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## EXPORTING SECURITY

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### China, the United States, and the Innovator's Dilemma

*Robert C. Rubel*

China's emergence as an economic and military power has absorbed considerable energy on the part of U.S. policy and strategy makers and pundits. One of the big questions is whether China will be content as a regional hegemon with global interests or will seek to displace the United States as the primary global power. A direct answer to this question is not possible, of course, because even Chinese leaders may not have settled on an explicit strategy. More likely, they will react to events as they occur and seek to take advantage of perceived opportunities.

On the other hand, a new perspective on geopolitics might help us develop insights that could underpin an explicit grand strategy for the United States that would serve its long-term interests regardless of what Chinese intentions are or might become. To be clear, this article will not espouse a particular grand strategy; it simply will offer an insight into how Chinese policies might trend, possible U.S. strategies to counter such policies, and the implications of such strategies.

The insight offered is that China is developing a web of commercial and political relationships with countries with which the United States has conflicts or that are not a focus of American policy, and that in the long run this might upset the existing global power structure.<sup>1</sup> This is good grist for alarmist and perhaps realist mills, but it is not offered in that spirit. Rather, the issue is as much about the intrinsic character of the United States as it is about any scheme by China. The argument required to get to this understanding is a bit intricate, but in the end the visualization of the problem is pretty straightforward. In the process, we will need to rearrange the map of the world and to draw in some innovation theory from the business world.

## EMBRACING THE EDGE: MERCATOR GEOPOLITICS

Anyone who has read Halford Mackinder's seminal work *Democratic Ideals and Reality* has seen his schematic depiction of the world as a group of circles of different sizes that depict the continents in terms of either land area or population.<sup>2</sup> Eurasia—or, in Mackinder's parlance, the World Island—is like the sun, with the lesser continents and islands its satellites.

There are a couple of interesting subliminal messages embedded in such a depiction. The continents are blobs: self-contained, with smooth exterior surfaces. North America is pushed off to one side, and Africa does not even make the cut to be shown. The implications of this made sense in 1942; nations were sovereign entities, and it was state power that governed their interactions. Moreover, as would be natural from a British geographer's perspective, Eurasia lay to the east and America to the west. The world was composed of smooth-surfaced globules of sovereign power, with the Eurasian colossus in the middle. By 1992, of course, whatever the globular nature of Eurasia might have been previously, real or potential, it had burst into a bunch of smaller bubbles.

If we now consult Mercator charts of the world, we see that they tend to be published in one of three ways: with the Americas in the center and Eurasia split in half; with the Americas on the left and Eurasia on the right, with the Pacific Ocean split in half; or, less often, with the Americas on the right and Eurasia on the left, with the Atlantic split in half. The three depictions reflect both cartographic convenience and cultural bias. None of these depictions contain any inherent geopolitical meaning. However, there is a fourth way to lay out the map that does have such meaning. In the spring of 2012, the Naval War College created a massive twenty-four-by-forty-four-foot world map that was used as the basis for a fleet synchronization conference attended by almost all the U.S. Navy's top admirals. On this map were arrayed hundreds of ship models and unit markers representing where USN forces would be on a particular date in the future. The most revealing and interesting aspect of the whole thing was not where the ship models were placed, but how the map was configured. The war-gaming faculty, as a matter of mechanical convenience, had laid out four constituent strips, of ninety degrees of longitude each, with North America split in half and Eurasia in the center. The West Coast of the United States was positioned on the right side of the map and the East Coast on the left.

The first compelling impression to arise from this arrangement was that the U.S. Navy does not deploy out from the United States; rather, it converges on Eurasia. While perhaps a new insight, the actual practice of convergence has been the norm since 1944; Samuel P. Huntington codified it brilliantly in his 1954 U.S. Naval Institute *Proceedings* article "National Policy and the Transoceanic Navy."<sup>3</sup> However, on deeper reflection, we see that convergence is simply a physical

manifestation of a more fundamental geopolitical reality: the United States is simultaneously a Pacific and an Atlantic power. But even this relatively obvious truism floats on a yet deeper reality. The fact that the United States could be split in half and consigned to the edges of the map implies that there is nothing of geopolitical importance happening between New York and Los Angeles. This reflects the unified political control on a continental scale that so spooked Mackinder. Another way to put it is that the United States is a continent-sized island; but this also is too confining a perspective. Rather, the United States is viewed best as an “edge” power; an externality; the New World grown up and powerful, extending its economic and ideological tentacles into Eurasia from the edges of the map.

But that is not the end of it. Because the United States must reach out across the seas, it is inherently a maritime power. An authoritarian continental power worries about the internal security of the regime first, but what happens on its borders runs a close second. The United States, as a democratic maritime power, looks at the world in a fundamentally different way. As far back as when Hamilton was writing (many of) the essays in the *Federalist Papers*, the following logic was operative, at least in the mercantile New England and Mid-Atlantic states: if what happens overseas affects what happens here (and of course it always has), then the United States must have a voice in and influence on what happens over there. This outlook informed Hamilton’s reasoning that a strong federal navy operating in the Western Hemisphere could exert influence on European powers to extract favorable economic and security policies.<sup>4</sup> The maritime perspective focuses on movement and communications, not borders and positions. Maritime powers, by means of securing command of the sea, maintain sanctuary for their economies during war, maintain credible contact with allies, and retain various strategic maneuver options. Webs of allies, trading partners, and friends are essential elements of a successful maritime approach to grand strategy.

For all these reasons, the bisected view of the United States on a Mercator world map produces useful insight. Whether the United States is categorized as a global hegemon, an economic empire, or simply a global leader, this perspective illustrates to us that a convergent engagement with Eurasia is almost a geopolitical inevitability; true isolationism never was, nor ever will be, a viable policy. As an edge power, the United States always is looking inward on the rest of the world, not outward from its coasts. Amplifying this effect is the national sense of mission created by the American philosophy of governance as embodied in the Declaration of Independence and the Constitution. The values of liberty and human rights are assumed to be universal, and they are protected best by means of a democratic form of government. This is an affirmative ideology that must be proselytized to confirm legitimacy.

Owing to geographic and historical circumstances, the United States is the only nation that could be an edge power. Other nations have made and will make bids for global dominance, but none are situated so perfectly, imbued so liberally with key resources (e.g., arable land, water, energy, minerals), and politically cohesive. While not claiming that the ascendance of the United States is an inevitable and permanent feature of the world, the edge view indicates that the geopolitical deck is stacked in its favor.

However, reading between the lines, as it were, we can see that American policies and strategies matter greatly in Eurasia because the United States cannot leave well enough alone. Influence and intervention have been the norm, not the exception. For Eurasian continental powers, this makes the United States, in effect, a nosy and pushy great power on their borders.

### COPING WITH THE CENTER: MACKINDER'S GEOPOLITICS

Life is tough in Eurasia, especially for those who wish to govern. Its history is a sweeping panorama of invasions and counterinvasions, of empires created and destroyed. The latest grand redrawing of national borders occurred when the Soviet Union collapsed in 1991, and Russia's recent annexation of Crimea and fomenting of rebellion in Ukraine are still boiling. It is hard to regard frontiers as settled matters in Eurasia; a number of active boundary disputes still exist.

The complex geography of Eurasia has spawned multiple, highly distinct cultures that, while mutually enriching in various ways, are frequently hostile to each other. Repeated invasions and migrations over the millennia have created an ethnic patchwork that virtually guarantees that any geographically expansive great power that emerges is bound to be some form of polyglot empire within its so-called national boundaries. Most often, this results in an authoritarian regime. Strongpoints—garrisons—must populate the national territory to prevent pieces from breaking away.

Eurasian continental powers thus look from the center outward in terms of national security. Security starts with the capital and radiates outward. Borders, for a continental power, are frequently problematic. In the best case, they are formed by mountain ranges or great rivers that represent an obstacle to invasion or migration—in or out. When the border is an artificial line drawn across flat terrain, it is seen, necessarily, as a potential avenue for invasion. The continental power therefore prefers to have weak, dependent states as neighbors. Even better, if possible, the continental power's army garrisons these buffer states. However, the outer frontier of a buffer state is still a frontier, and eventually the logic of continental security requires a buffer for the buffer, and so on. There is no logical end point to buffering, perhaps best illustrated by the organic growth of the Roman Empire; but sooner or later it is halted by collision with another power.

The continental geopolitical situation has produced two strategic rules that the principal Eurasian powers generally have followed or tried to follow: (1) do not engage in two-front wars, and (2) do not allow a great power to develop on your frontiers.<sup>5</sup> Germany violated the first rule and suffered destruction; Russia and China have been more careful. The second rule is more problematic. Recent scholarship has revealed that Russia had a hand in fomenting revolution in China in 1905 and continuously supported multiple opposing parties over the years to

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keep the turbulence going and prevent the formation of a strong, unified Chinese state. Eventually Mao Zedong and the Communists won out, and now, after many vicissitudes

for both countries, Eurasia is populated by a strong, economically vibrant China abutting a weakened Russia. Complicating matters, Russia faces an expanded NATO to the west, China a rising India to its south. These geopolitical circumstances are difficult enough; but the real problem is the United States.

For the reasons previously mentioned, the United States, as an edge power looking into Eurasia with a maritime outlook and missionary zeal, threatens both strategic rules for a continental power. First, because its interests, and thus its power, are forward, it constitutes a virtual great power on the continental power's borders. At various times, American military bases have been established in central Europe, the Middle East, the "stans," Korea, Japan, and the Philippines. The United States has conducted major military operations all around the Eurasian periphery. Second, because of its command of the seas and the inherent mobility of naval forces, and its web of alliances, economic arrangements, and friendships, the United States can pose or create a multifront challenge for any Eurasian power. For these reasons, regardless of whether the specific interests of the United States and a Eurasian power converge or diverge at any particular moment, the inherent logic of the edge versus the center makes the United States a strategic headache for the continental power. Détente and economic interdependency are good mitigating factors, but in the final analysis, it is U.S. ideology, combined with its economic and military power and its uniquely advantageous geopolitical situation, that makes the country corrosive to the strategic comfort level of Eurasian continental powers.

Another way to describe the Eurasian strategic headache is to take another look at our global Mercator chart. Again we see the United States on the edges of the chart, but a second look reveals the United States as enclosing the Eurasian world. As an enclosing power, the United States imposes limits on what Eurasian powers can do. This is true because of the U.S. propensity for and success in

cobbling together alliances, economic rule sets, and dependencies of one sort or another. The broad rubric to describe this array of arrangements is the export of security. Whereas the United States sees all these arrangements as wholesome measures meant to avert another world war and to advance human rights, a Eurasian power is bound to see pernicious meddling and impediments to the kind of security (buffer states and neutralized nascent powers) it instinctively desires.<sup>6</sup>

For these reasons, Eurasian powers struggle against two kinds or layers of enclosure. The first kind, geographic enclosure, consists of bordering nations, one or more of which may be competitive, and obstructed access to the world ocean. This latter issue is a consistent theme in strategic writings from Germany to China. They view the world in terms of positions and strongpoints, and cannot help but view straits and offshore islands as prison bars, regardless of who owns them or is adjacent. Even China, with an extensive coastline, sees its maritime flank enclosed, and therefore threatened, by the “first and second island chains.”<sup>7</sup> Breaking jail necessarily means either politically neutralizing the ownership of these geographic features or outright seizure.

Even if these geographic obstacles are overcome—and they never have been, completely or permanently—there remains the suffocating web of U.S. sea power and all the alliances and arrangements it makes possible. Here again, the United States sees a “global system” of voluntary members whose growing economic interdependency is a natural and positive trend that enhances prosperity.<sup>8</sup> It is the United States that possesses bases and leased facilities around the periphery of Eurasia; no Eurasian power has anything remotely similar near the United States, partly because of the advantageous American geography—the coasts are clear of islands (other than in the Caribbean) that could be used. When the Soviet Union made a clumsy attempt to use Cuba, it precipitated a nuclear showdown. What is out beyond the geographic prison yard of Eurasia is the network of U.S. security relationships, ranging from formal to tacit—a strategic field of barbed wire.

Conversely, from the American perspective, the world is a wide-open, inviting place. Only this kind of outlook would permit the adoption of a Clintonian policy of “engagement and enlargement” in the 1990s and the adoption of an equally expansive maritime strategy in 2007 based on defense of the global system and a universal invitation to all navies of the world to cooperate in securing the seas.<sup>9</sup> Strategically, life is good for the United States; it is just a matter of keeping the inmates of the Eurasian prison calm.

### THE EMPIRE STRIKES BACK: WORKING THE INTERSTICES

To shift metaphors, the United States is a strategic itch for Eurasian powers that is hard to scratch. Attacking it militarily has proved suicidal. Its political system, despite being fractious—or maybe because it is so—has produced a cohesive



polity; it is not feasible for an outsider to break it. And the United States enjoys relative (and increasing) resource autarky. What purchase might be found to gain some type and degree of neutralization?

The answer might lie in the very maritime nature of the United States. A maritime approach to grand strategy, as previously mentioned, features webs of alliances, economic pacts, and numerous other forms of interdependencies. If these links could be broken, the United States would be less able to act as an edge or enclosing power. Such is an easy concept to describe, but much harder to accomplish. Eurasian powers, from Rome to the Soviet Union, have not been very attractive to peoples outside their cultural metropolises. With the temporary exception of republican Rome, Eurasian powers have been and still are authoritarian states. Such a form of governance might be necessary and even accepted by the regime's own people, but extension of this form to others, even if their own country is anything but democratic, is not received well.

More or less understanding this (although the Tibetans and Uighurs might disagree), China has adopted a different approach. After Deng Xiaoping overturned Mao Zedong's dogmatic and sequestered approach to economic development, China began its remarkable ascent. Seeking to head off any reflexive action toward containment on the part of the United States, China adopted the mantra of "peaceful rise" and proceeded to join, at least partway, in the process of globalization that was in full swing after the fall of the Soviet Union.<sup>10</sup> China actually had some political credibility because of its loudly announced policy of nonintervention. If China was the "Brazil" of Asia, then perhaps here was a nation with which others could deal with confidence—not like a meddling United States that was always harping about human rights, while its Central Intelligence Agency (CIA) perhaps messed around in one's internal affairs. When China eventually got its economy booming, it brought real money to the table, and it was agnostic on how one ruled one's own country. Moreover, it knew how to do corruption right.

Thus, China began working the interstices of the American global network. Initially, the going was tentative and slow, with mistakes made and lessons learned. However, as China's wealth grew and its manufacturing expanded, it became more dependent on foreign sources of energy and materials. Rather than accept the risk and dependency that reliance on the global market involves, China adopted a form of mercantilism in which it attempted to create exclusive arrangements with foreign companies and nations.

As Chinese global initiatives gather steam, it is interesting to note a certain pattern. While certainly not ignoring the major economic and political players, China seems to be trying to establish various kinds of relationships with a variety of smaller countries that are not much on the radarscope of U.S. interests. These



include a number of Latin American and African nations as well as countries such as Greece, whose economy is in shambles and whose attachment to NATO is not as strong as it once was.<sup>11</sup> This pattern of engagement may or may not be the result of an explicit strategy of breaking enclosure, but the net effect might be the same regardless. To understand the potential significance of this pattern, we must shift our focus from geopolitics to the world of business.

#### THE INNOVATOR'S DILEMMA: HAZARDS OF BEING A FRONT-RUNNER

In 1997, Harvard Business School professor Clayton M. Christensen published a book entitled *The Innovator's Dilemma* that explained the demise of several high-profile companies. Christensen showed how embryonic technologies or business methods, while not competitive initially with highly refined and successful ones, through progressive improvements eventually supplanted them, and drove their producing companies out of business. He termed these embryonic technologies and practices “disruptive”—as indeed they turned out to be for the companies that were their victims.

Christensen's model of disruptive innovation involves the relative performance of companies in a particular market, but one that is characterized by multiple “value networks”: groups of customers that have differing needs that produce different sets of values they place on various product criteria. Christensen cites the computer disk drive industry of the 1990s. Mainframe producers (as customers for disk drives) placed much value on capacity and response times. Desktop producers (and emerging technology) valued small size and cost. Companies that focused on building drives for mainframe producers focused on improving their relatively large drives in the realm of those criteria their customers valued. Companies producing small disk drives did the same. However, over time, the general improvement of small disk drives gave them the capacity to satisfy the criteria of the mainframe customer value network, but at a lower cost. The mainframe value network thus adopted the smaller drives, but, more significantly, the desktops improved to the point where they could displace mainframes. Thus the mainframe value network was eliminated, and with it the producers of large disk drives (which, for various reasons, would not enter the small-drive market).<sup>12</sup>

Using Christensen's analysis as an analogy, we might regard the market to be security. It would seem that all great powers must export security if they are to achieve the key national imperatives of defense of the homeland, economic well-being, and a favorable world (or at least regional) order. Security comes in different flavors, and its character especially differs when seen from the continental standpoint as opposed to the maritime perspective. Security for a continental power consists of such things as buffer states; economic autarky, at least in the

form of a mercantilist empire; and, of course, having no great powers on the border. A maritime power sees security differently, with free markets and collective defense being key elements. Thus a continental power exports security by building buffer states (you may be tributary to us, but we will protect you) and mercantilist arrangements (you will have a secure market *if* you sell exclusively to us). Maritime powers seek to achieve collective security through the establishment of free-market regimes (a rising economy floats all boats) and webs of alliances (all of us against the big, bad continental powers).

Thus the United States is an exporter of security of the maritime sort. Because of the nature of its political philosophy and its experience in World War II and the Cold War, it exports security on the basis of (1) its massive military superiority

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*Chin[ese] . . . security comes at a much lower cost than American security: no commitments to refrain from subsidizing domestic industries . . . , no necessity to respect human rights, and no pressure to democratize.*

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and (2) its commitment to a liberal, international, free-market world order. Those nations that become allies or are willing to abide by the rules of the order enjoy the security umbrella the United

States provides, under U.S. proprietorship. In the post-Cold War world, the United States had a near monopoly on the market, a bit like IBM's lock on the mainframe world in the 1960s. Its value network was nearly universal.

However, in the wake of September 11th, the invasion of Iraq by the United States started to unravel its value network. Additionally, some nations were finding the price of system membership to be onerous. "Structural reforms" demanded by the International Monetary Fund (IMF) imposed hardships such as rising food prices on countries such as Egypt, which had a role in spawning the Arab Spring revolution there.<sup>13</sup> The global financial meltdown of 2008 further damaged the value network. Add in the alienation of Russia from the West, Arab hostility toward Israel, neo-populism in Latin America, instability in Africa, and financial crisis along the southern European rim, and a potential customer base is growing for an alternative type of exported security. This emerging value network sets more value on regime security than on human rights, free-market access, or democracy.

Enter China. Desiring to break enclosure, China seeks to establish a mercantile system of exclusive commercial rights and contracts for resources it needs to power its economic growth. In doing so, it has a lot of money to throw at the problem, and the strings it attaches to its purchases and investments are different from and less onerous than those attached to American-system money (IMF loans, for example). Money of this sort represents security for regimes that are generally more authoritarian and more socialist. The rather less rigorous quid pro

quo is an agreement to grant exclusive rights to China for various things, generally the right to buy the country's resources. Also, it means allowing Chinese workers into the country; again, in many cases, at least in the early going, this is a nonthreatening arrangement. Finally, of course, a certain support for Chinese interests, perhaps in the UN, would be expected.

To date, the pattern of such Chinese initiatives is such that it excites little concern by the United States. After all, countries such as Nicaragua (where Chinese companies are proposing to dig an interocean canal), Venezuela, and Rwanda are not of particular security interest and have governments that do not comport with U.S. values. However, Greece, while it is capitalist and democratic and even in NATO, is in economic crisis. It is now the recipient of attention from China—and it may be receptive to its overtures, since Germany and the wealthier European Union (EU) countries are balking at bailing it out. This appears to represent the expansion of a disruptive technology (Chinese-style security export) into the American value network. What if Italy remains mired in financial crisis, and it is China that makes an offer? The potential danger is that, if this process continues, there will come a point at which the American value network will be displaced, just as the mainframe computer value network was.

One of Christensen's tenets is that large, successful companies failed precisely because they attempted to serve their value network via product improvement. In so doing they were unable or unwilling to offer a different product that originally had served a different value network but improved sufficiently to serve a high-end value network. The result was that the high-end value network collapsed and the companies, if they could not adapt, went out of business. America's product is security, but it comes with the cost of abiding by IMF rules, respecting human rights, and adopting democracy (generally, although there are exceptions, such as Saudi Arabia). The benefit has been a call on the military might of the United States when salvation is needed, such as with the Republic of Korea in 1950, Kuwait in 1990–91, or Kosovo in 1999. China has a new, disruptive product. Regimes in its emerging value network generally gain security (internal vice external) by having money to buy off the opposition or to pay internal security forces. China can provide such money, and this security comes at a much lower cost than American security: no commitments to refrain from subsidizing domestic industries such as agriculture, no necessity to respect human rights, and no pressure to democratize.

Christensen reports that the disruptive technology initially can satisfy only the demands of the "low-end" value network. However, continuous incremental improvement of the product eventually results in it being able to satisfy the demands of the high-end value network. Of course, security is not the same thing as disk drive capacity, but still we must consider the incipient receptivity of Greece

to Chinese investment initiatives in, among other things, ports and railways.<sup>14</sup> Greece is not a third-world country; it is a member of the EU and NATO, thus—heretofore—a member in good standing of the American security-export value network. We may regard this as an indicator of a Christensen-like trend in the security-export business.

### THE WORLD AT CHRISTENSEN'S CRISIS POINT

Christensen's study was precipitated by the observed failure of several leading companies across a range of diverse industries. His narrative diagnosis of these failures reveals that once a disruptive technology is embraced by a start-up company there follows a period during which the start-up establishes a value network for the new technology and proceeds to improve it to the point that it starts to meet the needs of the value network of the established high-end company. More time elapses, during which the disruptive technology progressively takes over the high-end value network. At a certain point, the established high-end company finds it no longer can stay in business; this is what we will term Christensen's crisis point.

If this analogy is valid for modern global geopolitics—more specifically, in the great-power security-export market—what would the world look like if the Chinese disrupted the market for U.S.-exported security?

First, we must remind ourselves that the global system, while dependent on U.S. military dominance, is not simply a function of it. Rather, it consists of a set of rules, institutions, and mechanisms that regulate commerce, especially financial flows; provide for some elemental security and justice; and facilitate travel and communication. Almost every U.S. administration avers that it desires to see established a rules-based international order. While the U.S. military is clearly the strongest by far in the world, and while the massive U.S. economy exerts profound influence around the world, the global system is nevertheless not only a voluntary club; it is dependent on the willing participation of its constituent members, both large and small. It is, to put it in Christensen-speak, a value network that generally, since the end of the Cold War, has expressed demand for the kind of security the United States exports.

But what if China is able to concoct a “disruptive technology,” a new style of exported security that is parasitic on the existing global system? Providing value-free regime security, as previously described, while taking advantage of existing international mechanisms, China's product spreads not only among small states but, because of the persistent global financial crisis and structural issues, into medium-sized or even large countries. Thus is formed a new value network that eventually might reach such size that it commands a majority in the UN General Assembly. At this point, perhaps, the U.S.-led global outer enclosure of Eurasia

would come apart. We already may be seeing the start of this process in the Philippines, with recently elected President Rodrigo Duterte making a very public tilt toward China, followed closely by Malaysia.<sup>15</sup>

Given the repeated failures of the Doha Round of global economic talks to reach consensus on a number of trade reforms aimed at lowering barriers, not to mention the massive and violent demonstrations that greet the major meetings, it is not outside the scope of the plausible that structures such as the World Trade Organization and the IMF either would be neutralized or disestablished. We then might see the imposition of defensive economic policies around the world, and coincidentally the establishment of hostile trade blocs. Given the uneven distribution of resources around the globe, competition, perhaps armed, would

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*[I]f the United States persists in its approach to exporting security, . . . it risks finding out one day that its value network has collapsed.*

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occur over access to them. The United States, being powerless to arrest this slide, likely would establish its own economic and security bloc,

basing it on the North American Free Trade Agreement (i.e., NAFTA) and what is left of NATO. Plausibly, we would see the proliferation of nuclear weapons. All this would occur because the market for U.S.-style security was taken over in large part by China, or at least the U.S. near monopoly was broken.

Having broken the external global enclosure, China could work more safely on breaking the local enclosure. By virtue of its global client list, China could induce Taiwan, the Philippines, and perhaps others to cut deals or cede islands, such that China could garrison key geographic features that would turn the ringing island chains into portals vice obstacles.<sup>16</sup> Once this occurred, strategic enclosure would be broken, so the strategic itch would be scratched, the strategic headache cured. Assuming the United States finds both the money and the motivation to maintain a strong navy, the evolution of affairs just described would usher in a new geopolitical era, unlike any in the past. China would not displace the United States as the global great power, as was the case when the United States displaced Great Britain. Rather, China would become a true peer in a way the Soviet Union never was: it would enjoy global freedom of maneuver, almost commensurate with that of the United States.

We could use this scenario as a jumping-off point to imagine all kinds of futures, but that is not in keeping with the purpose of this article. Our speculations to this point seem to indicate that China's breaking of strategic enclosure would not be immediately fatal to the United States but would tear apart the security-export value network the United States painstakingly built over the course of the twentieth century. It also indicates that the United States has powerful incentives to keep its existing security-export value network intact. However, to take

a cue from Christensen, if the United States persists in its approach to exporting security, like the high-end, successful companies that failed by following good management practices and attending to the needs of their high-end customers, it risks finding out one day that its value network has collapsed.

### STRATEGIC OPTIONS: A DOG'S BREAKFAST

Assuming that an American administration took the view of events espoused in this article, what strategic options might it consider? Normally, operational military planners like to concoct a list of course-of-action options that is collectively exhaustive; that is, the aggregate list contains all possible options. Second, the list should consist of options that are mutually exclusive; if you do one, you cannot do the others. This goal is hard enough at the military operational level; at the strategic level it is nearly impossible. Therefore, the options presented here are not mutually exclusive and, while they do seem to represent the potential range of things that could be done, there likely are an infinite number of other approaches. Hence, these options should be regarded as illustrative rather than prescriptive.

#### *Option 1: Stay the Course*

Of course, the first option is always just to keep doing what you are doing. For the United States, that means exporting high-end security as it has done since the fall of the Soviet Union. The 1995 National Security Strategy clearly lays out the characteristics of exported American security: "Our national security strategy is based on enlarging the community of market democracies while deterring and containing a range of threats to our nation, our allies, and our interests. The more that democracy and political and economic liberalization take hold in the world, particularly in countries of geostrategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper."<sup>17</sup> In other words, nations that democratize and adopt free-market capitalism will prosper, thereby becoming more secure and, of course, producing a world order favorable to the United States.

The great thing about this option is that it comports well with the American value system. Just as we established a constitutional democracy of majority rule, we seek (we say) a rules-based international order. This would eliminate war as a source of insecurity and, of course, leverage the inherent advantages the United States enjoys in terms of economic power. The problem is that the democratization wave seems to have crested. A number of countries around the world that democratized in the wake of the Soviet Union's collapse have backslid into either authoritarianism or chaos. Populist and socialist movements have popped up in places such as Ecuador and Belarus. The global economic meltdown aggravated this process by dulling the burnish of democracy and reducing U.S. ability to aid liberalization by providing resources.



Staying the course is potentially analogous to the actions of the big companies on which Christensen reported—enterprises that failed precisely because competent management catered to the high-end value network that demanded the characteristics of their products. Analogously, the American high-end value network consists of what Thomas Barnett termed the “Functioning Core,” those nations that are integrated into the global system of commerce and security. However, Barnett chose to include both China and Russia in that categorization, which made some sense in 2004.<sup>18</sup> However, Russia is one of the democratic backsliders and China never was democratic. While both are theoretically capitalist, their versions do not comport well with the American notion of a level global economic playing field. China can be thought of as a start-up company that has a new, disruptive technology it is trying to market. The danger, as Christensen points out, is that the high-end company will appear to be doing fine—until all of a sudden the bottom drops out of the market.<sup>19</sup>

*Option 2: Compete in the Alternative Value Network*

Competing in the alternative value network would involve trying to beat the Chinese at their own game. The United States metaphorically would hold its nose and prop up nondemocratic or socialist regimes, essentially making them a better offer than the Chinese. Of course, the United States is no stranger to this strategy, having befriended any number of questionable governments so long as they were anticommunist or at least anti-Soviet. The problem with this approach in this day and age is that the Internet and pervasive media make it hard to do such things on the q.t. Any administration that gets caught in the act will have a lot of political damage control to do, both at home and with the members of its high-end value network. Administrations have been getting away with befriending such authoritarian regimes as Saudi Arabia’s simply because they generally can take care of themselves. When they cannot, as was the case with Hosni Mubarak in Egypt, a U.S. administration is in no position to assist.

Another problem with this approach is that it costs money, especially the kind that is hard to track, as it ends up in places not suitable for public affairs releases. Iraq and Afghanistan are good examples of this. Huge amounts of U.S. aid ended up in the pockets of friends and family members of Ayad Allawi, Hamid Karzai, and other power brokers. For the Chinese, this kind of thing is no problem. Moreover, the United States is a little short of funds right now, and it is harder to generate funds that can be moved around “off balance sheet.”

Christensen cites companies that have adopted this strategy successfully by creating their own internal start-up companies to sell the disruptive technology and compete in the low-end value network. While this might work for business, it is hard to see how the United States might do such a thing, other than by



commissioning some other nation to act in its stead. But what nation would be so inclined, especially given the value compromises that appear necessary?

***Option 3: Sabotage the Competitor***

If you cannot beat your competitor at his own game, why not take him down directly? This is, of course, what we did to the Soviet Union through containment and, some say, the Reagan military buildup. This would mean adopting some combination of containment and economic warfare against China. However, China is not the Soviet Union. Such a strategy might undercut our own economy, given the interdependencies that have grown up. In addition, given the particulars of China's increasingly assertive policies in its "near abroad," including the first island chain, such a policy could lead to regional conflict and war, which, in this age, could find their way into the United States proper. Moreover, such a strategy likely would alienate our current value network, which is also economically interdependent with China.

It is this option, or at least gradations of it, that many hawkish "dragon slayers" find attractive. It is realism personified, and has a certain simplicity of concept that is congenial to those who like to produce weapons, ships, aircraft, etc., and to those who yearn for the clarity, if there was such, of the Cold War. This is perhaps a key danger of this policy: it becomes self-referential. To justify the policy, we define China as the enemy; China reacts in a hostile manner, thus confirming the going-in assumption. This is otherwise known as a security dilemma.

***Option 4: Disrupt the Alternative Value Network***

Disruption has been an auxiliary to option 1 over the decades. The United States covertly subverts regimes that it finds obnoxious for one reason or another. Since the late nineteenth century there have been at least a dozen instances, mostly during the Cold War when the United States feared that a communist or communist-sympathetic government would advance Soviet interests. One problem with such a tactic is that it can backfire and produce a worse regime, from the U.S. perspective. The displacement of the shah of Iran by a theocratic regime was the unanticipated result of the CIA-engineered coup that brought him to power. On the one hand, it would seem at least instrumentally permissible to engage in such activities if the idea is that the replacement government will be democratic and respectful of human rights. However, in many cases it has not panned out that way. Moreover, a number of the countries China is courting already are at least ostensibly democratic.

Pursuing this option would force the United States to look at itself in the philosophical mirror. Whereas inciting regime change, whether for ideological or realist reasons, might have been seen during the Cold War as justified in the larger context of stemming a global communist revolution, today, in the context

of Chinese overtures, it would take on a more baldly hegemonic cast. At the least this would convey the impression of a double standard: internally, the United States is all about government by the consent of the governed; externally, it is about security above all—a stance not that different from a Eurasian continental authoritarian power's. The United States always has seen itself as an exemplar of freedom and constitutional government, but pursuit of an inherently cynical, security-based foreign policy would tarnish that image, ultimately compromising the security it seeks to achieve.

### ANALYSIS: THE PROMOTION OF VALUES IN A COMPETITIVE WORLD

Many will recoil from the menu of options just presented, and it is called a “dog’s breakfast” for good reason—there is nothing appetizing about it.

One way to escape from the logic is to deny the analogy, to object that the global market for exported security cannot be likened to business dynamics. One major factor undermining the analogy could be the desire of nations for autonomy. Whereas nations have ceded some degree of sovereignty in the face of a common threat—for instance, by creating NATO during the Cold War—generally speaking, countries will hew to as independent a line as their strength or position will allow. Thus the idea of a value network composed of nations vice companies is a bit porous. On the other hand, we do see certain attempts, such as the Shanghai Cooperation Organization and some loose coordination among Central and South American populist countries, to counteract the overwhelming U.S. influence. To the extent that China can knit together elements such as these, a value network of sorts is created. Admittedly, the analogy is novel and certainly cannot be pushed too far, but it is at least a different lens through which to observe the world, and it would be unwise to dismiss it simply because it is threatening to one’s values and existing worldview.

What is it that comes into focus if we peer at the world through the lens ground by this article? Most fundamentally, we see the difficulty of attaching American values as part of the U.S. package of exported security. This attachment seemed most appropriate and well received in the wake of the Soviet Union’s collapse. However, the emergence of a competitor that at least potentially has the wherewithal to export a different kind of security on a global basis, with a different set of values attached, now makes our attachment of American political and moral values too expensive a product for quite a few nations—or, better stated, regimes.

We have to look no further than the crises in Syria and Egypt to see the problem. A desire to displace autocratic rule in Syria has spawned an armed rebellion that has attracted jihadists and helped spawn ISIS. The displacement of Mubarak in Egypt produced a democratically elected Islamist government that rapidly

became theologically autocratic, so in turn was displaced in a military coup, a result that seems to reflect the will of the majority. Attaching American values to security makes it almost impossible to render aid to either the Syrian rebels or the Egyptian military, but this is precisely what Christensen would call for in a business scenario: compete in the new value network.

Americans hold the values enshrined in the Declaration of Independence to be universal; the justification for separation from Great Britain rested on that assumption. The way we preserve those values for ourselves is through a constitutional federal republic. We thus have conflated values and structure, as was made clear in the quote previously cited from the 1995 National Security Strategy. So, the American-exported security package carries with it both explicit and implied costs that may produce an existential dilemma for any number of regimes. Because many nations are polyglot—that is, they are an amalgamation of multiple tribes or cultures—the self-identity of their citizens is cultural rather than political, so they do not cohere as naturally as the post-Civil War United States.

While the desire for freedom, security, and justice reasonably can be thought of as universal, the mechanism by which these are achieved is bound to vary in each case. Because of the unique geographic and historical circumstances of the United States, Americans generally subscribe to the notion that freedom comes first, with security and justice being possible only if freedom obtains. In countries whose circumstances are different, this outlook is almost antithetical to their cultural identity. Justice is valued above all, with security running a close second; freedom is something to be desired, but must be regulated in the service of the other two values. Conflation of values and structure prevents the United States from perceiving and accepting this. If the United States is to compete successfully in the alternative security value network, it will have to find a way to become comfortable with decoupling these two elements.

In the twentieth century, the United States came to be the leviathan that established and maintained a liberal, trading world order. The nature of the competition—the Soviet Union—was a defective combination of malignant ideology and military assertiveness. In this competition, the United States could export security on the basis of conflating its values and its military might. It won this competition; but success is a poor teacher of both limits and incisive perception. There is a new competitor and a new kind of competition in the world, and the United States must both recognize it for what it is and adjust its security-export strategy to account for it.

This article offers a diagnosis of the nature of the competition that is emerging. While it offers no specific formula for a new competitive grand strategy, it is hoped that this analysis provides insight into what would be necessary for an effective new one to be developed.

## NOTES

1. See, for example, Theresa Fallon, "The EU, the South China Sea, and China's Successful Wedge Strategy," *Asia Maritime Transparency Initiative*, October 13, 2016, [amti.csis.org/](http://amti.csis.org/).
2. Halford J. Mackinder, *Democratic Ideals and Reality: A Study in the Politics of Reconstruction* (New York: Henry Holt, 1942), pp. 67, 69.
3. Samuel P. Huntington, "National Policy and the Transoceanic Navy," U.S. Naval Institute *Proceedings* 80/5/615 (May 1954), pp. 483–93.
4. Publius [Alexander Hamilton], "The Insufficiency of the Present Confederation to Preserve the Union," *Federalist* 15, available at [www.congress.gov/](http://www.congress.gov/).
5. Dr. Sarah Paine, Naval War College, Strategy and Policy Department, interview by author, n.d.
6. The spirit of Bretton Woods is reflected in the following quote by then-Secretary of State Cordell Hull: "[U]nhampered trade dovetailed with peace; high tariffs, trade barriers, and unfair economic competition, with war. . . . [I]f we could get a freer flow of trade . . . freer in the sense of fewer discriminations and obstructions . . . so that one country would not be deadly jealous of another and the living standards of all countries might rise, thereby eliminating the economic dissatisfaction that breeds war, we might have a reasonable chance of lasting peace." Cordell Hull, *The Memoirs of Cordell Hull* (New York: Macmillan, 1948), vol. 1, p. 81.
7. See, for example, "China Air Force Crosses Miyako Strait for 1st Time," *People's Daily Online*, May 22, 2015, [en.people.cn/](http://en.people.cn/), in which the author refers to "the first island chain blockade."
8. Per the Cordell Hull quote above. Also see J. T. Conway, G. Roughead, and T. W. Allen, "A Cooperative Strategy for 21st Century Seapower," October 2007, section entitled "Challenges of a New Era," available at [www.navy.mil/](http://www.navy.mil/); repr. *Naval War College Review* 61, no. 1 (Winter 2008), pp. 7–19.
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14. Nikolia Apostolou, "Greek PM Invites China to 'Join Greece's Success Story,'" *Christian Science Monitor*, May 21, 2013, [www.csmonitor.com/](http://www.csmonitor.com/).
15. Simon Denyer, "On Duterte's Heels, Malaysia Is the Next Asian Country to Embrace China," *Washington Post*, October 31, 2016, [www.washingtonpost.com/](http://www.washingtonpost.com/).
16. Author's note: I first wrote this in 2013.
17. White House, *A National Security Strategy of Engagement and Enlargement*, p. 2.
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19. Christensen, *The Innovator's Dilemma*, pp. 111–13.



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