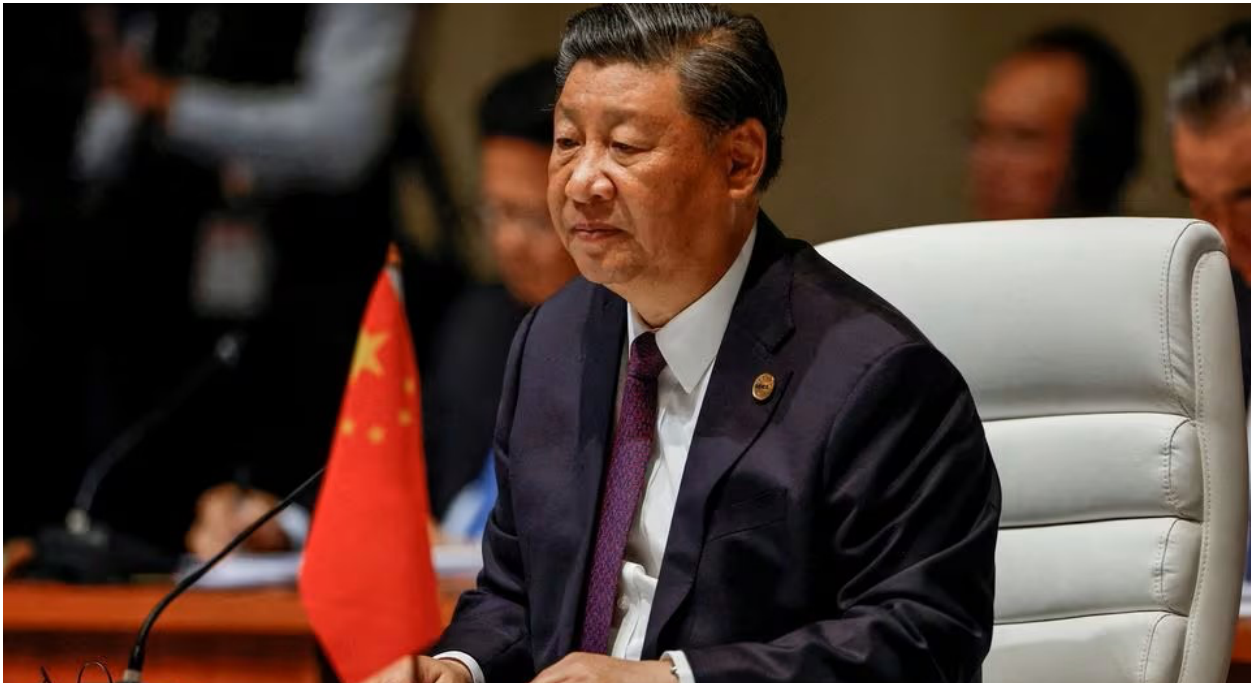


Individual Resistance to Collective Resilience

By Luca Zislin



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With what severity should we address Chinese economic coercion as to deter future offenses while minimizing the risk of provoking gratuitous and explicit conflict? This is, of course, the million-dollar question for American policy makers. One potential answer proposed by former National Security Council member Victor D. Cha is his doctrine of collective resilience, a policy that in its essence calls for multilateral sanctions on China as a response to economic coercion. As Cha writes, “Collective resilience is a peer competition strategy that promises a multilateral response in the trade space to the prospect of economic bullying by the Chinese government.”¹³⁸ Under his policy, a bloc of countries ought to band together to collectively punish China and formalize this intended plan of action to deter China from coercive tactics. However, while it is comforting to think that a sanctions cartel could protect the liberal trading regime, I find that Cha grossly underestimates Beijing’s resilience while

overestimating the extent to which the outlined cartel countries share common interests.

In this article, I make four comments on collective resilience which are intended to provoke revisions to the policy or merely contribute to the policy debate concerning responses to Chinese economic coercion. In my first comment, I simply take issue with Cha’s claim that status quo mechanisms against collective resilience lack deterrence capabilities. In my second comment, I introduce what I call the like-minded country problem. This problem alludes to the fact that it is unclear for which issue-areas countries would agree are worth triggering collective sanctions. This inherent problem creates deleterious consequences, the most notable one being self-censorship. In my third comment, I introduce the assurance problem. In order for states to deter economic coercion, the People’s Republic of China must not only be convinced that they will be credibly sanctioned; they must also be convinced that they will face no penalty if they are well behaved. However, Cha envisions collective

resilience as a complement to ongoing measures to isolate China from Western economic powers. Resultantly, the lack of credible assurance may lead the Chinese to the conclusion that there is no long-term benefit to curtailing coercion. Finally, I make a simple comment on the tendency to grossly underestimate the perseverance of authoritarian regimes in incurring economic losses for the sake of larger aims.

Reframing the Status Quo

Cha identifies four ways in which states are responding to weaponized interdependence: enhanced disruption detection capabilities, trade diversification, re-shoring/friend-shoring, and ad-hoc mitigation measures.¹³⁹ He argues that these measures are insufficient because they are defensive in nature. In his view, reorienting supply chains does not prevent Beijing from attacking another sector or state; diversification does not compel China to change their behavior insofar as no country can completely decouple from such a massive economy. Thus, a competitive strategy is needed to deter predatory behavior.

On an intuitive level, the claim that current measures are not deterrents is dubious given that these measures, specifically trade diversification and de-risking, function on the same implicit logic of collective resilience. The logic of collective resilience is that the defined threat of withholding trade is enough for Beijing to reduce predatory behavior because they are deterred from *temporary* economic disruptions. I emphasize “temporary” because the quality that no country can really decouple from China is still understood within the framework of collective resilience.

The point I am trying to make is that current mechanisms have the same implicit logic. For instance, Cha identifies IPEF as an example of the re-shoring strategy.¹⁴⁰ It is not a secret that IPEF was constructed to counter China’s regional influence and

promote a set of existing norms.¹⁴¹ It is implicit that China will lose out on trade if they fail to comply with certain norms. So, while China is not directly losing out on trade, it is losing out on potential trade and networks of agreements if it continues to reject certain practices and values.

Supply chains are already moving out of China as tensions between Beijing and Washington rise, while COVID-zero lockdowns pushed out private enterprises.¹⁴² If the most fundamental logic is that losing out on trade, especially in strategic areas, can compel changes in behavior, then there are existing deterrence mechanisms. This may seem like a petty point or a semantic debate but establishing that trade with China is bound to decrease will become important in setting up my future arguments.

Collective resilience, if properly executed, is a more aggressive strategy. Yet, Cha writes that collective resilience is not “a strategy that advocates escalating a trade war.”¹⁴³ If we assume that the threat to sanction China is credible, then collective resilience is a strategy that could indeed escalate a trade war. The assertion that the threat of multilateral sanctions does not advocate for escalating a trade war is reflective of one of the core weaknesses in Cha’s paper: the inability to properly examine a scenario in which the threat of sanctions is not enough to deter predatory behavior and the sanctions are actually imposed. While Cha finds that it would be highly costly for China to replace most high-dependence goods¹⁴⁴, he does not explore a scenario in which Beijing determines that the high-cost replacement is worth continuing to enforce their agenda by means of economic coercion.

Current mechanisms are preferable on the grounds that states cannot decouple from China. In discussing the Mineral Security Partnership, an initiative Cha acknowledges as friend-shoring, Allan, Gordon, and Wang from the Carnegie Endowment comment, “China’s ability to restrict the export of solar inputs and critical minerals demonstrates that crucial clean energy technologies and inputs could become

unavailable to the G7 and its allies. At the same time, excluding China from supplying critical minerals is simply not possible in the short term. Therefore, a clear and coherent strategy for focusing and aligning joint industrial policies among the United States and its partners is needed.”¹⁴⁵ Joint industrial policy is preferable to sanctions because the threat credibility of collective resilience is limited by inherent constraints, and the provocative nature of the policy opens a larger Pandora’s box of chaotic scenarios.

The Like-Minded Country Problem

Cha argues that like-minded countries should rally together to sanction China when Beijing engages in predatory behavior. As Cha writes, the recent history of weaponization has unleashed China’s “third face of power” in cultivating an environment of self-censorship where states, for example, will not invite the Dalai Lama to visit in fear of economic retaliation.¹⁴⁶ When Cha describes China’s predatory liberalism, he groups together instances related to sovereignty disputes, Chinese dissidents and human rights related issues, high risk technology regulation, and Taiwanese sovereignty.

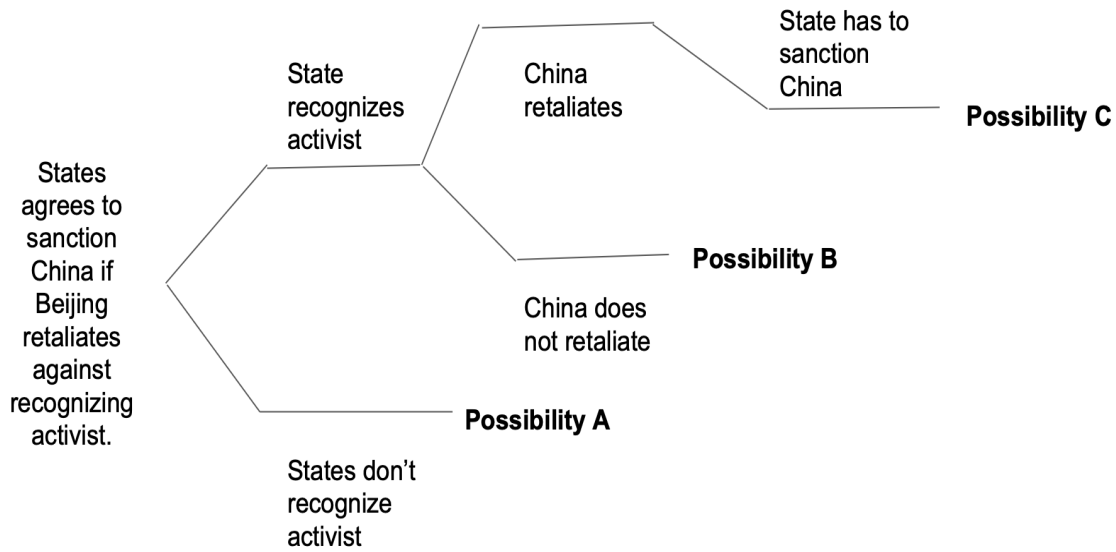
The problem in amalgamating these various issues under the umbrella of predatory liberalism is that it is borderline impossible to imagine a scenario in which each actor of the collective resilience bloc would actually care about each defined issue area to the same extent. What I mean by “care” is the idea that each country would think that it is advantageous, or in the best interest of the nation, to punish every transgression across issue-areas. For instance, I would reason that France would be highly concerned with high-risk technology issues but less concerned about Taiwan given President Emmanuel Macron’s related comments. Notwithstanding the broad idea of protecting the liberal international order, it is spurious to think that states would be “like-minded” in the sense required to operationalize collective resilience as Cha imagines the strategy.

This reflects the real-world lack of consensus about how to address a rising China. While it is possible to imagine a scenario where the G7 + Australia partnership commits to regulating high risk tech (which is actively occurring within the European Union¹⁴⁷), it is more difficult to imagine a bloc that is willing to threaten sanctions after China imposes some measure in response to the Senkaku islands dispute. Even if all actors do not want to continue the paradigm of Chinese economic coercion, it is not assured that all actors are willing to incur economic and political costs in defense of all issue-areas.

The herculean task of uniting dissimilar countries against the vague and multidimensional threat of a rising China is already playing out in the security dimension through dissent within the North Atlantic Treaty Organization. Although NATO mentioned the PRC for the first time in the 2022 Madrid Strategic Concept, its plans to open a liaison office in Tokyo were curtailed by France in an arguably obvious bid to appease Beijing.¹⁴⁸ The parable of the NATO example is the lesson that in order to craft effective action towards China, there must be firm and explicit agreement over what issues are universally important in the sense that states would be willing to incur potential costs.

The amalgamation of non-equivalent issues makes it difficult to envision collective resilience as an operational strategy. While Cha recognizes that it would be difficult to discern the threshold for an attack, it would be worthwhile to confront what motivations for coercion would invoke the threat. As Cha recognizes, Chinese economic coercion is “opaque and does not conform to WTO rules, and it is not based on any legal and legitimate authority. At best, Beijing obfuscates the purpose of the measures, citing unsubstantiated health or safety standards.”¹⁴⁹ But given that Beijing obfuscates the motivations for coercive tactics, this would mean that the collective resilience bloc would have to reach a consensus on the supposed “true” intention of the tactic before sanctions are enforced. Of course, it is simple to identify what Beijing’s true motivations are. There is no denying

Figure 1: Mapping the Double Penalty Scenario



that the import restrictions on Taiwan after then-Speaker of the House Nancy Pelosi’s August 2022 visit have nothing to do with pest control. However, the fact that China does not formally assert their intentions could give states plausible deniability to opt out of agreed upon sanctions.

The observation to draw here is that collective resilience requires a high degree of consensus among actors. Yet, the opportunity cost for some issue areas is higher than that of others. It would be easier to envision collective resilience as an issue-specific strategy rather than a broad approach. If collective resilience was implemented as a strategy against the wide array of issues that Cha outlines, it may have a counterintuitive effect. For example, if actors are expected to retaliate for the sake of punishing attempts to give a platform to Tibetan activists, then it may be preferable to stop platforming Tibetan activists. Now, there is a potential double penalty for platforming Tibetan activists: the expected retaliation from China, and the subsequent loss of exports because of the agreed upon sanctions.

This is assuming that the threat to sanction is credible and that there is a non-zero possibility that China is not

deterred. Some actors would potentially prefer not to confront these possibilities at all through self-censorship. While actors may agree to punish coercion related to Taiwan and high-risk tech, it is unlikely that actors would commit to the less substantial issues like the visibility of activists. If they did commit, then it is potentially rational to avoid the double-penalty scenario by avoiding the behaviors that trigger Chinese retaliation. The figure above maps the three outcomes of the collective resilience policy from the perspective of the actor that invokes the threat.

As illustrated by the sequential model, for issues of lower significance, it may be rational for states to avoid the actions that could provoke retaliation to avoid the double penalty. States would only be rational in committing to provocative actions if they were sure that possibility B is far more likely than possibility C. For issues of relatively low significance, if we assume that states have to comply and cannot back out of the sanctions, then it is more rational to engage in self-censorship, which is ironically the behavior that Cha aims to reduce. At the very least, actors already make calculations before provocative actions, and collective resilience adds additional negative extremities into

consideration. The two ultimate scenarios are one in which China's behavior is radically transformed and another in which China is willing to suffer the economic costs of value preservation. This will be discussed at length later in this critique but as a matter of intuition, I would bet that the latter is more probable.

The primary insight is that collective resilience requires a high degree of unified commitment within the bloc which would be easier to envision if the issue-area was more defined. Cha discusses political will in relation to an actor's ability to cultivate support back home, but there is a lack of discussion on issue-area preference compatibility. In a defense of collective resilience, there is a burden to either narrow the issue area or explain why states would be compelled to threaten dramatic action for issues of varying importance. In other words, more discussion is needed on what actually makes states like-minded. This is especially true when collective resilience hints at incorporating countries like the Philippines which are arguably aligned against China for strategic rather than ideological reasons. When the Philippines charges activists as terrorists before sanctioning China on grounds of protecting Tibetan activists, it feeds into Beijing's narrative that the West is hypocritical, opportunistic, and hawkish.¹⁵⁰

Collective resilience has a paradoxical quality. Strengthening the threat requires more countries to join the collective resilience bloc. But as more countries join the bloc, presumably, the requirements for what constitutes action also rise. The threat of collective resilience grows and contracts simultaneously. The logic used to necessitate collective resilience is the logic that can be used to dismantle collective resilience. If it is true that "weaponized interdependence has been accepted as the price of doing business with China," then I cannot understand why actors would agree to a potential double penalty for the highly unlikely possibility that Beijing abandons its favorite foreign policy tool.

In building collective resilience strategy from a theoretical perspective, Cha cites a wealth of literature that pertains to nuclear deterrence theory. The applicability is arguably low. As Cha recognizes, weaponized interdependence has already been widely used and normatively accepted. Perhaps the problem related to the obscurity of issue-areas stem from the decision to model collective resilience off of nuclear deterrence theory. Actors are not "like-minded" in support of the liberal international order in the same way that actors are like-minded against annihilation. In this case, the target actor is actively working to dismantle the liberal international order.

The Assurance Problem: Stop or I'll Shoot, Comply or I'll Shoot!

Coercive interactions have three components: a "looming threatened punishment, a demand communicating what behavior the threat is contingent upon, and an assurance communicating that the punishment will not be carried out if conditions are met...a coercive threat always implies an assurance."¹⁵¹ In the previous discussion, I alluded to the problems in defining the behavior upon which the threat is contingent. In this section, I will explore the problems in the collective resilience strategy related to credibility and assurance.

Credible assurance is just as critical to successful coercion as credible threat. Cha argues that the threat is large enough to compel deterrence. For this analysis, I will assume that the threat is large and credible. However, if the threat is large enough, there has to be credible assurance that compliance will guarantee non-punishment. As Reid B.C. Pauly writes, "If I am stronger than you, you are more likely to believe that I will punish you if you do not comply with my demands (threat credibility). But, the stronger I am, the more you must be concerned that I will hurt you anyway, even if you comply with my demands (assurance credibility)."¹⁵² Consequently, as Robert Jervis wrote,

“Credible threats can fail because the other side believes the acts will be taken in any event.”¹⁵³

The assurance problem related to collective resilience is that there is no scenario with guaranteed non-punishment. Cha makes it clear that collective resilience is a supplement rather than a replacement to de-risking measures.¹⁵⁴ This is to say that regardless of what China does, barring a revolutionary transition to liberal democracy, Western countries are bound to trade less with China. And as aforementioned, countries cannot entirely decouple from China. As the potential for democratic transition is remarkably low, in the foreseeable future, liberal countries will trade less with China.

Assurance cannot be guaranteed because sanctions would be an acceleration of the status quo rather than a unique punishment. Therefore, even if the threat is credible, it may not have deterrence capabilities simply due to the fact that the punishment (i.e., reduced trade with liberal democracies) is inevitable. Cha argues for sanctions on high-dependence exports that have strategic value and low substitutability.¹⁵⁵ He calculates that out of twenty-three high-dependence exports, China could not mitigate the impact of collective resilience on twenty-two.¹⁵⁶ Of those twenty-two, nineteen would be highly costly to replace and three would be costly.¹⁵⁷ There is, of course, a difference between costly and impossible.

Even if all actors comply, there is a scenario in which Beijing decides that the upfront cost of accelerated diversification is preferable to abandoning advancing its global agenda. As it stands, there is already a bifurcation of the world order in which democracies are eroding and authoritarian regimes are emerging. States with aggregate score declines in freedom have outnumbered those with aggregate gains for 16 years.¹⁵⁸ If collective resilience is to set the precedent that no act of coercion will go unpunished, and China is unwilling to give up its global agenda, then the likely outcome is the clear emergence of a bisected trade regime.

In his discussion of President Franklin D. Roosevelt’s failure to deter the Pacific War through an oil embargo, Pauly writes, “Washington failed to appreciate that its target might not want to live with a noose around its neck, unsure of when the next jerk might come.”¹⁵⁹ In a similar fashion, it is possible to see why Beijing would not want to live in accordance with the threat of strangulation when the slow drip of de-risking is already occurring. Cha proposes that Canada and Australia, for instance, could threaten to act on their exports of nickel powders.¹⁶⁰ Ignoring the fact that Australia would lose its largest export market¹⁶¹, it is unclear why China could not shift its strategy to its fifth-largest nickel powder export partner Russia or to the sixth largest global exporter Brazil.¹⁶² Even if supply chain diversification and growing the domestic market is highly costly, it may be worth the price of continuing the regime with the added caveat that some degree of decoupling is inevitable.

With the parameters being that decoupling is inevitable and complete decoupling is impossible, then no matter what China does, it ends up between these two fuzzy boundaries. Assurance credibility is dampened by the fact that decoupling occurs regardless; threat credibility is dampened by the fact that complete decoupling is not possible. The structure of the situation poses inherent problems to constructing a coercive action.

The Resilience of Authoritarian Regimes

The final thing that I want to briefly discuss is the tendency for the West to underestimate the resilience of authoritarian states. Collective resilience is asking China to essentially dismantle its regime in its current form. At the opening of the Chinese Communist Party’s National Congress in October 2022, Xi Jinping pledged to make China a modern socialist power by 2035 and a world leader in national strength and international influence by 2049.¹⁶³ Signaling a historic shift in policy, mentions of “security” eclipsed

“economy” in Xi’s report to the party congress for the first time since the party was founded in 1949. Chief China economist at Nat West Peiqian Liu commented, “It definitely reflects the importance of national security, and it comes amid this unfavorable, more challenging external environment...The era of championing growth at all costs is basically behind us.” Xi also warned of “dangerous storms” and instructed his colleagues to “demonstrate a ‘fighting spirit’ in the ‘struggle’ against corruption and foreign interference.”¹⁶⁴

There could not be more overt signaling that China is willing to suffer for the ill-gotten gains of global dominance and a new international world order. Just last September, China announced plans to unveil a new strategic partnership with Syria after Xi met with Bashar al-Assad.¹⁶⁵ Military intimidation of Taiwan continues to rise at an alarming pace. Today, in reference to the series of military drills, Taiwan Affairs Office spokeswoman Zhu Fenglian commented, “The purpose is to resolutely combat the arrogance of Taiwan independence separatist forces and their actions to seek independence...The provocation of Taiwan independence continues all day long and the actions of the People’s Liberation Army to defend national sovereignty and territorial integrity are always ongoing.”¹⁶⁶

The logic of collective resilience naturally provokes a comparison to Russia. Sanctions have clearly failed to bring Russia to its knees. Experts insist that the problem is – big surprise – that there need to be *more* sanctions.¹⁶⁷ Increasing the costs of trading and shrinking industrial capacity cannot stop a revisionist, expansionist power from an existential quest. Of course, the state of affairs in China is not directly comparable. However, we would be wise to draw the observation that when pushed into a corner, some states will recline without hesitation for the sake of maintaining national policy objectives.

Conclusion

What benefits do these comments offer? They save me from being immortalized as a statue, but I digress. Hopefully, they yield some insight into how effective policy could be modified. With regard to the like-minded country problem, the observation to draw is that creating a bloc requires a very clear and strict definition of issue-areas. Perhaps, the more spurious observation is that it would be better to combat China through focused mini-blocs with the hope that the efficacy of such associations would eventually inspire a large and committed faction. As for the assurance problem, potentially there is a scenario where collective resilience is formalized with the caveat that the bloc becomes more trusting of China in the everyday sense. Finally, I would acknowledge that it is unwise to play chicken with authoritarian states. It is within their disposition to lose every battle to win the war – occasionally, in the literal sense. So how do we make sense of such an actor? Certainly not through a strategy that counts on them sacrificing every national ambition to avoid economic strife.

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