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# The Age of Great-Power Competition

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## How the Trump Administration Refashioned American Strategy

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**U**.S. foreign policy is, by most accounts, in disarray. Headlines—including in these pages—proclaim the death of global American leadership. Famous columnists send regular dispatches from the frontlines of U.S. President Donald Trump’s supposed campaign against the postwar liberal order. The damage to Washington’s standing in the world, we are told, is irreparable.

But step back from the day-to-day commotion, and a different picture emerges. In truth, the United States is gearing up for a new era—one marked not by unchallenged U.S. dominance but by a rising China and a vindictive Russia seeking to undermine U.S. leadership and refashion global politics in their favor.

This shift in Washington’s focus has been some time coming. Elements of it emerged, mostly in a reactive form, under President Barack Obama. The Trump administration has gone one important step further, recognizing that great-power competition warrants rebuilding U.S. foreign policy from the ground up, and it has based its formal strategy documents on that recognition. When future historians look back at the actions of the United States in the early twenty-first century, by far the most consequential story will be the way Washington refocused its attention on great-power competition. Beneath today’s often ephemeral headlines, it is this shift, and the reordering of U.S.

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military, economic, and diplomatic behavior that it entails, that will stand out—and likely drive U.S. foreign policy under presidents from either party for a long time to come.

### **THE COSTS OF INACTION**

For years, American policymakers and analysts have argued about what China's rise and Russia's resurgence mean for U.S. interests. Since their introduction in the most recent National Security and National Defense Strategies, the words "great-power competition" have circulated widely enough to become a faddish catch phrase. But by now, the nature of the challenge, as an empirical fact, should be clear: the United States today faces rivals stronger and far more ambitious than at any time in recent history. China—seeking hegemony in the Indo-Pacific region first and global preeminence thereafter—is likely to become the most powerful rival that the United States has ever faced in its history. Russia may fall short of being a peer competitor but has proved capable of projecting power in ways few anticipated at the close of the Cold War. Today, it is intent on resurrecting its ascendancy in parts of eastern Europe that once fell within its sphere of influence and hopes to speed up the end of Western preeminence in the world at large. Its disruptive potential lies in part in its ability, through self-interested moves, to bring about systemic crises that will benefit Chinese power in the long term.

Until recently, Washington was not giving much thought to how it could meet these challenges. Such was the extent of the United States' economic and military dominance that, for a whole generation following the collapse of the Soviet Union, neither Democratic nor Republican administrations took seriously the possibility of facing another peer competitor. Great-power rivalries were, in those heady days, a thing of the past; the very language of geopolitics was an anachronism. Other major powers were instead partners in waiting in the fight to tackle problems of the "global commons," from nuclear proliferation to terrorism to climate change.

China's and Russia's actions slowly gave the lie to this sanguine outlook. As China became pivotal to global commerce, it did not so much change its discriminatory economic practices—forced technology transfers, mandatory joint ventures, and outright intellectual property theft—as cement them. It complemented this with a military buildup of historic scale, aimed specifically at dominating Asia and, in the long

run, at projecting power throughout the world, and with a massive effort to expand its influence through the Belt and Road Initiative and related projects. Russia, meanwhile, rebuilt its military, invaded Georgia, annexed Crimea, initiated a festering insurgency in eastern Ukraine, and began a systematic campaign to resurrect its military, economic, and diplomatic influence in Africa, Latin America, and the Middle East.

And yet most people in Washington long refused to acknowledge the new reality. Instead, American leaders continued to herald an “era of engagement” with Moscow and talked up Beijing’s potential as a “responsible stakeholder” in the international system. The former found expression in the “reset” with Russia in 2009, just months after Moscow’s invasion of Georgia, and the latter took the form of repeated efforts to deepen relations with Beijing and even an aspiration among some to establish a U.S.-Chinese “G-2” to lead the international community. But China’s brazen militarization of islets in the South China Sea and its increasing assertiveness beyond eventually forced Washington to reevaluate its assumptions about Beijing, and Russia’s seizure of Crimea in 2014 put to rest what was left of the so-called reset. By the end of the Obama administration, it was clear that the United States’ course was seriously off.

The resulting policy changes were no exercise in American strategic foresight; they were reactive, ex post facto adjustments. Considerable damage had already been done. Prizing the appearance of stability over the pursuit of definable national interests, the United States had for years ignored China’s flagrant theft of U.S. intellectual property—not to mention government secrets—and Beijing’s slow-motion takeover attempt in the South China Sea. In the hopes of recruiting Russia as a partner in upholding an international status quo that Russian President Vladimir Putin manifestly disdained, Washington had courted and unwittingly emboldened the Kremlin on its path of territorial revision while unnerving frontline NATO allies in eastern Europe. The cost for the United States was steep, with allies in East Asia and Europe beginning to doubt that Washington was willing to stand up for itself, let alone for them.

## **COURSE CORRECTIONS**

It was time to call a spade a spade. The Trump administration, more realistic and blunter than its predecessors, did just that. “Trump,” as Henry Kissinger pointed out in the *Financial Times* in 2018, “may be



*Great again: a NATO war game in Lithuania, June 2017*

one of those figures in history who appears from time to time to mark the end of an era and to force it to give up its old pretenses.” Dispensing with the paradigm of unipolarity, the new government created an opening to articulate a new grand strategy. In the 2017 National Security Strategy, the 2018 National Defense Strategy, and their ancillary regional strategies for the Indo-Pacific and European theaters, the United States made clear that it now saw relations with China and Russia as competitive and that it would focus on maintaining an edge over these rivals. As both then Secretary of Defense James Mattis and then National Security Adviser H. R. McMaster made clear, great-power competition would now be the primary focus of U.S. national security.

The idea behind this shift is not to be blindly confrontational but to preserve what has been the central objective of U.S. foreign policy since the end of World War II: the freedom of states, particularly U.S. allies, to chart their own courses without interference from a domineering regional hegemon. As articulated in the Trump administration’s strategy statements, that vision is deliberately ecumenical: it applies both to the Asian nations that find themselves under growing economic and military pressure from Beijing and to the federating heart of the European continent and the more loosely affiliated states on its fringes. But faced with a rising and enormously powerful China and

an opportunistically vengeful Russia, the United States will realize this vision of a free and open world only if it ensures its own strength and economic vitality, maintains an edge in regional balances of power, and communicates its interests and redlines clearly.

In many respects, the U.S. Department of Defense is the furthest along in putting that agenda into practice. In its National Defense Strategy, in its 2019 *Indo-Pacific Strategy Report*, and through its public statements, the U.S. military has made clear that its overriding concern

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*The United States must prepare for competition against large, capable, and determined rivals.*

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today is how to effectively defend the likes of Taiwan and the Baltic states against a potential Chinese or Russian attack, especially one based on a fait accompli strategy, which involves seizing vulnerable territory, digging in, and making any counterattack too costly to envisage. In anticipation of

such attacks, the Pentagon is shifting from the playbook it has used ever since Operation Desert Storm three decades ago—slowly and methodically surging forces to a threatened area and only counterattacking after total U.S. dominance is assured—to a force that can fend off Chinese and Russian attacks from the very beginning of hostilities, even if it never attains the kind of dominance the United States was once able to gain in such places as Serbia and Iraq. The Pentagon's budget requests have slowly begun to shift accordingly. Short-range fighter jets and bulky amphibious vessels, both vulnerable to enemy attacks, are making way for stealthier long-range bombers and submarines, unmanned ships and aircraft, long-range ground-based missiles and artillery, and large stocks of precise, penetrating munitions. The military is also experimenting with how to use this new hardware—what the new force should look like, how it should operate, and where.

The shift in the economic arena has been just as dramatic. Until a few years ago, U.S. officials regularly argued that the United States could not afford turbulence in the U.S.-Chinese economic relationship. Stability with Beijing, it seemed, was too valuable to jeopardize by demanding that U.S. companies be treated fairly. Today, the Trump administration—acting with considerable bipartisan support—is levying tariffs on Chinese imports to induce Beijing to cease its market-distorting trade practices or, failing that, to at least have the prices of those imports reflect the costs of those unfair practices for U.S. com-



panies and workers. Some have rightly pointed out that these penalties are causing the United States' middle and working classes pain. But so, too, have China's unfair trade practices, and further inaction would have only made things worse. U.S. economic pressure, by contrast, has helped put urgently needed trade policy adjustments on the agenda.

A similar process has played out in Europe. The United States long hesitated to confront the European Union about its one-sided tariff and nontariff barriers against U.S. products, even as trade deficits mounted. Unwilling to accept that status quo, the Trump administration has tried to achieve by shock therapy what earlier successive administrations failed to obtain with finesse and gradualism. But the collateral damage of this aggressive approach has been significant, with potential spillover effects for the transatlantic relationship that risk undermining the common push against China.

In parallel, the United States is sharpening the powerful commercial tools at its disposal. The Trump administration and Congress have overhauled the Overseas Private Investment Corporation to provide alternatives to Chinese financing among the vulnerable states of both Asia and Europe. The Better Utilization of Investments Leading to Development, or BUILD, Act, which passed in October 2018, offers countries financing alternatives to the golden handcuffs of Beijing's Belt and Road Initiative. More still may follow. The bipartisan EQUITABLE Act, introduced by leading members of Congress, would require Chinese companies to follow the same disclosure rules as U.S. firms do to be listed on U.S. stock exchanges. Powerful legislators of both parties have said they will revoke Hong Kong's economic and trading privileges in the United States if Beijing violates its commitment to the region's autonomy. And U.S. officials are, at long last, actively warning other countries about Chinese telecommunications investments that could offer Beijing access to, and leverage over, their sensitive technologies.

Priorities have changed in the diplomatic arena, too. After decades of a disproportionate focus on the Middle East, the 2017 National Security Strategy and the 2018 National Defense Strategy came as long-overdue correctives. Asia and Europe are where the greatest threats to U.S. power today lie, the documents argue, and the United States central objective should be to keep large states in both regions from gaining so much influence as to shift the local balance of power in

their favor. This is a welcome departure from every National Security Strategy since the end of the Cold War, each of which downplayed major-power competition in some way or another.

In practice, two diplomatic initiatives stand out. The first is the Trump administration's effort to balance against powerful rivals with the help of larger and more capable coalitions. In Europe, this yielded \$34 billion in increased European defense spending in the past year alone, even from a reluctant Germany. In Asia, the United States has made clear that it will defend Philippine aircraft and vessels in the South China Sea, has increased its diplomatic and military support for Taiwan, and has deepened its political and military relations with India and Vietnam—all counterparts that share Washington's apprehension about Chinese aspirations to regional hegemony.

Second, the United States is leveraging its economic and political influence in regions that it neglected until recently, ramping up its engagement and aid in several places where China and Russia have been gaining ground. It has stepped up its diplomatic presence in central Europe, the western Balkans, and the eastern Mediterranean, where the vacuum left by an absent United States allowed China and Russia to exploit local political fissures and promote authoritarian politics. In several of the countries in these regions, the United States has increased its support for good governance and the fight against corruption, introduced initiatives to counter Russian propaganda, expanded youth and cultural exchanges, and warned allies and partners about the long-term risks of aligning with Beijing and Moscow. In Asia, Washington has upped its development capacities to compete with Beijing's by founding the International Development Finance Corporation and making new financing available through the BUILD Act. The United States is also promoting good governance and anti-corruption efforts in the region, particularly through the Indo-Pacific Transparency Initiative, and is publicly challenging China's treatment of its Tibetan and Uighur minorities. It is also paying more attention to Pacific states such as Micronesia, Papua New Guinea, and the Solomon Islands, which are particularly susceptible to Chinese pressure.

None of this is to diminish the importance of the day-to-day turmoil in Washington or to defend the administration's every policy. Engaging in a war with Iran, sustaining a large military presence in Afghanistan, or intervening in Venezuela, as some in the administration want to do, is antithetical to success in a world of great-power





competition. And if it pushes its allies too far, Washington will risk undermining the single greatest comparative advantage it has over its rivals. Nor is the United States on course yet to compete successfully—on the contrary, the progress thus far has been uneven and halting. Nonetheless, the country now has a template for reorienting its foreign policy that enjoys bipartisan support and is likely to endure, at least in its fundamental tenets, in future administrations.

### **WHAT MATTERS NOW**

This is where things now stand for Washington. The United States has signaled its willingness and ability to adopt a more competitive approach toward its rivals, militarily, economically, and diplomatically. At home, that course correction has enjoyed far more bipartisan support than is often appreciated; the administration's tough approach to China, in particular, has the backing of most members of Congress, Democratic and Republican. Likewise, after years of vacillation, there is finally a bipartisan consensus that the threat from the Kremlin is serious and must be countered. Abroad, Washington's new message has led to important adjustments. European allies have increased their defense outlays and maintained a united front against Russia with sanctions; U.S. defense relations with India, Japan, and Poland have warmed considerably; and multinational companies are diversifying their supply chains away from China—to name just a few examples.

Yet this is only the beginning of what is likely to be a decades-long effort. China shows no sign of giving up its pursuit of ascendancy in Asia. Moscow looks no more likely to mend ties with the West; if anything, it is deepening its partnership with Beijing. The United States, then, must prepare for a generational effort.

To thwart China's bid for ascendancy in Asia and beyond, the United States must maintain favorable regional balances of power with yet far more urgency. Building and sustaining the necessary coalitions in Asia and Europe should be at the heart of its strategy. To be clear, this will require more than just polite requests and reassurances. Because the United States can hardly pretend to be able to balance both China and Russia by itself, it must ask more of its allies and new partners, with insistence and real pressure if need be. At the same time, if Washington generates so much political dissonance as to undermine alliance structures from within, it will put at risk its

efforts to encourage greater material contributions from its allies.

Nonetheless, the need for greater material support is urgent. Washington's post-Cold War alliance architecture still reflects arrangements formed during the unipolar era, when the United States needed little help to underwrite the security of its partners. With a few noble exceptions, such as Poland and South Korea, Washington's allies are lightly armed, if not completely disarmed, especially compared with China and Russia. Japan will play a central role in any successful defense posture vis-à-vis China, yet its defense spending is approximately the same today as it was in 1996, whereas China's expenditures have increased by an order of magnitude. Taiwan—a place more threatened by the People's Liberation Army than anywhere else—has hardly increased its defense spending in the last 20 years. In Europe, much of the Russian threat to eastern NATO members could be alleviated if Germany fielded a mere fraction of the 15 active and ready reserve divisions it boasted in 1988. Today, Berlin can barely summon a single one. Figuring out how to induce U.S. allies to do more in an era when the United States has a more than \$23 trillion national debt and can no longer do everything itself—and doing so without putting too much strain on these alliances—will be one of the major challenges of the years ahead.

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*Returning to the somnolent complacency of years past is not an option.*

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Another question is what exact form the United States' coalitions should take, particularly in Asia. The United States need not replicate NATO in the region; the point is to form a coalition that checks China's aspirations to regional hegemony. Such a coalition could be a mixture of formal alliances (Australia, Japan, the Philippines, and South Korea come to mind), quasi alliances (Taiwan), and deepening partnerships that do not involve formal security guarantees (India and Vietnam). Washington's ties to New Delhi and Tokyo will anchor the coalition, but sustaining it in the face of a powerful China will require the United States to play an active leading role. Meanwhile, the smaller and more vulnerable states of Southeast Asia will likely be the focus of the strategic competition with China.

In Europe, the United States already possesses a highly serviceable framework, NATO, which it needs to preserve and update to better match the scale of the challenge from China and Russia. Since the Russian land

grab in Ukraine, the alliance has modified its command structures and begun to adapt its force posture, which remains trapped in the amber of 1989. But more change is needed to deter future attempts by Russia to create *faits accomplis* along its border. In particular, the United States needs forces that can deploy quickly enough to contest any Russian land grab from the outset. And given how many U.S. resources will be tied down in Asia, European NATO allies will need to augment their militaries' ability to integrate with U.S. forces to blunt a Russian assault.

When it comes to galvanizing European resistance against predatory Chinese trade practices and ill-advised infrastructure partnerships, Washington's efforts have been less successful, marred in part by trade differences with Europe. Yet it is hard to overstate how indispensable transatlantic unity on this front is, and both sides would do well to resolve their squabbles. European policymakers should recognize the long-term geopolitical consequences of their asymmetric tariff and nontariff barriers and stop applying the EU's regulatory regimes in ways that target large U.S. firms while letting state-owned Chinese and Russian companies off the hook. Failure to do so will undermine the prospects of a Europe resilient to Chinese and Russian coercion. American officials, for their part, should understand that fighting to make trade with democratic allies more mutually beneficial is not as urgent a task as waging a trade war with China. The United States cannot relitigate every inequitable trade relationship at once, and presenting a unified front against China should remain Washington's overriding concern. The same holds true for U.S. economic relations with India and Japan.

The overarching purpose of this strategy is neither to decouple the U.S. and Chinese economies entirely nor to force U.S. allies and partners to pick a side (although building a low-barrier Western trade area encompassing both Asian and European allies should be a long-term U.S. objective). Instead, it is to better protect intellectual property and sensitive technologies and, by extension, to reduce China's economic leverage over the United States and other places. Canada, Japan, the Philippines, South Korea, Taiwan, states in central and southeastern Europe, and others have already felt the sting of Chinese economic coercion. Extensive integration with the Chinese economy is necessary for all states, but they must limit Beijing's ability to turn that exposure into coercive leverage—not as a favor to Washington but for the sake of their own sovereignty.

In addition, Washington should try to create some distance between Beijing and Moscow. It has long been a truism of American statecraft that it is unwise to allow the two primary Eurasian states to partner together, yet that may be precisely what is happening today, as Russia, deeply alienated from the West, appears to be tilting toward China even at the cost of its autonomy. Moscow recently welcomed the Chinese telecommunications giant Huawei into Russia, for instance, and the two countries have deepened their engagement on energy and military matters. For now, attempts to lure Russia away from China are unlikely to succeed, so the United States will have to settle for deterrence and wait for a more propitious opening. The United States should strengthen NATO's deterrent against Russia in the Baltics and central Europe while using sanctions to punish Russian aggressive actions in places such as Syria and Ukraine. To the extent that a future interests-based détente with Russia is possible, it will be because Moscow concludes that resurrecting its Soviet-era influence by force is too costly to be worthwhile.

Even with allied help, however, the United States will not be able to achieve the kind of military dominance over China and Russia that it once had over its opponents in the unipolar era. Trying to do so would be wasteful and counterproductive. What Washington truly needs is the capacity to resist successful assaults on its allies and partners. This means providing enough defense to keep these confederates onboard. More important still, it means ensuring they cannot be occupied, especially in a *fait accompli*, or strangled by a blockade or coercion—a strategy that might be termed “denial defense.” Denying China and Russia the ability to take and hold the territory of Taiwan or one of the Baltic states will be hard, but it is feasible in today's world of precision munitions and enormously capable intelligence, targeting, and data-processing capabilities. Doing this will require forces that can weather an initial attack and help deny China the ability to seize Taiwan or Russia the ability to hold Baltic territory.

Getting there means that other commitments will have to be put on the back burner or even sacrificed. In a unipolar world, Washington might have been able to be all things in all regions, like a colossus bestriding the world, but this is wholly untenable in an era of great-power competition. Instead, Washington will have to scale back its efforts in secondary and peripheral regions. Consider the U.S. footprint in the Middle East: instead of trying to stabilize the region and uphold “global

norms” there, Washington should focus much more narrowly on finding cost-effective ways to fight transnational terrorism. Likewise, it cannot be the United States’ goal to transform the governments of states such as Iran; denying them hegemony in the Persian Gulf is enough and requires much less effort and fewer resources. Gradually reducing the U.S. military’s exposure and engagement in Afghanistan, Iraq, and Syria—with the help of local proxies and a greater reliance on offshore forces—will free up further capabilities.

### **THE END OF COMPLACENCY**

Trump will continue to break china on Twitter and elsewhere, delighting some and discomfiting or enraging others. And many will continue to be transfixed by the crisis du jour in the Middle East. But all the while, the United States is entering what is likely to be a protracted struggle over who will decide how the world works in the twenty-first century. The coming era will be less forgiving of hubris and unpreparedness than were the circumstances of the recent past. Recognition of that has prompted a long-overdue reassessment of U.S. military, economic, and diplomatic priorities, which future administrations will need to carry forward.

Doing so will require painful tradeoffs and sacrifices. It will mean relinquishing old dreams of unfettered military dominance and ill-suited weapons platforms and asking greater material contributions of U.S. allies. It will also mean sharpening the U.S. technological edge in strategically relevant sectors without undermining the American commitment to international free trade and focusing much more rigorously on Asia and Europe at the expense of other regions. Returning to the somnolent complacency of years past—when the United States assumed the best intentions of its rivals, maintained economic policies that often undercut its national security, and masked dangerous shortcomings among its allies in the name of superficial political unity—is not an option. Neither is withdrawing in the hopes of sitting out geopolitical competition altogether. As in the past, the United States can guarantee its own security and prosperity as a free society only if it ensures favorable balances of power where they matter most and systematically prepares its society, economy, and allies for a protracted competition against large, capable, and determined rivals that threaten that aim. 🌐