

## Transcript | The Growing Sino-American Military Rivalry

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### Abstract

*The United States and China together now account for over one-half of the world's defense spending. In recent years, Sino-American military competition has intensified in the contested waters of the Western Pacific, with the South China Sea and Taiwan both potentially dangerous flashpoints. The People's Liberation Army is also developing global capabilities to support the PRC's Belt Road Initiative, posing challenges to nations beyond the Asia-Pacific region. Efforts to mitigate the risks posed by these developments are complicated by the diverging geopolitical interests of Washington and Beijing, and both sides' quests for military technological superiority which encourages economic decoupling. Karl Eikenberry, whose military, diplomatic, and academic careers have included numerous postings and projects in China and East, South, and Central Asia, will discuss the state of the U.S.-China military rivalry and the factors that will shape its future course.*

This transcript has been prepared by Gateway House.

**Amb. (Lt. Gen.) Karl Eikenberry (KE):** Amb. & Manjeet, Thank you very much. If you would allow me a moment here, I am going to try to pull up my slides. Let me start, first of all, with some sincere words of respect or shoutouts. First, to you Manjeet and Gateway House. You are the Co-founder of Gateway House, going back to 2009 and the Executive Director and I wanted to let you and your audience here know that your fellows, your analysts, your staff have really done an extraordinary job of contributing to the world's better understanding of all the cutting-edge global issues. I will give one specific example to all of you here, you and your analysts participation in one of the Stanford's hosted conference earlier this year on the PRC's Belt and Road Initiative and I have to say that Gateway House is the rockstar of that session.

For you Amb. and your institute of Chinese Studies, Delhi with its history, going back to 1969, which by the way is my freshmen year at the United States Military Academy at WestPoint, where I first began studying Mandarin. Two points about ICS, I will be speaking as an American. First, India and the United States have huge overlapping common interest in better understanding China, developing effective policies & strategies to ensure stability and hopefully more convergence and ICS provides a wonderful bridge and second, the expertise your team brings to the table, I have to say, is not available in Washington, Berlin, Canberra, Tokyo or anywhere else. The world can learn a great deal by spending time with ICS.

So, as you said, the topic is, Growing Sino-American Military Rivalry and it is a topic that is not only relevant to civil and military leaders in Beijing and Washington, but I would argue and I know all of you understand and we will explore more during today's talk, that this is a topic relevant in capitals all around the world. Especially, in Delhi, as tragic events this past summer made it very clear.

Here is how we are going to proceed, some initial prepared remarks by myself and then look forward to a conversation with Amb. you and Manjeet and very much hoping that we draw on your expertise and then to an open discussion.

For my prepared remarks, what I would like to do is cover these three topics –

- Historical Context
- Sources of Military rivalry
- Challenges to Deterrence

In historical context, I will focus on the factors that help explain the rise of U.S.-China security competition over the past three decades. I would like to then, identify some of the drivers of this growing military rivalry. Third and perhaps, the most interesting, explore the issues that are making managing these competitions so difficult or to say in another way, the challenges the both sides are having in establishing credible deterrence. What I am really hoping is that, these opening remarks will serve as a kind of food for thought and help stimulate a good discussion.

Some themes I would like to lay out for all of us, before I begin, which are seen throughout my remarks and will touch upon our subsequent conversation –

- **On a Literal Collision Course** – First of all, there is a significant chance, in the current environment, for an accident or miscalculation at the tactical level in the Western Pacific between the operational forces of United States and the People's Republic of China and a tactical mishap, of course, would have huge strategic consequences.

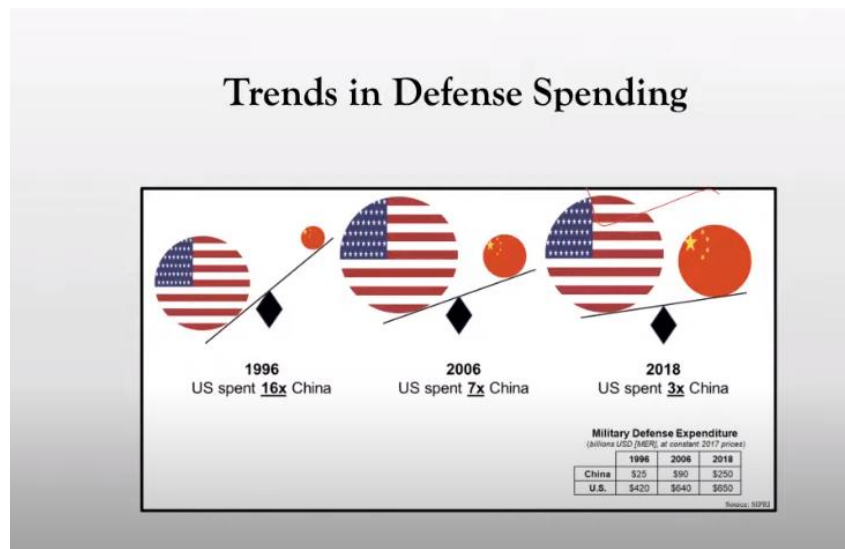
- **Military Doctrines are in Flux** – Second, is that military doctrines, around the world, of all the great powers, especially United States and China are in flux. This complicates efforts hugely to exercise restraint as I mentioned before to achieve credible deterrence.
- **Security Dilemmas Are Increasing** – The third point is that the security or defense dilemmas are increasing. I think most of you are aware that, Prof. Robert Jervis at Columbia University, talked long ago of security dilemmas - Situations in which actions taken by a state to increase its own security cause reactions from other states which leads to a decrease rather than an increase in the original state security.

### Historical Context

So, let's start with the historical context and this isn't an era of the last three decades but before. This is from the classroom at WestPoint as a student of Chinese, my time in Hong Kong, studying Chinese at the United Kingdom's Ministry of Defense Chinese language school and on at Nanjing University in 1982 – 83. And then as a player in all of this, in 1985, as an Assistant Army Attaché in the U.S. Embassy in Beijing and beyond as Defense Attaché in late 1990s. It is really mind boggling to think of the changes that have occurred over this period of time. First hand, in the mid-1980s, when I was an Assistant Army Attaché at our embassy in Beijing, the United States remembers it as a cold war and we have an alignment with China against the Soviet Union and during this period of time, we have for military sales and commercial sales programmes where we are selling the PLA the Firefinder Radar which they in turn use in their border war with Vietnam and we are selling Blackhawk Helicopter, as a young Assistant Army Attaché, I remember witnessing in Lhasa, Tibet, PLA Blackhawks helicopters landing.

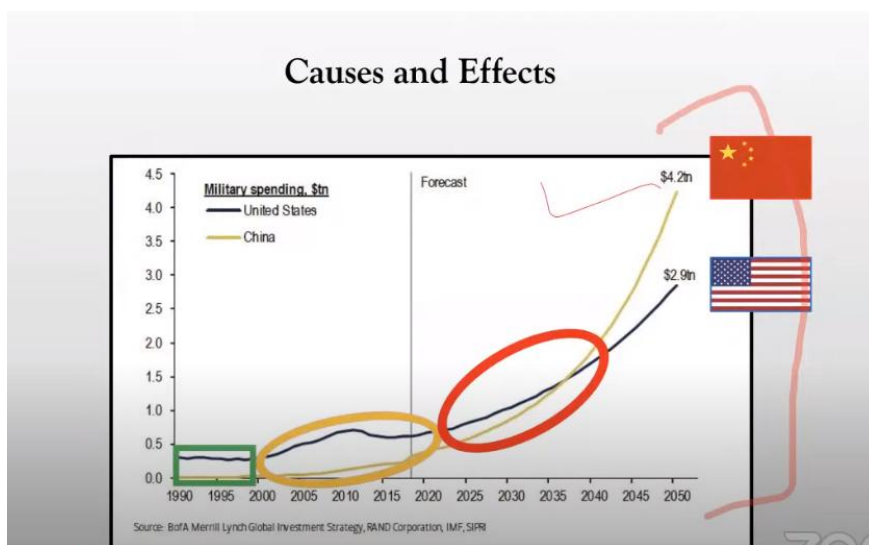
Starting point, when we talk about the historical context is the very rapid growth of PRC's military spending power and of course this is derivative from the PRC's rapid economic rise. So, just a visual here showing the comparisons from 1996 when the U.S. is spending sixteen times as much as China on our defense, on our armed forces. In 2006, its down to seven times. 2018, its three times and now it is about 2.5 – 2.6 in this year, probably with China's defense budget being understated.

Image 1



It is useful to look at the growth of Chinese military spending over time and look at the three different period and this can help us better understand the drivers of U.S. and China military competition. In the slide below, on the y-axis we see the spending in U.S. dollars in trillions and on the x-axis, we see the period of time from 1990 and then going out into the future. First of all, from 1990 to 2000 it is a flat curve for both China and United States. China has double digit economic growth going from the late 1970s, through 2000, why is it that their military spending is flatlined. Then, the period from 2000 to about present, where you see a dramatic increase in Chinese military spending. The U.S. military spending is also increasing but very much explained by the so called 'global war on terror' and then goes back down. Now, we speculate on the future.

Image 2



So, we'll start then, with this first period in time, the 1990s and I would like to make several points –

First of all, the first period of time, the 1990s, why is China not investing a lot in this period of time. Well, it is part of their overall economic modernisation strategy, a much lower quart is being given to military. Emphasis is being laid to infrastructure, agriculture and developing the rest of the areas by Chinese leaders. So, this is a deliberate choice they are making to limit defense spending at the time.

Secondly, the international environment in the 1990s to the Chinese was extremely favourable. U.S.-China military relations are generally positive, with a few exceptions that I will mention. And very much like the United States finding itself in an environment after the collapse of Soviet Union where they have no evident strategic adversary, so it is with China. But, at the same time, in the 1990s, there is an inflection points where the Chinese Communist party leaders or PLA leaders are becoming increasingly aware of just how far ahead the U.S. was in terms of military capabilities and in enabling its doctrine. There was this stunning U.S. led collision victory during the liberation of Kuwait in 1991. PLA experts around the world predicted that the United States would suffer tens of thousands of battle deaths as it turned out the United States suffered, so kind of a wakeup call.

Then thirdly, two embarrassing and humiliating incidences for China in the later 1990s. First the Taiwan Strait crisis, when the PLA conducted provocative missile firing exercises in the run up to the Taiwan's 1996 presidential elections and two U.S. battle carrier groups were sent as a show of force by the United States and the PLA having no adequate response capabilities. Secondly, the incident I witnessed first-hand, as the Defense Attaché in Beijing, was the NATO's and the U.S.'s accidental bombing of the Chinese embassy in Belgrade in 1999. An ordinance hitting the embassy and hitting the PLA attaché office precisely, all by mistake. It instigated a very excited nationalistic response in China, understandably and this leads them to a political-military consensus in China that it needed to embark on a path of rapid defense modernisation.

Second period of time, where China's defense spending does start to increase and goes into double digit growth. Several important factors during this period of time –

1. The United States is strategically distracted in Iraq and Afghanistan with our military focus on wars on counter-terrorism and counter-insurgency. So, our eye is off the ball, so to speak. Some say, strategic sleepwalking and our eyes are off our competition.
2. During this period of time, even before Xi Jinping, huge investments in accelerating PLA capabilities and capacities.
3. China's economic footprint is expanding globally and behind those expanding global interests, is military rising and as capabilities evolve, military interests develop in defense of the economic interests. In the image below, you can see in the bottom left hand corner, the photograph taken from the Chinese non-combative evacuation operation in Aden where they rescued or were able to evacuate 600 PRCS and 225 foreign citizens. In the middle photograph in the bottom row, the growth of their artificial islands in the South China Sea as they began to assert more control in the Western Pacific, which also leads to a much more assertive foreign policy.
4. Finally, the security dilemmas, before this starts to become very evident in the late 2011. You will recall, at that time, President Obama in Canberra, Australia announces the so-called pivot to Asia. The Chinese PLA immediately characterise this as a containment strategy. So, a U.S. move, which was looked at as simply U.S. responding to China's increasing assertiveness is interpreted in Beijing as a containment strategy.

Image 3



Last, talking about the future –

1. In the image below, here on the left hand side is the United States’ so-called ‘Strategic Approach to the PRC’. This is a Trump-administration release of our strategy with regard to China. This was in turn a response to a Congressionally mandated requirement to the executive branch that they produce such a document. But this really is a reflection of what was already evident in 1997. The point of this strategy is that now we have entered an era of state competition. The previous focus on trans-national threats, especially terrorism, given a much lower priority and China and Russia are listed as the primary military and security threats to the United States. As shown here in the document to look through, if any of you have the interest and time available, as it is available online. A quote from the report – ‘Beijing’s military build-up threatens United States and allied national security interests and poses complex challenges for global commerce and supply chains.’ I put this up here, even though, we have an election coming up on the 3<sup>rd</sup> of November and perhaps Amb. & Manjeet, you would like to talk about what the consequences of this might be for United States’ defense strategy but by and large you have bi-partisan support, of republican and democratic support for the Trump administration’s general strategy and tactics. I don’t think the Biden administration would have great differences with this document shown in the image below on the left.
2. Second thing that we look at the future challenges in anticipating in how U.S. and China’s defense strategies will emerge. Two problems here. The first is the uncertainty of the rise of China’s economic power and then from that, of course, China’s economic power and questions about the United States and what does its future growth rates look like. Here is one estimate, by the year 2024 that China’s GDP in terms of Purchasing Power Parity would be at about \$35 trillion and United States at \$25 trillion but what most people, especially in United States assume is that China’s economy will continue to have higher growth rates over the next 10-15 years than the United States and then you have to from that make your judgements about what will be the impact on military modernisation.
3. Final point about the future is also the uncertainty about the Chinese science & technology achievements and how those translate into precise capabilities for the Chinese military and I will talk about them in just a moment.

Image 4

**The Shadow of the Future**

**United States Strategic Approach to The People's Republic of China**  
MAY 20, 2020

On May 20, 2020, in accordance with the 2019 National Defense Authorization Act, the administration delivered a report, "U.S. Strategic Approach to the People's Republic of China" to members of Congress. This report articulates our whole-of-government approach to China under the 2017 National Security Strategy. Review the report, please visit <https://www.whitehouse.gov/wp-content/uploads/2020/05/U.S.-Strategic-Approach-to-the-Peoples-Republic-of-China-Report-5.20.20.pdf>

	2004	2014	2024
USA	13,205	17,688	24,488
China	1,300	14,231	34,936

*Beijing's military buildup threatens United States and allied national security interests and poses complex challenges for global commerce and supply chains.*

### Sources of Military Rivalry

Let's talk now about the sources of military rivalry and I have three that we will focus on –

- Vital Interests in the Western Pacific** – The first in the United States and China's vital interest in the Western Pacific. Militaries would call this a more military operational concerns. China's land borders with a critical and very important distinction of India had mostly been defined now and agreed upon with neighbours and I emphasize the exception being India. The summer being a reminder of how important that exception is. Then turning to the maritime front, from the Chinese perspective, has not yet been defined and agreed upon with neighbours. The Western Pacific, shown in the image below with the brown ellipse is absolutely critical to China for its commercial trade and they also have major sovereignty issues. Expansive claims in the South China Sea and the East China Sea and also with regard to Taiwan. So, for the PRC, in the Western Pacific, it is about maritime access, it is a strategic security issue and it is about sovereignty. For the United States, it is about the freedom of navigation which has huge global precedence and it is also about credibility. What do I mean by credibility – We have two treaty allies that are involved in these maritime issues – Japan and the Republic of Philippines and there is also Taiwan.

For U.S. military planning, the operational problems that are faced in the Western Pacific are getting more difficult to effectively address. Firstly, the steam time, that is the amount of time taken by a naval ship to go from a base of operations and get to the South China Sea, the Steam

time is considerable, relative to the Chinese Navy. So, if you look closely at the image below, it shows the distance and time it would take for the U.S. and allies ships to reach South China Sea where as China already has a presence in the South China Sea. The artificial Islands that I talked about before can be very readily converted into a base of operations and even their base in Sanya is about 12 hours of steam time to the point of crisis. So, time-distance factors as China becomes more capable and has more assets to put in to the South China Sea and the East China Sea works against the United States. Secondly, is the vulnerability of the U.S. base or land base communications and logistics basis. Single points of failures. Single Airbase at Guam, in Anderson, at Pearl Harbour in Hawaii and so forth. So, single points of failure in terms of communications and logistics. The United States military during these wars on terror and counter-insurgency got a bit lazy. So, taking for granted that all of our assets, whether they are on space or land could not be contested by an opposing force. But China's come some distance not in developing capabilities that can threaten our communication and intelligence systems. The United States is responding to this by trying to build more resilience.

### Vital Interests in the Western Pacific

**Maritime Access + Sovereignty**

**Freedom of Navigation + Credibility**

**The Tyranny of Distance**  
Shows the time and distance for ships to reach the South China Sea from various bases.

**Carrier strike groups**  
Shows the composition of a carrier strike group and its operational capabilities.

The third is the increasing threat that the PLA forces pose to U.S. power projection platforms. Especially, U.S. Navy Battle groups and the ability of the PLA, its air force and its navy and its rocket forces to threaten those kind of strike carrier groups. The U.S. then have to stay at a further distance from the area of operation which then of course degrades its capabilities as the fighter aircrafts, strike aircrafts based on their carrier are now farther from the point of conflict and have to fly further and can have much less loiter time in the area. The final point I would like to make in the Western Pacific and one of the themes, I talked about up front in my initial remarks and that is the risk of an accident in the South China Sea between the operation forces of China and the U.S. So, I have got a star in the South China Sea, in the image below (Image 6). This is close to the Johnson South Reef and on October 1, ironically as October 1 is National day in China, little over two years ago, USS Decatur Destroyer shown on the left (Image 6) got within 45 meters of colliding with a PLA Navy PRC Luyang as the USS Decatur was conducting a freedom of navigation operation. This pushed the Decatur off course and we were very close to having a serious incident in the South China Sea. Just to give you an idea of what 40-45 metres look like, in the image below (Image 6), there is a soccer/football field and the red arrow show what 40-45 metres look like. Once again, if we should have two of our aircrafts collide or two of our naval vessels collide and say two destroyers entangle, that would immediately, perhaps, lead to 10 U.S. or Chinese sailors dead and dozens wounded from over board search and rescue operations and for China to give permission for the search and rescue as it is China's sovereign space. You can estimate how serious things would then be.

*Image 6*



- Global Access and Presence** – The second is the increasing competition between the United States and China, which the Amb. highlighted in his opening remarks. The increasing competition for global access and influence. Beyond the Western Pacific, second driver of competition is competition for global access and presence. The competition has been increased between China and United States globally. It is primarily diplomatic and economic but there has been growing emphasis on both sides about the implications of potential military access and presence. This is played out with the Belt and Road initiative and the U.S. response to it. Many U.S. responses have been primarily economic and diplomatic at this point but with the Pentagon thinking more about it. Here is an example of the United States under the Trump administration, establish the U.S. International Development Finance Corporation, give loans on general terms



and grants to developing countries, often for the development of infrastructure. This was very much developed in response to BRI. Then both sides in search for allies and strategic partners. China is well versed with Russia and now beginning to explore strategic partnerships with other countries. Hard to determine what is behind it but even discussions with Iran on developing a strategic relationship. The United States on our part in the Indo-Pacific region with aspirations to create trilateral or quadrilateral groupings. In order to make denser our set of partnerships and allies within the region and hedging against China. All of you aware about the QUAD grouping of United States, Australia, Japan and India with security dimension to this. I know that more recently, there was the announcement of Australia joining the Malabar Naval training exercise with U.S., Japan and India. Clearly, Chinese aggressive behaviour is giving U.S. efforts a shot in the arm. Even NATO is discussing the problems posed by the PRC and we can discuss this later.

- **Imperatives of Technological Advantage** – The third area of competition is the battle for commanding the technological heights leading to the tendency to decouple. I know that all of you are well familiar that both China and the United States are playing both offense and defense when it comes to trying to maintain or take the lead in critical technology. China has embarked upon what they call the Civil-Military fusion programme and that is the programme in which gains that are made in the civilian programme are transferrable seamlessly to the military and this is what the United States thinks a lot about also, that if we were to go back to the 1970s and ask the question at that time how much of what the United States army would consider important military technology was coming from first the commercial sector and then being transferred over. The answer would be perhaps about 20-25%. Most of the cutting-edge defense technology that mattered at that time were coming out of the defense industry sector, propriety contracts from the United States government. Now, if you ask the Pentagon, what percentage of technologies that matter is coming out of the civilian sector. The answer would be about 80%. So this is a flip. So, when China talks about the Civil-Military fusion so does the United States. This complicates efforts hugely to try and develop economic exchange agreements with regards to trade, investments because an increasing number of commercial firms are producing technologies and products that do have defense implications.

We talked about offense and defense. An example, offense being 5G where in regards to what the Trump administration is saying is on an offense right now and is trying to clip the wings of Huawei and Chinese competitors that are in the front of the United States in regards to 5G telecommunications. Also playing defense, protecting our free technologies by export control regime, so, we have established over the last three or four years in building higher fences around our research and development fronts. And lastly, secure supply chains. This is a question/issue that existed before the onset of the pandemic and has accelerated since the pandemic. Whether you are in the United States or China or Delhi or London or Berlin, everyone is talking about secure supply chains. This has tremendous implications for U.S. and China military competition.

### **Challenges to Deterrence**

Let me end by talking briefly about the challenges to deterrence. Why is it that both sides know that unrestrained military competition would be dangerous and pose significant economic opportunity cost and yet so it is so difficult to manage this competition. There are four challenges –

- **Uncertain Scenarios and Redlines** – First of all, there are uncertain Scenarios and Redlines, so to speak. There are tactical scenarios such as the South China Sea, East China Sea and I see one in Taiwan, where it begins as a tactical scenario but there is no clear escalation control that has been brought through and there is an under appreciation in Washington and Beijing to the degree to which the opposite side understands if it recognises the vital interest of the other side. So, does the United States fully appreciate the degree to which China is looking at the South China Sea as a Chinese lake? Is it really understood in Beijing that the United States cannot abide a precedent in which the South China Sea becomes a Chinese lake? This is especially true in the Western Pacific and you have got a combustible mix of strategic logic with a nationalist fervour over what has been categorised as sovereignty issue.
- **Growing Complexity of Warfare** – We have talked about the expansion of technologies into the commercial sector, there is new domains, now, of warfare that are emerging in space, in cyber, unmanned vehicles. The boundaries of warfare are blurring. So called, ‘grey-zone’ operations. You have offense advantages that obtain from some of these technologies like cyber, where the advantage goes to the first strike. These are destabilising and it is not clear how all of these technologies and other systems that are being developed, how they should be employed militarily. It is difficult than to have any certainty, which is needed for it to be effective.
- **Defense Planner’s Dilemma** –The third is the security dilemma but since we are talking about the military competition, it is the defense planner’s dilemma. With the lead time required for the development of military hardware, this feeds into the security dilemma. If the United States, say, developed an under-sea warfare capability and this is going to be developed with a degree of transparency. Our Congress needs to approve the funding. There is going to be a long development program and a testing program and a fielding and testing program. So, we might announce our intent to develop a certain capability which we look at as a warranted response to China’s increasing aggressiveness and capabilities but we won’t see that capability for 10-13 years. China looks at this capability of the U.S. as a developed thing and their view is that we are entirely defense or responding to an American provocation. So their Pentagon-equivalent goes we need to develop a kind of off-set and so the arm spiral continues.
- **Limits of Bilateral Military Relations** – The last point is limits of bilateral military relations and what do I mean by that – That there is a tendency, at least in capitals at least, to talk to each other. There is a role for the militaries to be talking to each other in this environment. They should be talking about accidental avoidance, crisis management. They should have talks about doctrines because doctrines understanding can help better understand intent. But there is a limit to what militaries can accomplish. At the end of the day, the PLA is a professional military, it is not the Communist Party, Xi-Jingping controlled. The United States has a professional military. We are constitutionally under the control of our civilian leaders. Militaries get paid to look at the glass as half empty, they get paid to develop insurance policies in case the policies fail and so regardless of military dialogues going on between China and the United States, at the end of the day, what is truly important is civilian diplomatic decisions that are made which the military in turn then supports.

Let me stop there. I spoke a little bit too long.

**AK:** Thank you, Amb. Thank you very much for that brilliant exposition on growing military rivalry between China and the U.S.A. You were listed, you were insightful and what you said was extremely relevant for us, more so, at this point of time, when we are at the receiving end of PLA's belligerent along our land borders with China. You, in a brief but successful manner brought out the history of military rivalry between U.S.A. and China, identified drivers to the competition and discussed challenges to deterrence. Some of the facts and figures that you brought out were truly revealing to know. Like, what you mentioned about the rapid defense modernisation of China, increasing budget of defense for China. It is a huge increase that has taken place. In India, of course, you go by SIPRI numbers. Last year, China's defense budget was four times than that of India. So, it has its own implications for us. You also brought out what you described as the shadow of the future, challenges posed by China's military build-up, sources of rivalry between China and U.S.A., driver of competition and finally challenges to deterrence. Thank you very much for that presentation.

As we discussed earlier, the next part of our webinar, we will have a brief conversation with you. Manjeet and I will pose some questions to you. Let me begin with something that you alluded to but didn't quite develop. This is the upcoming elections in U.S.A. which are less than two weeks away. You mentioned that President Trump's China policy has bipartisan support. Though there are of course differences on details and tactics. What kind of security defense strategy differences are there between the Trump and Biden administration? I am not trying to speculate on what will happen on 3<sup>rd</sup> November but I am trying to understand what kind of change will there be if Biden is elected?

**KE:** On the question of what the Trump administration or Biden administration defense strategy will be, with respect to China, I would first, though, just make clear how much bipartisan support there is for the general direction of the Trump administration with respect to China. At least, saying that, perhaps, the Trump administration is the one that sounded the talks. First within the executive branch, very briefly in the world of economic exchange and technology competition, the sweeping sets of rules & regulations that had been put in place and they go as well in law enforcement. So, you have now there, almost 4 years into the Trump administration, you go to Department of Defense and of course, they have their own rules & regulations that didn't exist with regard to exchange with China, the Department of State, the Department of Commerce, the Department of Treasury, the Federal Bureau of Investigation and so, even if the Biden administration came in and want to have a major change very quickly and want to go in a different direction, which they will not, it would be very difficult for them to do.

Second point is that of course, the Trump administration wasn't acting on its own. Many times, what gets reported as the Trump administration ruled out this new policy was in fact in response to a congressional act or a congressional mandate. I think you will all find this interesting, if you look at all the U.S. Congressional legislations that name China, now this could be a resolutions or bills or currently what we call the 116<sup>th</sup> Congress of the United States 2019 to January next year, we are not done yet, there were 567 resolutions/bills introduced in this Congress in three years that name China. To put that number in some kind of context, in 107<sup>th</sup> Congress, 2001 to 2003, the first years of the so called 'global war on terror', had 135 resolutions introduced. Some of the resolutions/bills are on South China Sea & East China Sea Sanctions, the Fair Trade with China Enforcement Act, there is preventing China from exploiting Covid-19 Act, Countering Chinese government and the Communist party influence Act, resolution condemning the persecution of Christians in China and brace yourself for this one – a

bill to prohibit the use of federal funds for purchasing cats and dogs from wet markets in China and for other purposes. And if you go into the polling, whether its Republican or Democrat, you get the same result. The only bipartisan action going on in the Congress, is in regard to China policy.

And the last point is this is an elite issue in Washington, as often foreign policy issue can be, the answer is no. Few surveys conducted in the United States and around the world, and they are a pretty good barometer on U.S. opinion, the unfavourable views of China in the year 2005 in the United States was 35%. 35% of Americans polled in 2005 had an unfavourable view of China. In this year, 2020, 73% but also let me point out that this is just not the United States that is seeing this trend. About 2005 – 2020, Australia: 40 to 80%, Japan: 42 to 86%, Korea: 24 to 75%, Germany: 25 to 71 %. And get this again, brace yourself, even Sweden is angry: 14 % to 25 %.

To get to the question, what policies would we see change. I think, under the Biden administration, we would see less defense spending but with regard to China that probably won't matter. I think under the Biden administration, there will be a tendency to, as in the Obama administration and even the Trump administration, is to try to draw down in the Middle East and Central Asia, uncertain of what they would do in Europe because of concerns with Russia but more doubling down in the Western Pacific, in the Indo-Pacific area. What you will see from the Biden administration will be very different from the Trump administration. First of all, much more emphasis on allies and partners. Now, I think that the Trump administration has got too much criticism in the Indo-Pacific area for disunity or not linking economic and security policies. I think that is guilty as charged in Europe, to some extent in Asia but perhaps the argument is over stated. Regardless, globally you will see the Biden administration which tries to reinforce and reinvigorate alliances and partnerships and will better synchronise economic and security policies. So, as an example, not going after a key ally which we look at is very important in creating a more united front in regard to China. Not going after them separately as some form of trade war. You will also see, the Biden administration a return to a much more transparent and coherent bureaucratic process and I think in a good way. In Washington D.C. right now, the national security decision making process is a bit incoherent and unpredictable and subject to daily tweaks. I think, finally, you will see from the Biden administration an effort being made to see if there are areas where China and United States can possible cooperate in. Perhaps in fighting pandemic threats. Certainly, in the area of climate change. The term that has been developed under the Trump administration, China as a strategic competitor, the Biden administration will continue that.

**AK:** Thank you for that very thoughtful response. I have many more questions but I will limit myself to one more question because I can see a whole lot of people who would like to ask questions in the chat box. You referred to the risk of accident at tactical level with huge implications. You gave the example of what can happen in the South China Sea. Now the theatre where there is risk is the Taiwan Strait. Can you tell us the risks and consequences of conflict between China and the U.S.A in the Taiwan Strait?

**KE:** I will try to be briefer in my answers now. I did think it was important to share with you my own perspectives on the upcoming elections and the future implications of the same.

**AK:** No, that was very helpful. Thank you for doing that.

**KE:** Now, Amb. in regards to South China Sea, the kind of scenario that I worry about, and I know that, I stay in touch with active duty military and formerly some of them I served with. Let me play out a scenario that I started out with in my prepared remarks. So, the U.S. destroyer and the Chinese destroyer collide. Now, If I were China, my next step would be thinking about how to control escalation. So what I am going to do is jump out front and immediately in my playbook would be that I tell the world that the United States despite a repeated warning at this provocation were there failure of navigation led to ramming perhaps intentionally into a PLA destroyer. China in their goodness, conducting search and rescue operations in their territorial waters and that they very quickly pick up a couple of U.S. sailors. They show them to the world, how well they are being cared for and then the PLA immediately announces that the search and rescue operations must be coordinated through China because there is their territorial water and only with their permission can the U.S. rescue assets be allowed in. But also at the same time, because of this provocation, China defensively now, is against its will to deploy military assets in those artificial islands. So, I deploy a couple of squadrons of fighters, some naval assets and say we really did not want to militarise this, but the United States has forced us to do this. I maybe, if we had a PLA expert or a PLA officer in this conference right now, they might disagree sharply. But that is how when I was in the Pentagon, we worked it. So now, what is the United States next steps? If we really believe that China is going to deny us search and rescue operations, the first thing that you want to do is take care of the sailors who are injured. Is it worth getting into a tactical conflict, in order to assert that principle of your right under International Law to conduct search and rescue operations and so it goes. I worry Amb. that we have got the freedom of navigation operations going on in the South China Sea, but I don't know either side has thought through escalation control and how it plays out.

With regard to Taiwan, now, I have talked about the history. In the 1990s, Taiwan's defense spending was about a third of the People's Liberation Army's budget. But now it is 25<sup>th</sup>. China with its military assets that it has, it has to think about more than Taiwan. It is becoming increasingly global, it has to think about India, for instance. So it is not that they can bring to bear all of their military capabilities against Taiwan. But the numbers have gone decidedly against Taiwan and Taiwan's ability, then, to withstand a major assault is problematic and increasingly problematic in the absence of a quick U.S. response. Here in, is the danger. What will the United States do? Should China, then, use military coercion against Taiwan? Are the American people prepared for a conflict with China that could be catastrophic for both sides and would be a life changing event for this planet? Polling indicates that less than 50% of Americans will support a military intervention into Taiwan but I don't know if that would be decisive in the time of a crisis. Final point I would make about Taiwan is that, at the end of the day, PLA and the Chinese Communist leadership, they know that, even though they have got decisive military advantage, that an invasion of Taiwan would be a very costly expedition. Even, without the involvement of United States. The amount of landing beaches that are available on Taiwan are extraordinarily limited. The Taiwan Strait is very shallow waters. So, PLA's advantage against Taiwan for submarines operations is negated. The weather in Taiwan Strait is never too good. You have got very small windows of time to launch amphibious operations. I could go on but the military problems are very significant ones and the likelihood of China, then, rolling the dice and saying let's go for a full blown invasion, I think, at this time, still remains very limited. So, important for United States to continue to give Taiwan a deterrent capability and I think very important increasingly, like-minded countries like Japan, Australian, European Countries, India; that we talk about Taiwan issue. Never mind the military operation problem but what would it

mean for the world if China were to use coercion to force Taiwan to come back to the mainland umbrella. I think that would have consequences that go far beyond the military domain and the need for the world to be thinking about Taiwan and showing a degree of support for Taiwan will be increasingly important.

**AK:** Thank you, Amb. for that response. I will not like to monopolise the conversation so now, I would like to bring in my friend Manjeet to the dialogue. Manjeet would like to ask you a few questions.

**Manjeet Kripalani (MK):** Yes. So, I am going to ask only one question. Thank you, Amb. Eikenberry. You mentioned that the U.S. has moved from counter-terrorism efforts and now, would have to redirect itself into a new kind of conflict. So, what are the challenges that the U.S. military faces in redirecting its efforts from counter-terrorism and counter-insurgency to a peer or near-peer competition with major powers like China and maybe Russia?

**KE:** It's a very important question, Manjeet. The United States military from 2001 until 2014-15, it was focused on terrorist cells and insurgent groups of maybe 10-15 and during this period of time, our military lost no tactical battles. In fact, we got used to winning a 100 to nothing or 99 to 1. During the cold war, when we were focused on state to state competition, we had a military peer, the Soviet Union, who has understood within our military that winning 51 to 49 might be good enough and might be the best we can do and we might be losing a few rounds as well. So, there was a kind of laziness, a kind of hubris that developed within our armed forces, that none of our assets that we have then will enable this kind of extraordinary performance in terms of our precision intelligence, our ability to see something and strike it quickly with absolute precision, that all the enablers whether they were in Space or ground-based systems or the assumption of complete air superiority, none of those would be challenged.

As we know, started to think about state to state competition, we have to go back to a lot of basics. One is, Manjeet, the need for resilience. So, its interesting, when I went to Pearl Harbour and took a group of Stanford professors. Say, five years ago when I would go to Pearl Harbour and talk to a U.S. Navy Destroyer Commander and ask the question, you go to the South China Sea, are you concerned about China's ability to threaten your enabling systems, cyberattacks, space system attacks and the answer was yes. What do you do? Well, we go out on an exercise and then we practise this and we shut some of our systems down but about 12 hours into the exercise, the umpires and commanders say turn everything back on, this is too hard and we are wasting too much money with this high speed exercise we have planned. Last year, when I went to Pearl Harbour, I asked the question, what do you do and they said what we do is we leave Pearl Harbour 24 hours out on the way to South China Sea, we step down our tier one systems and 24 hours later we shut down our tier two systems. 24 hours later, we shut everything down and we are navigating by the stars like Lord Richard Nelson Gale did. So resilience is important and I have seen that within our army, our air force, our navy and our marines. They really are practising resilience.

Point number two, is to distribute the forces better. That we cannot have these single points of failures because China can locate them and attack them. So, you are seeing some very innovative doctrines being developed by all of our forces and in combination our joint forces. We are trying to take small sets of tailored forces and distribute them into, say the Western Pacific in places

that the PLA would have a hard time finding and locating them and would have sets of capabilities that could flip this and actually threaten China's increasing reliance on enabling systems.

Third and final is that United States military and our civilian leadership are thinking much more now about long-range precision strike that the previous doctrine developed during the Cold War and then that you saw played out in Kuwait in the first and second Gulf war. The idea of the United States when faced with a potential military adversary would build up at leisure at the doorstep of the adversary and at the time of our choosing we use the military parlance kick the door open. That is not possible with China. China has very sophisticated anti-access aerial denial strategy and capability and so the idea then if China is coming out into the Western Pacific, it is extending its own forces and the United States for more distance than able to strike at adversary targets.

**MK:** Thank you.

**AK:** Thank you. I will now invite Jyoti Malhotra, National and Strategic Affairs Editor of The Print, our media partner to ask a question.

**Jyoti Malhotra:** Thank you so much Amb. Kantha. Amb. Eikenberry, it was very lovely to hear your presentation here in Delhi. We know you, of course, when you were Ambassador I Afghanistan and that is how we follow you and know your name. My question on China is much more sort of limited to the Indian theatre and you know that there has been Chinese aggression into Ladakh, it has been more than five months now. Indian troops and Chinese troops are face to face, if not eyeball to eyeball, in several parts along the Line of Actual Control. They are now inside the Indian territory. Now the question is, what is the thinking in China? Why is it that Xi Jinping has undertaken this manoeuvre or aggression into India at this point? Do you think it's Xi Jinping who has given permission for something like this and why?

**KE:** As to the question of whether Xi Jinping was aware of this, we don't know. But I think most of the people in the U.S. intelligence community that follow these issues would say yes, he was aware, that he has got a very firm grip on People's Liberation Army, a very strong grip. This is two-fold, one is that the military can be a source of rivalry for power and Xi Jinping is intent on ensuring absolute Communist Party control with himself at the summit of all facets of Chinese political life and the security elements and economy. So, yes I would wager a good sum of money that he was calling the shots on this.

As to the timing of this and why there is speculation that China and the PLA was increasingly concerned by the rise of Indian army and military capabilities, mostly in terms of the improvement of your logistics with airfield capability and also your ground lines of communication and that a compelling argument was made to Xi Jinping that in order for China to maintain the dominant position in the Ladakh region that its offensive operations would be required. To me, the way China has operated here is very consistent with how it operated on other security fronts to include your own, were taking a very bold action and offensive action and then putting the opponent back on its heel and then pulling back right after that. But the new status quo that it's established with that action puts them into a better position. The same they did with Vietnam albeit with a huge cost. The same actions that they take in the South China Sea. Keep pushing, keep pushing, the other side then steps back and China comes to the negotiating table and all we are trying to do now is to maintain the status quo but with each step

they have a new status quo. So, I look with some alarm to their operations this summer in India. Once again, I think it should be serving as a wake-up call for like-minded partners and for U.S. allies because that is the kind of strategy that will continue to see not only on your border but we are going to see employed in the Western Pacific. That's the kind of strategy that will be employed against Taiwan.

**AK:** Thank you. We have a whole lot of questions in the chat box. Unfortunately, time left is rather short. So, with your permission, Amb. what we will do is perhaps combine some questions and then request you to respond.

**Question 1:** Thank you, Chair. Amb. greetings! If I were a Taiwanese and I was hearing your remarks I would be very worried and if I am from the Indo-Pacific region, I would be concerned. Now, you mentioned that U.S. strategically distracted and also I think very rightly that in case there is a conflict in Taiwan whether or not the U.S. public will be ready to be supportive is in question. Similarly, there is a question mark on the commitment of the U.S. to be a security provider. We remember, in the South China Sea, when China took over the Scarborough shoal in 2012, President Obama did not do anything. So, there is a bit of ambivalence. So, what would you suggest to your friends in the Indo-Pacific region or Taiwan? How can they plan long-term and how can they take security decisions when they are not so sure which way the U.S. policy will evolve? Thank you.

**Question 2:** Very briefly, Amb. Lt. Gen. you have answered very well. But I want to turn very briefly to your experience that United States downed Russia, a big nuclear power by throttling its economy. Since Ladakh and Doklam, India is spending big on defense. Do you think there is a similar gamble (Chinese are gamblers) by Xi Jinping to put India's economy under stress with Covid blowing?

**Question 3:** My question sir, what will be the QUAD's response? Will it contain PLA, that is one thing? Secondly, you are serving in Tsinghua University, are you free to speak your mind?

**AK:** Amb. back to you. You can respond now.

**KE:** I have 60 seconds to solve these strategic questions. They are all great questions, truly. If I could go back to India and China, along the borders, one point I will make about crisis management is that strategically this is a very different problem for India in a sense it is true that when reports of what happened spill out on the streets, you get a nationalist reaction. But to compare and contrast with the South China Sea, an escalation control is a bit easier on your land border, why, because its remote, you can control media access and it is unlikely to get vertical and horizontal escalation, if you want to control it, remote valleys, remote frontiers. Whereas in the South China Sea, the possibility of this spilling into the media very quickly and getting out of control is high and the likelihood of vertical and horizontal escalation, the example I gave where we the U.S. wants to come in for search and rescue, that brings more forces to bear and it can start to get more problematic very quickly.

So, to address the questions about Taiwan and U.S. commitment to the Indo-Pacific region, as I said that the Trump administration can be too maligned for some pretty good work that it has done in terms of defense strategy and military strategy in the Indo-Pacific. But the question that the people of Taiwan and Southeast Asia, indeed, the broader region has what's the staying power of the United States of America and that staying power is brought in by inconsistent messages from Washington D.C., an economic trajectory that, in this point in time, is less



favourable than China's. It has to do with just growing Chinese presence. We have the time-distance factors so regardless diplomatically, economically, in terms of security, one thing that China's neighbours know is that hundred years from now, China is still going to be on their doorsteps, no matter who is the president of United States. With these kind of trend lines, we see longer term, you are going to ask if the United States is going to be there.

My own belief is, and this maybe helps answer the second question, that right now we are in an era where with COVID-19, China y good fortune for the Communist party and good fortune for China, we moved into an era, where at least for this moment of time, the Chinese model appears to have a lot of benefits to offer compared to rowdy democracies around the world. We also have, for better or worse, a President who has led to allies questioning U.S. support and solidarity with the United States. COVID-19 is going to go away one day, probably sooner rather than later and I think we may have a change in the administration coming up in the United States. I cannot look into a crystal ball and say with any certainty but I have a degree of confidence that 12 – 18 months from now, it's going to be a very different world out there. China even domestically, we recall that when the COVID-19 first broke out, there was a lot of people asking questions whether this was going to be a death blow to the Communist Party because of their bungling of how they handled it. They stumbled into success, I think but 18 months from now this measure that they have taken in terms of increasing repression politically, the steps that they have taken, in terms of their economy, ever more statist are these going to flourish when we have a return to a normal sake. I am not certain about that.

The last question was about how does the United States compete with regard to the People's Liberation Army. Well, I talked from a U.S. perspective how I think there is some good work that is going on with some really rethinking of what does military competition look like, what kind of capabilities are needed, what doctrines you develop, but more important is going to be the ability of the United States to regain its prestige regionally and internationally. To be more persuasive that it's there to compete and stay and then to enlist and create a denser network of allies and partners. Not an alliance against China but where China is competing and where China is competitive, taking those countries in that particular region or sub-region that are interested in this and not making everything in the world, U.S. versus China. But if we are talking about South Asia, we are talking about the Indian Ocean, if we are talking about India's concerns with South East Asia and its concerns with freedom of navigation then as we look at the South China Sea problem, not making this something of the U.S. and China but something that in the instance, Australia, Japan are concerned with, India is showing concerns about this and even some NATO countries – France with still having territorial possessions in the Pacific interested in this, the United Kingdom, perhaps NATO not taking this on as their main mission because that would be inappropriate. Russia is their main concern. But a set of democratic countries in Europe and the transatlantic alliance also talking about this. This is the way to compete with China. China's an expert in singling out an opponent and trying to isolate it. This challenge that the world is facing with China's rise requires a very integrated and comprehensive approach.

**AK:** Thank you, Amb. We have, actually, a whole lot of questions in the chat box but we have absolutely run out of time. So, my apologies to colleagues but I am unable to accommodate those questions. We hope to continue this conversation with Amb. Eikenberry. He has so many things to say on matters of great interest to us but I will now request, my friend, Manjeet Kripalani to wrap up and conclude the webinar. Manjeet, over to you.

MK: Thank you, Amb. Kantha. You could not have said it better. Karl, thank you so much for coming in and showing us the depth and the width of your own knowledge, gleaned over so many years in China and now that you are back in the U.S. also understanding your own country so well. We really appreciate it. We hope that we can get you back because as you said this is not going away and maybe a year from now you will come back and we will have a different conversation. So thank you very much.

KE: Manjeet, I am sorry. There was a question about Tsinghua University and very briefly. In the United States right now, I would tell you Tsinghua University in the Schwartzman College Program which is a bubble inside of Tsinghua University you do have guaranteed access to the internet, conversations are generally open. But let me put it this way, one of the Schwartzman master degree scholar students would not choose as their research project while at the Schwartzman College at the Tsinghua University, a study of the weaker Uyghur that's been created by China in Xinjiang, so a great degree of open expression but certainly there is live wires out there that everyone knows are there and they generally know not to reach out and touch them.

Lastly, I apologise for the remarks being a bit long and not being able to get to the questions and Amb. & Manjeet, if anybody has a question that they would like to have answered, please send me an email and I will see if I can get to it.

MK: We will do that for sure and we look forward to hosting you again. Amb. Kantha thank you so much for co-hosting with us. We admire ICS and we are really delighted to have you as a partner. Thank you, Jyoti, to The Print. Thank you very much.

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