questions.

### **Q&A**

*Question:* "How would you see the rise of the Quad in the context of balancing Chinese power in the western Pacific?"

Great question. Thank you. In structural realism in a bipolar world, especially in a bipolar nuclear world, alliances don't matter as much as they do during a multipolar era. But because of unipolarity and the globalization or Americanization of international trade (the historically high levels of economic interdependence) we can't just suddenly go back to not being integrated to some extent, especially economically, but also militarily with our allies.

Still, it is very important to distinguish between the central conflict between the US and China as a result of their great power status and what they do about that conflict -- which of course is to make themselves look stronger and help themselves develop capabilities and help their allies and partners develop enough capabilities to help themselves without too much help from the great power. Alliances are important. I especially think the Quad is important because of India. China's recent encroachment into Indian territory is a concern. It's exactly the kind of thing that Waltz would argue needs to be treated, maybe not as a crisis, but very bluntly: "Hey, cut that out." Stating that when it's happening, instead of waiting to see what happens. Pushing back diplomatically. Waltz and other realists argue that if we had done that in the 1930s, when Germany was starting to expand, Hitler would have had to more seriously consider (in Kant's terms, reflect on) the chance that he would meet serious resistance.

In my view, that's how we should interpret China's response to the NATO document that was released this week. China has been exercising and demonstrating more of its capabilities around Taiwan. That's how bipolarity works. There are a lot of demonstrations, and there are a lot of ways to illustrate one's intentions and one's capabilities. Alliances can play a role in that. But it's important not to put too much store in alliances. The basic structure of contemporary international politics is very clear: Sino-American bipolarity.

*Question:* "Do you have any thoughts about how Vietnam compares and contrast with China in the ways you've addressed today?"

Vietnam is a weak state. Historically it has been the backyard and at certain times a province of China. So there's a very strong contrast. If you'd like to ask a more pointed question, maybe I could address that more satisfactorily.

*Question:* "How would Waltz view Allison's recent work on the Thucydides Trap?"

Great question. Before Allison wrote that article, the Thucydides Trap was known in IR theory as the security dilemma. Hopefully, you're seeing this document (Appendix II). This chart summarizes the primary causal claims of structural-realist theory. One starts at the top, with international anarchy, the absence of a world government. Anarchy means states can do as they like. In other words, in this permissive environment states can deliberately do things to harm one another. Also, in the absence of a world government there isn't a reliable source of assistance for states, so they have to help themselves. That means they need to develop capabilities; otherwise, they may experience some form of insecurity, including the acute insecurity of state death by conquest, union, revolution, disintegration, or collapse.

To survive and achieve any other goals they may have, states engage in self-help behavior. Specifically, they usually develop some combination of military, economic, and political capabilities to cultivate domestic sovereignty and dissuade other states from attacking them and harming their interests. As they do so, differences of capability (great powers and systems of different polarity) emerge.

Great powers, more than other states, have the ability to take deliberate actions that may harm one another. Think of Hitler and Napoleon, or the US invasion of Iraq in 2003 and China's recent encroachment into India. Because this is possible, even great powers that don't have such motives can unintentionally frighten or harm others. This is known as the security dilemma, aka the Thucydides Trap. Colloquially, we see this idea in stories about the bull in the china shop or the elephant in the room.

Allison coined a new term, the Thucydides Trap, for something that's been in the IR lexicon for a very long time. Kant had a concept like the security dilemma. He called it a self-defeating situation. Kant probably got the idea from Rousseau, who constructed a story about the difficulty of cooperating during a stag hunt, as well as from Lucretius, a Roman poet, who influenced a huge array of European political theorists by recounting Epicurus's history of the world, including the development of states to solve collective action problems. (Epicurus was an ancient Greek philosopher).

In the 20<sup>th</sup> century, the security dilemma term was popularized by the American political scientist John Herz, who wrote about both domestic and international security dilemmas. Herz does not refer to Kant, but the book is helpful because he deliberately builds and illustrates the concept. The security dilemma obtains not only internationally, but also in civil war situations. I've written about the security dilemma in the Kosovo War, for example. Barry Posen has also written about how we can use the security dilemma to understand anarchic situations within countries as well as externally.

The chart in Appendix II shows the primary causal claims derived from structural-realist theory. Each of these can be operationalized as a hypothesis to be tested. Hypotheses are essentially predictions. Depending on how well they hold up to testing, they shed light on the policy implications of structural-realist theory. Like, "help yourself." Right? That's the most important policy implication here. Well, not really. Actually it is: "Help yourself, and remember: others may surprise you by acting aggressively or reacting to the inadvertent effects of your actions." That is structural realism. It shows us a dilemma that is impossible to solve perfectly and perpetually. International anarchy has two contradictory effects. Kant would refer to these as antimonies. First, states need capabilities because there's no world government to reliably assist them. Second, because there's no world government to regulate how states use their capabilities, even the capabilities of even a well-intentioned state may frighten others.

How much states frighten each other with their capabilities – in other words, how tight or loose the security dilemma is for particular states in particular times and places -- depends on factors outside of the theory. In other words, to paraphrase Kant, one can't rely on pure reason to understand, predict, or prescribe. One must use practical reason to build theories to help us understand, as much as possible, what we take to be reality. We must test our assumptions about reality and share and discuss our thinking and tests openly with others. Then individuals, social groups, states, and other actors must use judgment – especially reflective judgment, with its empathetic consideration of other states' perspectives – to decide the best course of action. Waltz articulated this differently -- in terms of acting with competence, maturity, or restraint -- but his Kantian logic is clear.

One factor outside of the theory that Kant and Waltz both discussed was technology. For a recent example of how to combine structural-realist theory with assessments of military technology, see my article in *International Security* where I distinguish between offense, defense, and deterrence-dominant technological eras. There I demonstrate that rates of attack and conquest among great powers have varied

greatly across technological eras and have been lowest since the advent of nuclear weapons in 1945. Rates of great power attacks and conquests of less-powerful states vary less, demonstrating the pervasive effects of anarchy and great power.

The chart in Appendix II shows structural realist claims about the overall international political systems generally, irrespective of time and place and other specific conditions. To apply the theory to a particular era, state, or issue, you need to know the prevailing military technology, the prevailing economic technology, what the climate (ecological system) is doing, and so on. Of course you also need to know things about particular leaders and states. And you must keep in mind that anarchy means states can do as they like. It is a permissive environment. In fact, according to Kant, when we use our reason we can see that much of life occurs in a permissive environment. That's why Kant used such an ironic tone in "Towards Perpetual Peace." It is not simply that to build a theory we must think in terms of ideal types or asymptotes. It is also that when we think carefully about ourselves and our situations, we can see that we have quite a bit of freedom. Here again Kant seems to be drawing on one of his favorite authors, Lucretius. Perhaps you have read in recent years about the Epicurean "swerve" – the idea that even physical systems cannot be completely predicted with 100% accuracy. Of course we see this idea in Socrates as well, with his demonstrations of the contingent meaning of prudence. We also see it in Chinese Taoist thought, with which we know Kant was familiar.

Unlike some philosophers who came after him and built on his work, Kant did not see these insights as leading to nihilism. Kant saw that they could, and he said we could choose not to go in that direction. To do so, he said, one must begin with the end in mind. In other words, what are we seeking? Power? Security? Human freedom?

When you come down here (bottom of Appendix II), you arrive at the structural realist hypothesis that the anarchic structure and systemic nature of international politics make cooperation difficult. Even so, powerful states can lead collective efforts. When they do so, they tend to define common goals as they like and to consider the relative gains effects of their cooperation. For all of these reasons (bottom of chart), there's a tendency for balances of power to recurrently form. That means we continue to exist in a situation of at least two state like entities. In other words, we're back at the top of the chart.

Kant and Waltz, like most systems theorists, had concepts of socialization. Actors become socialized to the system. They have an inkling of what works and what doesn't. They emulate one another. Early in the Cold War, there were some dangerous crises, like the Berlin crisis and the Cuban missile crisis. As the Cold War went on, the US and Soviet Union got more used to dealing with each other in the bipolar system and entered into a detente. That didn't mean bipolarity or Cold War tensions ended, or that American and Soviet policymakers didn't try to break out of it. In fact, as Robert Jervis has shown, they pursued more ambitious policies than were necessary for security. So it's not inevitable that socialization will lead to perpetual peace. But there is a possibility during each run through the chart, in each case or crisis, that actors will become more socialized in a positive way, that they will be more moderate, more conscientious, more careful. That's the upside of this theory: Hope. It is not a minor point. It is a very important point, according to Kant and Waltz. It is what distinguishes structural-realist theory from classical and neoclassical realist theories that add a dim view of human nature to the structural realist story.

*Question:* "Economic independence is key to great power status. If I read your data correctly, China is transitioning away from over reliance on trade to consumption. Is this a correct appraisal?"

As you say, there are two things to consider. One is trade, and the other is consumption. Most of the goods produced in China today, industrial and consumer goods, are purchased by consumers and

producers in China. In the US, we tend to talk about consumption as a family or household level variable. China hasn't moved into the high level of household level consumption that the United States has. There's still a huge manufacturing component there as well. So, yes, with that qualification.

Thank you for being here. I would love to hear from you. One of the reasons I like to do this kind of talk is that I learn a lot from a different perspective. Please email me if you have any comments or suggestions. I hope you'll enjoy reading some of the sources I shared with you, as well as others listed on the final slide. I hope you will read critically and be more aware of the kind of interpretations you're seeing and where they do and do not conform to this way of thinking. And I hope you have a great summer.

Slide 1

# SINO-AMERICAN BIPOLARITY, 2015-PRESENT

UNIVERSITY OF MONTANA  
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Dr. Karen Ruth Adams  
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15-16 June 2021

## SINO-AMERICAN BIPOLARITY, 2015 TO PRESENT

### Part I – 6/15/2021: China rose to great power by the end of 2014

1. Overview of the two talks: Sino-American bipolarity began in 2015
2. Anarchy, polarity and great power in international relations theory (Waltz's structural realism)
3. How and when China met the targets and became a great power (US peer competitor):
  - a. Military
  - b. Economic
  - c. Political
4. Q&A

### Part II – 6/16/2021: There is a broad consensus about the fact of Sino-American bipolarity

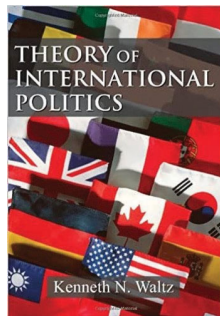
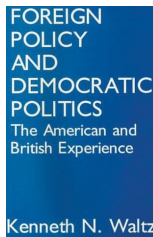
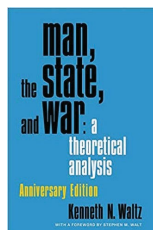
1. Brief recap
2. Overview of Waltz's approach to studying consensus
3. Is there a consensus about Sino-American bipolarity?
  - a. Yes – about China's rise to great power
  - b. Mixed – about whether Russia is also a great power
  - c. No – about appropriate policies
  - d. Evidence
4. Implications – explanation, prediction, prescription
5. Q&A

Slide 2

## STRUCTURAL-REALIST THEORY



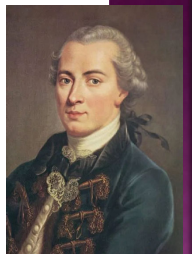
Kenneth N. Waltz  
1924-2013



Slide 3

## WALTZ WAS STRONGLY INFLUENCED BY IMMANUEL KANT (1704-1804)

- I. Kant is considered to have been the first philosopher of science. Critical approach:
  - Empirics (data) + Theory + Judgment
- II. Kant had a systemic view of international politics
  - Unintended consequences + equifinality → analytic method (focusing on unit intentions) doesn't work; need to consider structure of the system, which is anarchic
- III. Kant feared the despotism of a world government – best for human freedom to have multiple republics
  - “Perpetual Peace” – a thought experiment about how close humanity could get to permanent peace (irony of title, realism of analysis - at best asymptotic)



## WALTZ'S SCIENTIFIC THEORY

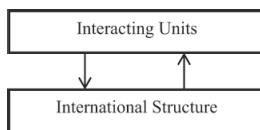
- I. Waltz sought to replace the loose “theoretical approach” of Thucydides, Machiavelli, Hobbes, Rousseau, Kant, Madison, et al. with a scientific theory of international relations.
- II. He studied philosophy of science, cybernetics, and systems theories in natural science (esp. physics and biology) and other social sciences (economics, anthropology, sociology)
- III. In 1979, Waltz published *Theory of International Politics*.
  - I. It changed the study of IR and remains the primary theory used and critiqued today.
  - II. It is one of many theories of complex systems used in natural and social sciences today.

## WALTZ'S STRUCTURAL REALIST THEORY

1. Bounds a conceptual domain: the international political system
2. Defines the fundamental structure of the system as anarchic (no world government)
3. Defines the units of the system (sovereign states)
4. Defines relations within the system in terms of the distribution of power. This enables:
  - a. Comparison of any two states in terms of their relative power.
  - b. Identification of the most powerful states (great powers) and based on that the polarity of the system (multipolar, bipolar, unipolar).

## THE IPS IS A SELF-ORGANIZING SYSTEM

The structure emerges from the coexistence of at least two state-like entities in the absence of a world government.



The basic model of Waltz's theory (TIP, p. 40).

## A MORE COMPLETE MODEL

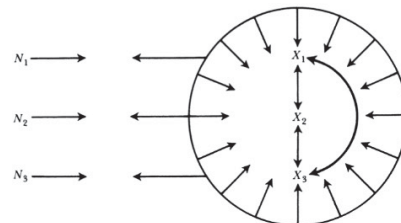


Figure 5.2

N = states internally generating their external effects

X = states acting externally & interacting with each other

The circle represents the structure of the IPS (anarchy & polarity). “It affects both the interaction of states and their attributes” (TIP, p. 100).

*How the system works depends largely on great powers. They “set the stage” for global conflict and cooperation.*

## TO UNDERSTAND PARTICULAR ERAS, APPLY & TEST THE THEORY

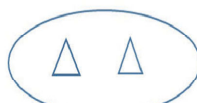
### Multipolarity

- before 1944



### Bipolarity

- 1945-1989 US & USSR
- 2015-present US & China



### Unipolarity

- 1990-2014 US



## STRUCTURAL-REALIST DEFINITION OF GREAT POWER

1. Great powers are peers -- states with great and roughly equivalent capabilities to survive and prosper:
  - Waltz: "Their rank depends on how they score on all of the following items: size of population and territory, resource endowment, economic capability, military strength, political stability and competence."
  - "Ranking states ... does not require predicting their success in war or other endeavors. We need only rank them roughly by capability" (TIP, 131).
2. What it takes to survive and prosper depends on prevailing technologies and other conditions:
  - Waltz: "... the weight to be assigned to different items changes with time" – especially prevailing technologies (nuclear era)

## WHAT WOULD IT TAKE FOR OTHERS TO RISE?

- ▶ Today (nuclear era with global transport, communications, and markets):
  - *Second-strike force of nuclear weapons*
  - *Global military reach to establish and substantiate tripwires*
  - *Economic independence to survive sanctions*
  - *Political competence to match strategy to capabilities and adapt to changing times*

## WHAT WOULD IT TAKE FOR OTHERS TO RISE?

- ▶ As soon as a state achieves such capabilities, it is a great power.
- ▶ Ideally, scholars and policy makers would immediately recognize the rise of new great powers because sooner or later such states are likely to change their behavior:
  - *More assertive defense of existing interests*
  - *More expansive definition of interests*

slide 12

## DOES CHINA HAVE WHAT IT TAKES?

- I. In 2005, China did not have the full complement of great power capabilities:
  - ✓ *Second-strike force of nuclear weapons*
  - Global military reach to establish and substantiate tripwires*
  - Economic independence to survive sanctions*
  - ✓ *Political competence to match strategy to capabilities and adapt to changing times*

13

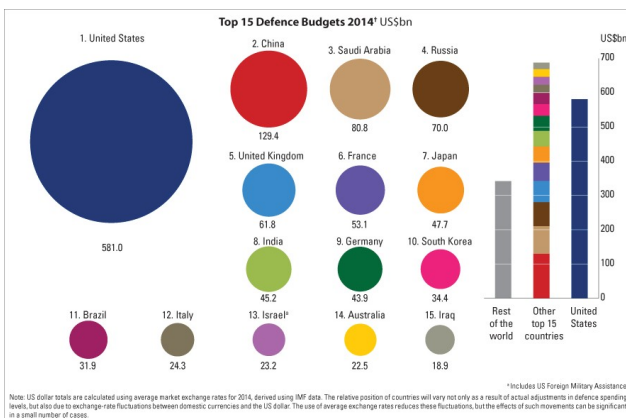
## DOES CHINA HAVE WHAT IT TAKES?

2. By the end of 2014, China had all of them:
  - ✓ *Second-strike force of nuclear weapons*
  - ✓ *Global military reach to establish and substantiate tripwires*
  - ✓ *Economic independence to survive sanctions*
  - ✓ *Political competence to match strategy to capabilities and adapt to changing times*
3. So we're back to bipolarity:
  - *Unipolar Era (1990 - 2014)*
  - *Sino-American Bipolarity (2015 - present)*

*Note: from the Chinese perspective, this is a return to great power.*

14

## WORLD MILITARY SPENDING 2014 (ISSS)



Source: 2015 ISSS Military Balance

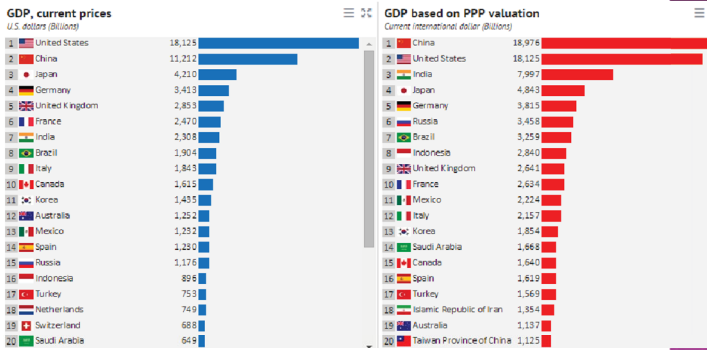
15

## CHINA'S MILITARY CAPABILITIES, 2014

- @ **Second-strike nuclear force**
  - Modernizing ICBMs
- @ **Long and intermediate range missiles**
  - Could target US aircraft carriers, US territory of Guam
- @ **Air force fighters, long-range bombers, subs**
  - Could be based on aircraft carrier, new bases, islands
- @ **Global reach**
  - "String of Pearls" communication and transport bases in Indian Ocean; Belt and Road Initiative (announced 2013)
  - Warships in Gulf of Aden
  - Naval exercises in Persian Gulf, Western Pacific, Hawaii...
  - Workers, advisors, peacekeepers, tourists on every continent



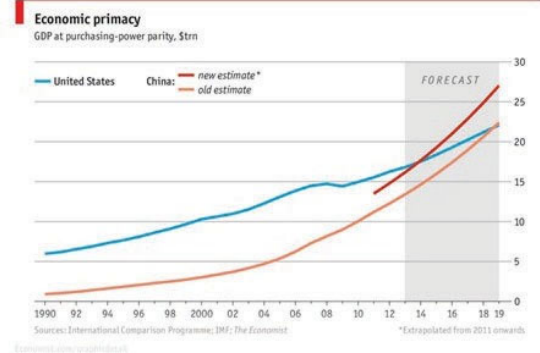
## WORLD GDP 2015 (IMF)



US/China = 1.62

US/China = 0.96

In 2012, the US National Intelligence Council (NIC) said "PPP-based measures probably provide better insight into fundamental economic strength" (Global Futures 2030, p. 15). In 2012, the NIC did not expect Chinese PPP GDP to surpass the US until 2022. It did so in 2014.



Source: "Crowning the Dragon: China will become the world's largest economy by the end of the year," *Economist*, 30 April 2014.

In 1979, when Waltz argued the USSR was a great power (US peer), its GDP was thought to be 50% of the US (TIP, pp. 179).

## CHINA'S ECONOMIC CAPABILITIES

- @ Internally-driven growth
  - Between 2000 and 2015, external trade fell from 50 to 45% of GDP
- @ Diverse trading partners
  - In 2013, US & EU became equal export markets for China
  - EU was largest source of imports
  - China was leading trading partner of > 120 countries
- @ Considerable foreign exchange reserves
- @ Diverse international investments
  - Between 2007 and 2013, Chinese share of publicly-held US Treasuries fell from 11 to 10% (5.5% of total)
- @ 20 currency swap agreements by end of 2014
  - Most and largest with major US trading partners (incl. Canada, ECB, Switzerland, UK); now 20% of Chinese trade settled in renminbi

## CHINA'S POLITICAL COMPETENCE

- @ Domestic (Adams analysis in 2014-15)
  - Cooptation of economic elites
  - Reorganization of national security apparatus
  - Restraint with Hong Kong protesters
  - Sustained focus on corruption
- @ International (Adams analysis in 2014-15)
  - Hid capabilities until recently, now suggest *fait accompli*

## Q&A

## SINO-AMERICAN BIPOLARITY, 2015 TO PRESENT

### Part I – 6/15/2021: China rose to great power by the end of 2014

1. Overview of the two talks: Sino-American bipolarity began in 2015
2. Anarchy, polarity and great power in international relations theory (Waltz's structural realism)
3. How and when China met the targets and became a great power (US peer competitor):
  - a. Military
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  - c. Political
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### Part II – 6/16/2021: There is a broad consensus about the fact of Sino-American bipolarity

1. Brief recap
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3. Is there a consensus about Sino-American bipolarity?
  - a. Yes – about China's rise to great power
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  - d. Evidence
4. Implications – explanation, prediction, prescription
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## WALTZ'S APPROACH TO CONSENSUS

Remember:

1. Waltz was a Kantian
2. Kant developed the critical approach:
  - Empirics (data) + Theory + Judgment

Therefore Waltz argues in TIP and FPDP:

3. When significant aspects of reality change (e.g., great power rise/fall), sooner or later people will notice, especially people
  1. Who are strongly affected by the changes (people in weak states; US and other military analysts, economic analysts, China experts in academia & journalism)
  2. Whose theories are consistent with and/or strongly supported by the changes (structural realists)
  3. Policy makers responsible for weighty decisions related to the issue (US executive & legislative policy makers)
4. A “general agreement” will emerge in the US and globally, and it will be evident in many places and many ways.
5. Need for scientific method – updating, transparency, discussion

## KANT'S TOMBSTONE

Kant's tombstone in Kaliningrad, Russia (the former Prussian/German city of Königsberg) contains a passage from his *Critique of Practical Reason*:

“Two things fill the mind with ever new and increasing admiration and awe, the more often and steadily we reflect upon them: the starry heavens above me and the moral law within me.”

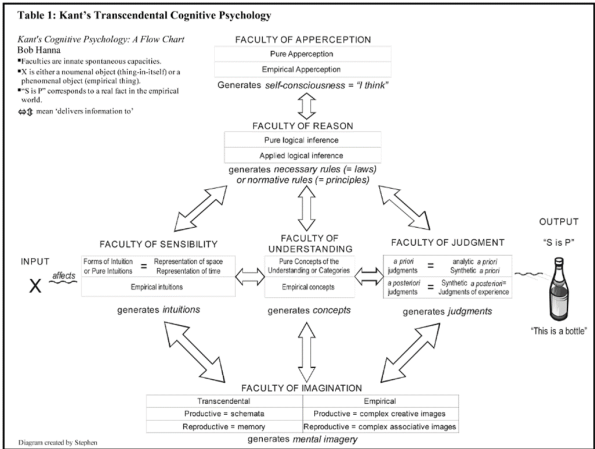
Source: Wikimedia Commons

Starry heavens = empirics

Moral law = reason/theory

Reflection = judgment

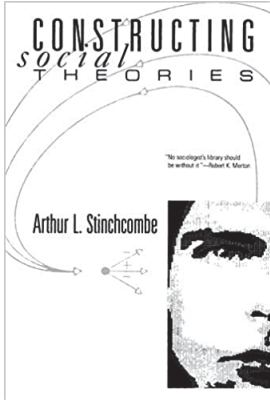




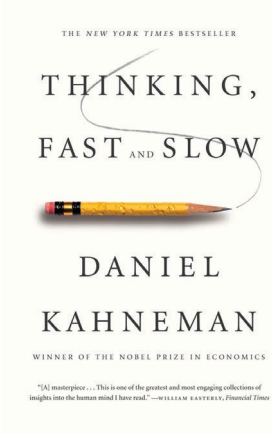
Robert Hanna's model of Kant's argument about human cognition (empirics + reason/concepts + judgment)

Source: Robert Hanna, "Back to Kant: Teaching the First Critique as Contemporary Philosophy," APA newsletter 8:2 (Spring 2009).

CLASSIC TEXTS

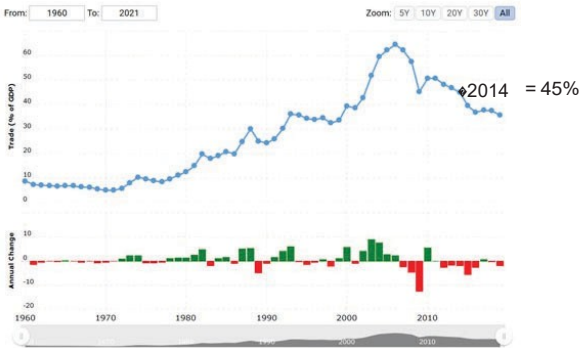


SIMILAR ARGUMENTS IN CONTEMPORARY COGNITIVE SCIENCE



Link R. Swanson, "The Predictive Processing Paradigm Has Roots in Kant," *Frontiers in System Neuroscience*, 2016; 10:79.

ECONOMIC CAPABILITIES SINCE 2014



China Trade to GDP Ratio 1960-2021

Source: World Bank data charted by Macrotrends.net



Source: "China Ends 2020 with Record Trade Surplus as Pandemic Goods Soar," Bloomberg, 13 January 2021.



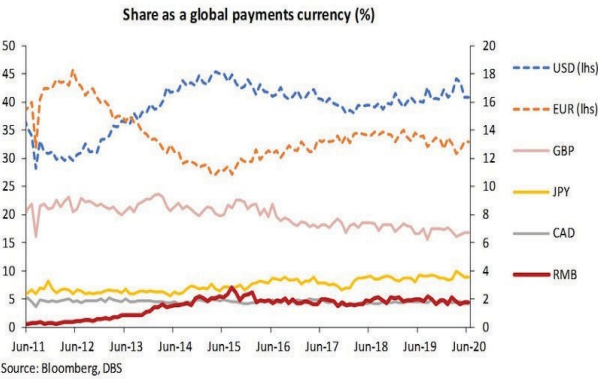
Source: "Lingling Wei and Anjani Trivedi, "China's Forex Reserves Fall by Record \$93.9 Billion on Yuan Intervention," *Wall Street Journal*, 7 September 2015.

In January 2020, "U.S. foreign exchange reserves totaled \$129 billion ... compared to China's \$3.1 trillion." – Marshall Hargrave, "Foreign Exchange Reserves," Investopedia, 29 September 2020.

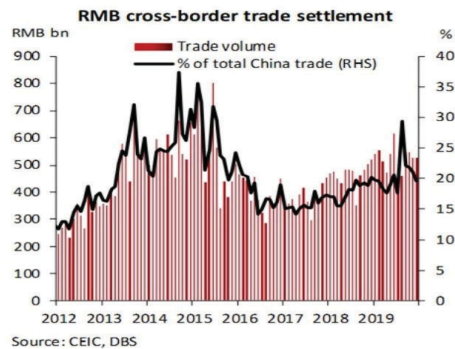


Source: Richard Leong, "Explainer: Will China dump U.S. bonds as a trade weapon? Not so fast," Reuters, 27 May 2019.

In 2020, "Japan and China own[ed] about 5.2% and 4.6% of the U.S. debt, respectively." – Investopedia, "How Much U.S. Debt Does China Own?," 29 April 2021.



Source: Nathan Chow, "China Chartbook: An update on the internationalization of the RMB," DBS Corporate Banking website, August 05, 2020.



\* RMB is now the third-most-active currency in trade finance (i.e. letters of credit and collections) after the US dollar and the euro, with a share of 1.9%.

Source: Nathan Chow, "China Chartbook: An update on the internationalization of the RMB," DBS Corporate Banking website, August 05, 2020.

## GENERAL AGREEMENT ABOUT CHINA'S STATUS AS ONE OF 2 GREAT POWERS

### @ Polls

#### ■ Pew

- 2015 – Europeans see US & C as economic peers
- 2021 – "Unfavorable Views of China Reach Historic Highs in Many Countries"

### @ Academic & Policy Journals

- *International Security* – since at least 2015 has listed US-China relations and no other country names on topic page
- *Foreign Policy* – January 2015 inaugural Pacific Power Index – "two great powers"

### @ Think Tanks

- Rand 2016 -- "The United States and China are the world's strongest nations, with the largest economies, two of the three biggest populations, vast human and natural resources, and unsurpassed war-making capacity... both powers have the material wherewithal to fight a long war."

## GENERAL AGREEMENT (CON'T)

US National Intelligence Council Global Trends reports synthesize input from across US government, academia, and society, as well as other states, including China. Number and % of times mentioned in the reports:

	China/ese	Russia/n	C/T
■ 1997 GT 2010	17+3	41	49%
■ 2000 GT 2015	89+0	67	133%
■ 2004 GT 2020	139+19	60	263%
■ 2010 GT 2025	111+26	46	298%
■ 2012 GT 2030	71+21	96	96%
■ 2017 GT	188+39	137	166%
■ 2021GT 2040	161+20	72	251%

Qualitative analysis of 2017 & 2021: China "competitor," Russia "disruptive;" C "global power," R "major power"

US policy makers and other foreign policy elites (e.g. McFaul) & major media (NYT) seem to follow the GT lexicon

## GENERAL AGREEMENT (CON'T)

Your Mansfield Center/NGA summer series:

- 30 recordings on China
- 19 Russia
- 10 Korea
- 10 Latin America



## EXPECTED (AND ACTUAL) NEW OUTCOMES IN US-CHINA RELATIONS SINCE JANUARY 2015

1. Chinese confidence, assertiveness, leadership
2. US balancing, emulation, socialization
3. Ability for both US and China to apply and withstand economic sanctions
4. Moderate political-military outcomes (mostly containment)
5. Sensible duopolists with regard to shared threats (terror, proliferation, climate, covid)

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## FURTHER READING

In addition to sources cited in the slides above and in the video presentations, I recommend:

- Susan Meld Shell, "Nachschrift eines Freundes: Kant on Language, Friendship, and the Concept of a People," *Kantian Review*, vol. 11, October 2010.
- Susan Meld Shell, "The Future of the Liberal Family," in *America at Risk: Challenges to Liberal Self-Government in an Era of Uncertainty* (Ann Arbor: University of Michigan Press, 2009).
- Peter Drucker, "Introduction: Mary Parker Follett: Prophet of Management," in Pauline Graham, ed., *Mary Parker Follett: Prophet of Management* (Boston: Harvard Business School, 1995).

## Q&A

Source: Karen Ruth Adams, "Back to Bipolarity: Structural Realism and the Rise of China," Paper presented at the 2018 Annual Meeting of the American Political Science Association, 2 September 2018.

Figure 1

### Primary Causal Claims of Structural-Realist Theory

