The New Cold War

Michael G. Roskin
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ABSTRACT: Russian and Chinese hostility toward the United States creates a New Cold War, but treating the two adversaries differently can make things break our way. US strategists should pick the bigger long-term threat, Russia or China, and treat it firmly and the smaller one flexibly, avoiding the rigid diplomatic and military policies that prolonged the old Cold War.

The New Cold War will be long and deep only if the current Sino-Russian entente turns into an alliance. A hostile Russia alone can cause mischief but, compared to the old Soviet Union, is weak and sufferable. Russia and China together are a much tougher challenge. The Sino-Soviet split—Nixon must be given credit for utilizing it—marked the beginning of the end of the original Cold War. By avoiding rigid diplomatic and military policies that push Russia and China together, we can make the New Cold War shorter and less dangerous.

The original Cold War ended not with a nuclear bang but with an economic whimper. Starting under Brezhnev’s long reign, the inefficient Soviet economy fell further behind until Gorbachev, in desperation, attempted a clumsy perestroika that achieved little but inflation. Capitalism, it turns out, really is better than socialism, something any good American capitalist should know. Marxists, misled by their ideology, bet that the US economy would collapse, and lost. (The United States is not immune to economic collapse; we got a whiff of it in 2008.) Panicked US responses did not win us the Cold War—economics and patience did.

After 1991, the United States was marked less by triumphal strutting than by satisfied indifference. But during this time, little noticed by Americans and well before the Crimea Crisis, a New Cold War percolated. Even under Yeltsin in the 1990s, Russian foreign policy showed nationalist hardening. In 1996, Russia, China, and three Central Asian states signed the Shanghai Five agreement and turned it into the Shanghai Cooperation Organization (SCO) in 2001 to oppose “US hegemony.” SCO members occasionally practice amphibious operations, a warning to Taiwan. The SCO is not, however, a formal military alliance.

Russian President Putin called the 1991 Soviet breakup “the greatest geopolitical catastrophe of the century” and does not hide his aim to reassemble the Soviet Union by incorporating the “near abroad” into his Eurasian Economic Union, first signed in 2011 and due to begin in 2015. Putin’s 2008 invasion of Georgia to “protect” the South Ossetians was really Moscow’s warning to Tbilisi not to join NATO. His 2014 occupation of Crimea to protect ethnic Russians (and the Russian Black Sea fleet) also warned Ukraine not to join NATO, an improvised heavy-handed move that may push Kiev to do precisely that. Bad as Crimea is, it is not another 1938 Sudetenland crisis, and we should stop painting it as such.
China's commonality with Russia: how to recover from weakness and humiliation. In 1949, Mao Zedong proclaimed China's “century of humiliation” over, and the term is standard today. (Nationalist Chiang Kai-shek felt the same, writing daily in his diary, “avenge humiliation.”) Soon after Nixon took office in 1969, Chinese and Soviet forces skirmished on their Manchurian border. What was really at stake was leadership of the world communist movement and an independent Chinese nuclear force. Territorial questions, ostensibly settled, still lurk in Siberia.

China, for a few years after Nixon’s 1972 visit, looked like a reasonable partner to balance Soviet power. Americans supposed that we had “opened” China and set it on the path to capitalist democracy—an unrealistic thought. Deng Xiaoping decreed the ancient wisdom of “hide your strength and bide your time,” a policy that received little publicity or US notice. We were living in a bit of a dream world. China still claims Taiwan and could seize it. The 1999 “accidental” US bombing of a Chinese embassy building in Belgrade—used as a communications relay by the Serbian military for fighting in Bosnia—demonstrated China-US hostility.

As China’s strength grew, it asserted absurd claims in the South and East China Seas (and, to a lesser extent, toward India’s Arunachal Pradesh). Beijing defines its 200-nautical-mile exclusive economic zone (EEZ) as a security zone with a right to exclude naval and air forces deemed prejudicial to its security. In 2001, a Chinese jet fighter sliced off the nose of a United States Navy EP-3 surveillance aircraft, which was operating some 70 miles off Hainan over what most of the world (but not Beijing) defines as international waters. Shooting over the Daioyu/Senkaku Islands could start with Japan any time.

The 2008 financial meltdown—which seemed to show the United States as economically weak, politically paralyzed, and strategically foolish in Iraq and Afghanistan—emboldened both Russia and China. China especially saw itself in the ascendancy and took 2008, when it grandly hosted the Olympics, as time to abandon hide-and-bide. Putin tried to showcase a modern, confident Russia with $51 billion spent on the 2014 Winter Olympics, but it was soon overshadowed by human rights and Ukrainian political problems. Beijing’s and Moscow’s perceptions are premature, as the United States is far from washed up, and Russia and China face serious economic, political, ethnic, and strategic challenges.

In sum, post-Cold War US relations with Russia and China have never been simple or smooth. They appeared tolerable but have been deteriorating for years. Moscow and Beijing never abandoned the “inherent bad faith” model of the Cold War. They always suspected US motives and still do. Moscow and Beijing harshly criticized their recent United States ambassadors, Michael McFaul and Gary Locke respectively, something rare in diplomacy that indicates deep hostility and cannot be resolved by reset buttons.

The Limits of Sino-Russian Alliance

The Sino-Soviet relationship during the Cold War was never smooth sailing. We tended to see the two as more unified than they were. Stalin—who knew little of the outside world, and what he knew
was wrong—continually misadvised the Chinese Communist Party (CCP). Mao received practically no instructions or approval from Stalin and won power in 1949 by ignoring Stalin.

Khrushchev’s 1956 anti-Stalin speech triggered the Sino-Soviet split. Mao denounced Khrushchev as a “revisionist” and in 1958 launched his destructive Great Leap Forward, wherein some 36-45 million Chinese starved to death. Exasperated at Mao’s rejection of the Soviet economic path, Moscow withdrew its extensive aid, technicians, and plans from China in 1960, bringing the Sino-Soviet split into the open. The situation got worse with China’s first nuke in 1964. The Sino-Soviet alliance really lasted only ten years, 1950–60. We reified a “Sino-Soviet bloc” that had many cracks. This time, let us look more closely.

The former Soviet republics of Central Asia—the five “stans”—now do more business with China than with Russia. The Kremlin cannot like the economic reorientation of what had been part of tsarist Russia since the nineteenth century, taken to block China from expanding west of the Pamir Mountains. Now Putin faces this problem.

Siberia—actually, Russia as a whole—is depopulating. Many settlers to Siberia (including the adjacent Far Eastern District that fronts the Pacific) have retreated back to European Russia. The timber and minerals of Siberia and the Far East are irresistible raw materials for resource-hungry China. Lacking sufficient Russian manpower, Russia lets Chinese enterprises exploit these resources.

Sino-Russian rivalry over southern portions of Siberia, especially the maritime region, began in the seventeenth century as tsarist expeditions filled in the empire to the Pacific. In the nineteenth century, tsarist Russia fantasized that the Amur, a large river flowing into the Pacific, could become Russia’s Mississippi, a corridor for Siberian products to the outside world. China had claims to the region, but the Manchus lacked military power and gave up nearly a quarter million square miles to Russia in the 1858 Treaty of Aigun, one of what Beijing still bitterly calls the “unequal treaties.”

A shrinking Russian population and growing Chinese presence may awaken thoughts in Beijing that Aigun might be altered. Russia’s seizure of Crimea in 2014 may prompt China to ask if they cannot do the same. Primorsky Krai (capital: Vladivostok) is the finger of Russian territory that separates China’s Heilongjiang from the Sea of Japan. A Chinese shipping corridor through Primorsky Krai would boost the economic development of northeast China.

Moscow will not gladly become a mere resource provider and junior partner to China, but their different growth rates point that way. China’s economy in 2013 grew at 7.6 percent a year, Russia’s at 1.3 percent. Already China’s is the world’s second largest economy, soon to

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1 Russia’s population declined alarmingly in the 1990s and 2000s, but turned around by 2012 as births increased and ethnic Russians immigrated from the newly independent former Soviet republics. UN Development Report 2013, 194, estimates annual decline at 0.4 percent from 2000 to 2005, but improving to an estimated annual decline of 0.1 percent from 2010 to 2015. The annexation of Crimea in 2014 added 2 million people to Russia’s 142.5 million.

overtake the United States. Russia—behind Germany and barely ahead of Brazil—will likely slip further behind.

**Corruption: The Achilles Heel**

Corruption in most Communist lands was pervasive but minor, limited by the statist system to a few rubles or yuan. With the means of production in state hands, industries could not be hijacked. With currencies unconvertible, few funds could be hidden abroad. The shift to market economies opened the gates to corruption, which grows at the interface of the public and private sectors. Businesses need permits, licenses, and loans from officials who demand kickbacks. Russians and Chinese stash billions of dollars, many of them ill-gained, in accounts and properties abroad through Cyprus banks, Hong Kong corporations, and Macau casinos.

Capital flight indicates corrupt governments that seize or unfairly tax and jail capitalists. Transparency International’s (TI) Corruption Perceptions Index ranges from 100 for squeaky clean to 1 for totally dirty. The Scandinavian countries rank at the top, at around 90; the United States, Japan, and France in the 70s; and Afghanistan, North Korea, and Somalia at the bottom, below 10. In 2013, TI awarded China 40, Russia 28, and Ukraine 25.3

Major corruption and capital flight indicate low legitimacy. Another indicator: huge police forces, as in both Russia and China. Corruption has sparked the overthrow of several governments, including Tunisia, Egypt, and Ukraine. The Kremlin and Zhongnanhai know and fear this, but corruption is hard to uproot because they need the corrupt officials to run the country. If you jail all your helpers, you will be helpless. The CCP’s Central Committee for Discipline Inspection busts a few crooked cadres, seldom at the highest levels. Russia pays no attention to corruption among its Putin-appointed siloviki (strong men), who have become very wealthy running state-connected enterprises. Corruption breeds a cynical political culture in which citizens obey but with little enthusiasm. This plays to our long-term advantage.

**A New Strategy for a New Cold War**

- Suspend loose talk of military confrontation, which leads to push back and rigid positions.
- Evaluate which is the bigger long-term threat, Russia or China. Treat the lesser with some forbearance, emphasizing diplomacy, and the greater with firmness, emphasizing economics and military preparedness.
- Do not attempt to revive NATO and to pivot to Asia; pick one. First, the US budget will not support both. More importantly, leaning on both adversaries simultaneously pushes them together. If we get tough on China, go lighter on Russia, and vice-versa.
- Prepare intellectually but quietly for the possibility that in a few years this emphasis could reverse. Eventually, Russia could turn from China

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to us.

- Do not build expensive new weapons systems for fighting the old Cold War. Instead, maintain compact but trained, ready, and agile armed forces to respond to current threats.

- Do not occupy another country. Getting bogged down weakens us and allows our adversaries to portray us as global hegemonists. American public opinion and the federal budget will not sustain long overseas deployments.

- Refrain from unilateral actions; they isolate us. Allies are politically necessary, even if we carry the heaviest military burdens.

- Try to revitalize NATO but do not be too disappointed if Europe stays divided and negative.

- Seek energy self-sufficiency so that we import little oil but export liquid natural gas to Europe to offset Russian threats to cut deliveries. The readiness of non-Russian natural-gas exporters to expand into the lucrative European market could persuade Russia to maintain its gas exports.

  In sum, US strategists must avoid the diplomatic and military rigidity we fell into during the Cold War. Patience and economics tipped the balance in our favor and will do so again.