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Transcript

CHINA IN THE WORLD PODCAST

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Guest: **Graham Allison**

Episode 126: Graham Allison on Avoiding the
Thucydides Trap

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Haenle: Welcome back to the China in the World podcast. I'm honored to be joined this morning by one of America's most respected and influential international relations scholars, Dr. Graham Allison, from Harvard University.

Professor Allison is in Beijing this week to, among other things, discuss his concept of the Thucydides Trap, especially as it relates to the U.S.-China relationship. His internationally acclaimed book on this topic, *The Thucydides Trap: Are the U.S. and China Headed for War?*, was recently released in Chinese Mandarin. I look forward to discussing this with Graham, but first let me touch on some highlights of his career.

Professor Allison is currently the Douglas Dillon Professor of Government at Harvard University, where he's taught for five decades. He's a leading expert in the field of national security, and over his distinguished career he's published a number of critical reports on the areas of nuclear weapons, Russia, China, and decision making. Graham was the founding dean of Harvard's John F. Kennedy School of Government, and until 2017, he served as director of its Belfer Center for Science and International Affairs.

In the U.S. government, Graham served as assistant secretary of defense under President Bill Clinton, and as special advisor to the secretary of defense during the administration of President Reagan. He has been a member of the secretary of defense's advisory board for every secretary of defense from Caspar Weinberger all the way to Secretary Mattis. He has also been on the advisory boards of the secretary of state, secretary of defense, and the director of the CIA. Graham has the sole distinction of having been twice been awarded the Distinguished Public Service Medal, first by Secretary Weinberger, and second by Secretary Bill Perry.

Graham's first book, *Essence of Decision: Explaining the Cuban Missile Crisis*, is one of the most influential books on the topics of crisis management and national security decision making. This morning we'd like him to discuss his most recent book, *The Thucydides Trap: Are the U.S. and China Headed for War?* Graham, I want to begin our discussion by asking you to share with our listeners some of the background on what has become one of the go-to terms to discuss the historical dynamic between rising powers and ruling powers. You lay this out in your new book. What is this concept? Why is it important to understand? How do you think it relates to the U.S.-China relationship?

Allison: Well first let me say thank you and that it's an honor to be here on the podcast and to be here with you. As my old professor and friend Henry Kissinger says, "The Thucydides Trap is the best lens available for looking through the noise and news of the day to the underlying dynamic driving the relationship between the U.S. and China." So here's a big idea that, if you can get it into your head as a lens, kind of helps clarify what is undoubtedly an extremely confusing situation. Because every day, Xi does something or Trump tweets something, or something happens, so it's useful to get through the noise and through the news of the day to the underlying dynamic. And that underlying dynamic and reality is that China is a rising power, meteorically rising. I've been here this week While China is celebrating the 40th anniversary of the opening to the West.

China is the rising power. The U.S. genuinely is a ruling power. The U.S. has been the dominant power in the globe in the period since WWII, then the Cold War, then the post-Cold War period, but the Americans have been the overseers of international structures and orders. It's our custom to have our position at the top of every pecking order. Thucydides explained how this process works. In Classical Greece, he noted that when a rising power like Athens, or China, threatens to displace a ruling power like Sparta, which had been the dominant power in Greece for a hundred years, or the U.S., basically alarm bells should sound. Extreme danger is ahead. Most often, this ends in war. If you look at this and say, "Wait a minute, is China really a rising power?" Of course it is. And as China realizes China's dream, to make China great again, is it pressing up against American positions and prerogatives? Of course it is, and not because it's trying to. I mean the Chinese say, "Well, that's not our intention. Our intention is just to be China." I believe that, but the consequence, you can't deny even if it's not your intent, is China is basically pressing up against, "Oh my god, in the year 2000, the U.S. was the dominant trading partner of every Asian country. Today, China is." Americans, as citizens of a ruling power, think the normal way things should be is the order that we've constructed.

Haenle: America at the top.

Allison: At the top. Americans believe, I believe, U.S.A. means number one. That's who we are. That's virtually in the DNA. In that dynamic, as Thucydides explained, it's not that one or the other decides war is a good idea; both of them know war is a crazy idea. Nobody in China, nobody in the U.S., wants a war with the other. But in this dynamic, as Thucydides explains, some third party's action, which is otherwise irrelevant, not for the purposes of either of them, not intended by either of them, becomes a provocation that triggers a set of reactions by the two principal competitors that often drags them into a war that nobody wanted.

Haenle: Now, in your book, you identify a number of precedents, sixteen cases, the majority of which have resulted in conflict. How do you see the U.S.-China relationship as either different or unique from past examples, or in your view, is it very similar to what you saw in your research?

Allison: I think the best way to understand what's happening in the relationship between China and the U.S. is to put it against a broad historical canvas and take Thucydides' idea as a starting point. In the looking at the last five hundred years of history, I find sixteen cases in which a rising power threatens to displace a ruling power. Twelve of the cases end in war; four of the cases end in no war. So, to argue that on the record war is inevitable would be crazy because four of the sixteen cases are not war. But to say in this dynamic war happens more often than not, at least for the cases that I've been able to find, the answer is it does.

The takeaway from this is not fatalism, because in four of the cases there is no war. There is a structural stress that makes the likelihood of war increase, but the way the actors act given those conditions differ from case to case. In the next to last chapter of the book, I try to look at both the failures and the successes to draw twelve clues for peace from the series of cases,

sometimes from mistakes that were made by others that we don't have to repeat, sometimes from things that were done that turned out to be successful.

Haenle: Now, when you look at this case of a rising China, one of the things you hear in China from Chinese scholars and counterparts and other friends is that, “Yes, China’s rising, but we have these huge domestic challenges at home.” That will mean that we may not see this dynamic ultimately result in conflict because China is more focused on its domestic challenges. How do you integrate that into your analysis?

Allison: It's a good observation. There's no question whatsoever that China has huge internal problems, and there's no question that the Chinese government is very conscious of these. In the chapter of the book that's called “What Xi's China Wants,” I describe Liu He, who was a former student at the Kennedy School, so I knew him for a long time.

Haenle: This is President Xi's advisor for economics and trade?

Allison: He's the vice premier for economics. He describes seventeen insurmountable challenges to cope with: the debt problem, the pollution problem, the anti-poverty agenda, the need for another substantial restructuring in a new phase of deepening reforms, and comprehensive opening up, etc.

There's a huge, huge, huge agenda for China at home. The Chinese government has been very realistic about identifying the problems and then going to work on them, and more often than not, solving them. In any case, it has more than enough things to do at home. At the same time, as it realizes China's dream to become richer, lo and behold, if China becomes only one-quarter as rich per person as Americans, it'll have a GDP equal to America. Chinese say, “Oh, but we have only one quarter per capita income,” but it has four times as many citizens. You do the arithmetic. Imagine the Chinese were only half as productive as Americans. Chinese are pretty talented people; they're pretty hardworking, so let's just imagine that they're only half as productive as Americans. Well, then they have a GDP twice as large as the U.S., and the Americans look and think, “What? How can another country have twice as large a GDP as the U.S.? We're supposed to have the largest GDP.” But, lo and behold, you can't deny the arithmetic. If it has twice as large a GDP, could it have twice as large a defense budget? Why not? If it had twice as large a defense budget, would the U.S. be the dominant military power in the region? Well, no it wouldn't. It is an inescapable consequence, not intention, but consequence, of China's becoming China, that it is encroaching on prerogatives and positions that Americans thought were theirs, were owned, were appropriate. That's what Thucydides wrote about.

He just says, “That's the structural reality. Now, how you folks work this out, do you have to have a war in these circumstances?” Of course you don't. In four cases no war, but if you just let history happen, then you should expect history will happen. You need to be inventive in these conditions, you need to be adaptive in these conditions, you need to be thoughtful. Why I like Xi Jinping's concept of a new reform of great power relations, as one of the people that works for him

said to me, he said, “Graham, why do you think Xi Jinping calls for new reforms? Because we understand what the old form is. The old form follows the Thucydidian path, often to war, even catastrophic war. We should be smart enough to construct a new form.” I think that’s the task for all of us in the community of people that care about this relationship, or even that simply care about Americans surviving for America’s sake, to figure out how we can live with the China that’s going to be big, strong, and rivaling us. This is going to be extremely uncomfortable. Well, life is not always comfortable. It’s going to be extremely difficult. Well, life isn’t always easy. But is it possible? Of course it’s possible if we’re inventive, but not if we just settle for business as usual.

Haenle: In Washington D.C., of course, there’s intense debate about this question of how we approach this rising China. You hear much more of a focus today on the emerging areas of competition. There seems to be consensus that we’ve moved away from this period of strategic engagement; we’re moving toward a period of strategic competition. There’s not as much consensus in terms of what that means in terms of how we approach China, our policy toward China.

In one of your recent articles, you asked, “Can we invent a new concept that combines ruthless competition in some areas with deep cooperation in others?” How do you think about this question? I ask that because, as you and I discussed this morning, I served in the Bush administration and the Obama administration and yes, we had areas of disagreement with China, but we also tried to identify areas of common interest and build cooperation. We thought that was an important element. That seems to be absent today. It’s much more about competition, even confrontation. Is it possible to have a relationship where you have intense competition, but you cooperate at the same time?

Allison: That’s a great question, and I think that’s the heart of the matter. Washington today, as you say, has gone through this wake up, as I think of it, to a rising China that is now rivaling the U.S. across the board. The new Washington consensus, not just the Trump administration, but across the political spectrum, Democrats and Republicans alike, and across the policy community, it’s pretty much moved to a new Washington consensus. The consensus is, “We made a cosmic bet. We bet that China was going to modernize, become wealthier, therefore liberalize, therefore have individual rights of the sort that we understand, therefore have a democracy, and therefore take its place in the American-led international order. That is, China would basically follow in the footsteps of Japan and Germany and grow up to be like us and to take their place at our table where we’re the chairman.” As Lee Kuan Yew said, and I quote him in my book, that was a rather naïve view.

That view failed to recognize, as Lee Kuan Yew said, that as China becomes bigger and stronger, China will insist on being respected as China, not as an honorary member of the West. For the Washington consensus, if my aspiration was for you to grow up to take your place at my table in a respectful manner that allows me to be the leader and now, lo and behold, you didn’t; you disappointed me. I made a bet and I lost. There’s been this kind of, almost, reversal that says, “Well, then you must have cheated me somehow even though my aspiration was naïve (if you tell

the truth). I thought you were my strategic partner, but now I see you're really my strategic adversary."

Now, both of those simplifications are simple-minded. "You don't have to only be my strategic partner; always there was an element of rivalry. You don't only have to be my strategic rival; there's some areas where we have to cooperate." If you had adult supervision in international relations, we both know as students, you don't have any adult supervisors. It's just governments, and they compete with each other in a jungle. But if you did, an adult supervisor would, in my class I say the Martian strategist who watches what goes on, she would come down and she would say, "Objectively, you have some powerful common shared interests, and you have some arenas in which you have serious competition. You're going to have to find a way to manage all these at the same time, and if you fail to do that, you're going to fail."

I think we should be, as a thinking community, very actively exploring ways in which entities can compete and cooperate at the same time. That's a very complicated idea, because it's easier to be simple-minded and say, "You're my enemy or you're my friend." The answer is, "No, you're my frenemy." We don't even have any good words for it in the English language. The concepts that have been made available by international relations studies are pretty poor in this space too, so I'm working in that area right now.

Haenle: Let me ask a little bit about that in terms of the cooperation. In the Obama administration, they worked on areas of cooperation and highlighted cooperation with China on climate change, the Iran Nuclear Agreement, and I would argue, and I think you would argue, the global financial crisis. There was cooperation there was well. It started in the Bush administration and extended into the Obama administration. But of course, President Trump has walked away from the Paris Agreement, he has walked away from the Iran Nuclear deal, and he's in a type of war with China on economics and trade. Those areas for cooperation don't exist today.

As you and I talked about this morning, I know Matt Pottinger at the National Security Council recently said at the Chinese embassy, "Competition doesn't have to be a four-letter word." My response to that is, "Cooperation doesn't have to be a four-letter word either." If we get back to the point where we can identify areas to cooperate, what do you see as the areas with the most potential for cooperation with China?

Allision: It's a great question, and I agree with you that neither of these are four-letter words if you are thinking objectively. When I try to think about shared interests, I start with vital national interests. What is my most vital national interest, if I'm thinking about American wellbeing? It is survival. The Cold War mantra, that I'm an old Cold War veteran, says, "To preserve the U.S. as a free nation with our fundamental institutions and values intact. That's my first, second, third, 99th responsibility. If I fail with respect to that responsibility, I fail." Surviving requires not having a total war with China. If we end up in a total war with China, we could end up essentially erasing the U.S. from the map. And after that, people would look and say, "You did this for what?" So there's no objective that Americans could have than to be advanced if we fail to survive, that's pretty bedrock. Avoiding a war of which we would be the first victims, that's bedrock.

Secondly, this is not a good one for President Obama, but for everybody else in the world, climate. The facts are that if China continues emitting greenhouse gases the way it's currently doing, it'll by itself produce a world nobody can live in in a hundred years. If America emits greenhouses just like it's doing, China forget about it, just the Americans for a hundred years, we'll make an environment nobody can live in. The greenhouse gases, when they go into the global system, they won't ask about their source of origin. They have the same impact if I emit greenhouses gases in Boston. I have the same impact on Beijing as Beijing has on Boston. Either we find a way to work on this problem together, or we fail. I think the Paris Accord was a modest, very modest, first step in that direction. I think Trump has made a stupid departure from that. I think the whole political system except for Trump virtually understands that, so that'll revert to common sense at some point.

Economics is the more complicated piece. The theory of trade that says that, "If you and I have the division of labor and specialization and then trade, we can produce a bigger pie than either of us could produce by ourselves," is certainly right. History demonstrates this over and over. There remains the question of how do we divide the increase in the pie? Xi Jinping likes to talk about only win-win solutions. I try to explain to my Chinese friends, "There's a win-win solution in which we expand the pie, and so there's a hundred new slices. Now there's a question of how do we divide those slices. And I think 99 of the pieces should come to me and one should come to you. That's win-win because you got one more slice than you would have had otherwise." You think, "How about 99 for you and one for me?"

The current arrangements for economics were put in place when China really didn't matter, so when China enters the WTO in 2001, it has probably 10% of U.S. GDP, it can be given a pass on all sorts of things. China today is an economy that by purchasing power parity is larger than the U.S. It's the largest trading partner of everybody. It cannot continue to say, "We'll just play by the developing country rules," even though technically because of the per capita income, it's a developing country. It's got to be playing by new rules. There'll have to be a new set of rules organized and developed; that's a task that we ought to talk about. That's an area where, if we get it right, cooperation will make us both better off.

Now, unfortunately in the current situation, especially as the conflictual dimension of this emerges, there's the fact that the general perception is that China has been taking advantage of the rules of the game, and that's a pretty universal perception now. Secondly, there's a security dimension of all of the economic relations, as we see in the Huawei case, which means that this is going to be a more difficult part of the relationship. But still, in principle, this should be an area for cooperation.

Haenle: I could interview you all day, but I know you have a plane to catch. For the last question, I want to move away from the Thucydides Trap, the important research you've done there, and move you back to a time where you did research on a different important topic.

You wrote a book, your first book, in fact, *Essence of Decision: Explaining the Cuban Missile Crisis*, and you are well known for this research and understanding the Cuban Missile Crisis. President John F. Kennedy believed that the Cuban Missile Crisis had a one in three chance

of ending in war. And I think, as you've pointed out, it struck him that if that had happened, upwards of 200 million people could have died. But it did not end that way.

In fact, you have talked about how it led President Kennedy to a new line of thinking, and his views on the co-existence of the U.S. and Russia despite ideological differences. I wonder for your final question, if you could talk a little bit about how this played out, what did President Kennedy mean when he talked about a world safe for diversity? Are there parallels today in the U.S.-China relationship? Can we find some applicability with this?

Allison: Thank you, what a great question, and we could go on forever, but let me try to be brief. But you're absolutely on target. After the Cuban Missile Crisis, Kennedy began thinking more radical thoughts than he'd ever thought in his life, and he was not a serious thinker in general. He was a great political leader. Philosophical ideas were not really where he spent his time, but he was so seared by the personal experience of thinking that he was just about to have participated in choices that might have ended in killing a couple hundred million fellow citizens, that he began to be reflective about, "What are we doing? What have we done?"

He and his brother Bobby, both of whom were Catholic, believed that when they died, they were going to go to the Final Judgement before God and have to give an account of what they did. Bobby said, "What will we be able to say? How could you explain what we did?" They began thinking about this, and he came up with this idea, a radical idea, and he explained it initially in the American University speech, which anybody who hasn't listed to, or watched on YouTube (<https://www.youtube.com/watch?v=zdBmdFOvTs>), it's fantastic.

Basically, this is just four months before he's assassinated, and he says, "I've been thinking about this, and we're going to have to have a new strategic objective in dealing with the evil Soviet Union. That is, to have a world safe for diversity." The concept is a world safe for diversity. Then he explains what this means. He says, "I'm not giving up on my conviction that totalitarian Soviet communism is evil. I believe that, and I'm not giving up on my conviction that freedom and democracy is appropriate for human beings. That's what I believe deeply." But, going forward, he says, "Great powers have to 'avert confrontations that force their adversary to choose between a nuclear war and a humiliating retreat,' and so we have to find a new way to structure this relationship with an adversary, even an evil adversary. We have to settle for now, live and let live, in a world safe for diversity, even diverse ideologies that we don't agree with, even diverse systems we don't agree with. And then let's compete in that constrained environment and see which of these delivers more what they want for their lives." And this ultimately evolved to what became détente.

It's not unrelated to an idea that Zhou Enlai had in 1954 when he was talking to the Indians and developed this concept called "peaceful co-existence," which also became part of the Cold War. If we were being creative in this space, somewhere between a world safe for diversity, and peaceful co-existence, and Madame Fu, whom I was talking to about this earlier this week, she says she'd been trying to think about this because I'd been talking to her six months ago and she's inventing a Chinese word that's called "co-opetition," or something, so taking two characters, "competition" and "cooperation" and squishing them together. She says it doesn't quite fit either

in Chinese, similar to the way it's a little clumsy in English, but she's working on it. I think there's something in that space that might work.

If we were able to come up with such a thought, that might be the strategic concept for the U.S. and China for the next era. If you said, "What is this new form of great power relations?," it might put competition and cooperation blended in some complicated manner that we don't yet quite see. It might be living in a world safe for diversity in which China tries to show whether its party-led authoritarian system can deliver what human beings want, and Americans try to get their democracy to work to show what they can do.

Haenle: Well, as I said this morning, what's clearly evident to me, is when I interact with scholars and experts and even your average citizen, people are aware of the concept of the Thucydides Trap. Many people understand your analysis, and I think importantly, have moved on to the next step and are doing what you're doing in the way you describe looking for avenues through which to escape the Thucydides Trap in the context of the U.S.-China relationship.

I want to applaud you, for your research has already had that impact, and now the challenge of course is finding and identifying those avenues of escape. I know you're working on those and you've identified nine already. We look forward to your continued research and work in this area and hope to have you back on the podcast at some point to discuss those further.

Allison: Well, thank you. You're very generous. I say regularly, especially in university audiences, I suspect that there are some younger minds who are not as molded by the conventional wisdom of the Cold War. I'm an inveterate old Cold War-er, or for people that have been in security studies that have traditional ideas, some younger, more imaginative folks, even outside the space of "authorities" may, I hope, be challenged to bring their imagination to the table.

I think there are likely some ideas that will emerge from this, from Chinese, from Americans, they don't have to be Chinese and Americans. Lee Kuan Yew would think of ideas from Singapore, so there can be other parties who come up with some thoughts about what would be the elements of a new form of great power relations. Your podcasts and the conversations among Chinese and Americans and the rest of us, you don't have to be authorized to participate in this. Imagination is wherever it can come from, and especially I think it's likely to come from some younger people who are not as constrained as previous generations.

Haenle: Well, many of our listeners are younger: university students, graduate students. We know they listen to the podcast, so I'll put that forward as a challenge to them, and they can send their ideas in to me or send them directly to you and we'll continue this. Thank you very much. It's been an honor to interview you this morning, and we look forward to having you back.

Allison: I appreciate the opportunity.

Haenle: Thank you for joining the China in the World podcast. Be sure to check out more content from the Carnegie-Tsinghua Center on our website at www.carnegietsinghua.org.