



TRUST BUT TALK: HOW TO MANAGE CHINA–US STRATEGIC COMPETITION

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About the Author



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Abstract

This policy brief^[1] examines how China and the United States can manage their co-existence through ‘copetition’—a combination of cooperation and competition—rather than just competition or rivalry. The author begins by pointing out that co-existence is more difficult to manage now between China and the US than it was between the USSR and US during the Cold War. Then he proceeds to propose measures that can make the co-existence manageable or ‘mutually assured’. A key measure is permanent contact and dialogue on many levels. Senior Colonel Zhou Bo’s proposals are summarized in Table 1, which recommends sixteen such measures.

Introduction

What the 21st century will look like depends largely on how China and the US, the world’s two largest economies and the two strongest military powers, can coexist. In theory, this should be easier than between the US and the Soviet Union, the two archrivals of the Cold War. But it won’t necessarily be the case. During the Cold War, there were clearly defined spheres of influence dominated by Washington and Moscow that allowed them to avoid direct confrontation. In the case of China and the United States, there isn’t even a buffer zone between their ships and aircraft in China’s exclusive economic zones, where they regularly encounter each other. Besides, the United States and the Soviet Union were balanced by mutually assured destruction thanks to the equilibrium of a mutual nuclear threat. This is not found between Beijing and Washington, although in the Western Pacific, the gap in military strength is shrinking in China’s favour thanks to the advances of the PLA in the past decades.

Making China-US ‘copetition’ manageable

A reelected President Trump’s zero-sum MAGA (Make America Great Again) has already plunged the world into more turbulence and volatility. The tariff war he launched against the whole world is just one example. The transactional rather than ideological president doesn’t seem to have a clear China policy. One problem is how he will heed the China hawks around him. While listening to US Secretary of Defense Pete Hegseth’s speech at the Shangri-La Dialogue in May 2025, which was an all-out attack on “communist China”, I wondered if Trump wishes to play good cop while allowing China hawks around him to play bad cops. At the Dialogue, Hegseth spared no effort to describe how the China threat is real and could be “imminent.” This is a 180-degree shift from that of his predecessor Lloyd Austin who said at the dialogue in 2023 and 2024 that a conflict was not imminent or inevitable. Hegseth went further to speculate that the PLA has been asked to be capable of invading Taiwan by 2027.

[1] This Policy Brief builds on a paper presented by Senior Colonel Zhou Bo (retired) to a Toda Peace Institute Research Cluster on China-US relations, which met in Tokyo on 11-12 February 2025. For a Report on the Research Cluster, see Kai He, “US–China Reassurance: Theory and Practice,” [Toda Summary Report No. 217](#), March 31, 2025.

For another Policy Brief derived from the Cluster, see Carla Freeman, “Toward A ‘Reassurance Spiral’ in US-China Relations,” [Toda Policy Brief No. 124](#), June 09, 2025.

If I could use just one word to describe my best hope for the China–US relationship, it is ‘manageable’. Looking down the road, the China–US relationship in years to come is one that I would describe as ‘copetition’, combining elements of both cooperation and competition. The question, of course, is the ratio between the two. At a time when Washington worries that it might lose its primacy to Beijing for good, it is useless for Beijing to insist that this has to be one of cooperation. But both sides should agree on the bottom line —not let competition slide into confrontation. This is possible not only because major power relations are resilient despite being competitive, but also because in today’s world it is neither possible for Washington to rally an anti-China alliance nor for Beijing to lead an anti-American Global South. Most of America’s allies have China as their largest trading partner. They, like all other countries, will be careful enough to make choices on issues, rather than blindly pick America’s side. With liberal democracy in steady decline, even American allies won’t buy ‘democracy vs autocracy’ in a post-western world. America’s different attitudes toward the Russo-Ukrainian war and Israeli-Iranian war at the same time tell more than anything about its double standard and hypocrisy. I have no doubt that when Donald Trump steps down from his second term, America’s global image and credibility will have been further tarnished.

Table 1: Sixteen Proposed Measures to Make China-US Relations Manageable

- Choose “trust but talk” as a paradigm
- Don’t let competition slide into confrontation
- Aim for mutually assured co-existence
- Increase the use of open lines of communication
- Apply confidence-building measures, such as exchange visits of senior military officers
- Encourage direct communication between pilots and sailors
- Stop or reduce US “freedom of navigation operations”
- Reestablish dialogue on crisis management (suspended under Covid)
- Train commanders in crisis management, to prevent the escalation of accidents
- Learn from how the 2001 air crash incident was managed
- Avoid undertakings that may lead Beijing to conclude that the prospect for peaceful reunification with Taiwan has been totally lost
- Credibly assure Beijing that the US will not hollow out its “One China Policy”
- Cooperate wherever possible, notably in AI, Cyber and outer space
- Ensure absolute human oversight over any application of AI in nuclear command & control systems
- Pledge mutually to not attack critical command & control systems
- Discuss about no first use of nuclear arms

AIM FOR MUTUALLY ASSURED COEXISTENCE

If the Cold War was characterized by mutually assured destruction between two bitter enemies, perhaps today the two competitors could aim for mutually assured coexistence. In my view, the mutually assured coexistence between China and the US can be earned through increasing open lines of communication, enhancing confidence building, cooperating wherever they can and working together to shoulder major powers’ international responsibilities.

TRUST BUT TALK

After signing the Intermediate-Range Nuclear Forces Treaty (INF Treaty) with Russian leader Mikhail Gorbachev in December 1987, President Ronald Reagan famously said “trust but verify.” This is but a polite way to say “since I don’t trust you, therefore we have to verify.” The same logic applies today: trust is not necessarily a precondition for dialogue or interaction between Beijing and Washington. The US and the USSR had no trust at all, but they still managed to establish a litany of confidence-building measures and cooperate in eradicating smallpox and joint exploration of outer space for peaceful purposes.

If ‘trust but verify’ has characterized the Cold War era, perhaps ‘trust but talk’ is the right paradigm for China and the US today. During the Cold War, the worst fear of the US and USSR was a nuclear exchange. Therefore, limitation, reduction and verification of each other’s nuclear stockpiles became a must. This is not the case between the US and China. Even if China is fast developing its nuclear arsenal as the Pentagon has concluded, its reported 600 or so nuclear warheads now in stockpile are but roughly one tenth of those of the United States. Hence, the first priority for the two competitors is to cultivate a habit of talking to each other regularly to avoid misunderstandings and miscalculations. Seeing the two titans talking rather than wrestling is also a huge relief for people in the rest of the world.

So far, talks between Beijing and Washington that were largely disrupted by Covid and Nancy Pelosi’s Taiwan visit in 2022 have resumed. They include high-level military-to-military communication, the US–China Defense Policy Coordination Talks and the US–China Military Maritime Consultative Agreement meetings. It is good to see even something new: in 2024, General Wu Yanan, commander of the PLA’s Southern Command, held a video teleconference with Admiral Samuel Paparo, commander of US Indo-Pacific Command. It is needless to say how important these mechanisms are, yet they should not be business as usual. Instead, exchanges of visits by senior military officers should be regularized; the hot line that was established in 2008 should be used more often; and direct communications between pilots and sailors should be encouraged since more close encounters are bound to happen not only in and near China’s waters and airspace, but also elsewhere as the PLA becomes more involved in its operations globally.

PREVENT ACCIDENTS AT SEA AND IN THE AIR

American aircraft regularly conduct close-in surveillance and reconnaissance in China’s Exclusive Economic Zone (EEZ) while its naval vessels sail through the waters off the islands and rocks claimed by China in the South China Sea. In the Pentagon’s 2023 report on China’s military and security developments, the United States has documented over 180 instances of PLA ‘coercive and risky’ air intercepts against US aircraft in the region between the fall of 2021 and fall of 2023. This would literally mean that in every four days, such dangerous situations will occur. So, at least in theory, another collision, like the deadly one between a Chinese fighter and an American spy plane in 2001, seems to be a question of when, not if.

For decades, bilateral consultations between the Chinese and US navies have been struggling over the Chinese term ‘An Quan’ (安全) which in English could mean either security or safety. Americans want more technical discussions on safety—to avoid close and dangerous encounters between ships and aircraft while the Chinese point at their security concern—the US Navy’s surveillance and reconnaissance in China’s EEZ and its ‘freedom of navigation operations’ in the South China Sea are provocations against China’s sovereignty that should be stopped or at least reduced; Americans ask Chinese ships monitoring American ships to keep a safe distance and Chinese would say you are most safe if you don’t come at all. In international forays, the Chinese delegates have often pointed out that all these dangerous close encounters occur near Chinese airspace and territorial sea and not the US airspace and territorial sea.

The international law of the sea is not of much help. The articles of the UN Convention on the Law of the Sea (UNCLOS) include ambiguities that can be selectively interpreted by parties to justify their own positions. The reason is that the UNCLOS was concluded after nine years of negotiations, the longest in human history. To speed up the negotiations, necessary compromises were made here and there to allow flexibility.

My own experience might be useful in understanding this thorny issue. I led a Chinese delegation to the Pentagon in 2013 to discuss legal implications of freedom of navigation—the focus of disagreement. Although the best legal experts on both sides were present, the only consensus was on something obvious —namely that ‘freedom of navigation and overflight’ should be practiced as stipulated in UNCLOS. However, the participants hugely disagreed on what constitutes ‘freedom of navigation and overflight’; what ‘peaceful purposes’ are; and to what extent ‘due regard’ should be paid to the rights and interests of the littoral states. It reminded me of what Otto Von Bismarck once said: “Laws are like sausages, it’s better not to see them being made.” In this regard, the UNCLOS looks like the longest sausage ever made!

But still there is one important consensus between Beijing and Washington: neither side wants an accident, let alone confrontation. Therefore, the two militaries not only need to let their airmen and sailors observe good airmanship and seamanship as required by bilateral and multilateral agreements to prevent accidents, but also to explore what has to be done after an accident has occurred. In 2020, the Chinese Ministry of National Defense and the US Department of Defense convened the first Crisis Communication Working Group meeting by video teleconference to discuss concepts of crisis communication, crisis prevention and crisis management. This is the first time that crisis management was officially mentioned. It was a bold step in the right direction, but unfortunately it has discontinued due to Covid and ensuing tensions.

AVOID CONFLICT IN THE TAIWAN STRAIT

However an accident in the South China Sea might occur, it is hard to believe that it would trigger a full-blown conflict between the Chinese and American militaries, although deafening nationalistic outcries on both sides must be anticipated. The deadly collision between a Chinese fighter and an American spy plane in 2001 didn’t prove to be the end of the world. American crews were released after the US government issued a letter of ‘two sorries’ instead of making an official apology and the disassembled American EP-3E aircraft was returned. The fatal incident was resolved in 11 days. Tacit and skillful diplomacy prevailed and saved face for both sides.

The only issue that can drag China and the US into a full-blown conflict is the Taiwan issue. Currently, a dangerous action-reaction is unfolding: as the US is suspicious of a potential attack from the mainland it speeds up arms sales and expands training and personnel exchanges to turn Taiwan into a ‘porcupine’. An angry but increasingly confident China is making responses by not only sending more warplanes to routinely fly over the median line in the Strait, which previously acted as a buffer between the sides, but also doing all sorts of exercises in preparing for the worst scenario. These exercises have been on the rise. At the 2025 Shangri-La Dialogue, Hegseth spared no effort to describe how the China threat was real and could be ‘imminent’. He further speculated that the PLA has been asked to be capable of invading Taiwan by 2027. This is crying wolf. According to China’s 2005 anti-secession law, one of the three conditions that may lead the mainland to resort to non-peaceful means to resolve the Taiwan issue is that Beijing concludes that the prospect of peaceful reunification has been exhausted forever. But there is no indication that Beijing has drawn such a discouraging conclusion even after Taiwan elected Lai Ching-te of the Democratic Progressive Party (DPP) as Taiwanese leader in January 2025.

In his meeting with former Taiwanese leader Ma Ying-jeou in April 2024, President Xi Jinping said it is imperative to promote the peaceful development of cross-strait relations and the key is to adhere to the one-China principle. China has never announced a timetable for reunification. China’s defense budgets after the war in Ukraine remain lower than two percent of its GDP. This forms a sharp contrast to America’s call on its European and Asian allies to increase their defense spending to five percent of their GDP. This speaks volumes about China’s calm and confidence, and in a way, about Beijing’s assessment of the China–US relationship.

The mainland also tries its best to win the hearts and minds of the Taiwanese people. Reportedly, 1.5 million Taiwanese worked and lived in the mainland before Covid. That means at least six percent of the middle- and upper-class Taiwanese people didn’t mind living in a totally different political system so long as it provided them better opportunities of all sorts than in Taiwan. In September 2023, China unveiled a plan in which Beijing vowed to make it easier for Taiwanese people to live and work in Fujian province—including buying property, and promises of equal treatment for Taiwan’s students to enrol in public schools, and connect the Chinese port city of Xiamen and Taiwan’s Jinmen that is a few miles away with gas, electricity and a bridge.

Washington should realize that for Beijing, everything could come to a stop if the Taiwan issue is mishandled. Therefore, for peace to prevail in the Taiwan Strait, the US should let Beijing believe that it is not hollowing out its declared 'One China' policy. If no direct confrontation with Russia is the bottom line of the US, then equally, no war with China—a rising power—should be a red line for the US as an existing power.

COOPERATE WHEREVER POSSIBLE

The right way of making competition 'healthy' is to cooperate wherever possible. Three areas are particularly noteworthy: artificial intelligence (AI), cyber and outer space. As the strongest nations on earth, China and the US have indispensable responsibilities in taking the lead in crafting rules and regulations in these new domains for mankind.

When meeting in San Francisco in November 2023, President Xi and President Biden agreed to establish an intergovernmental dialogue on AI. Presumably the most important principle to agree on is absolute human oversight over possible application of AI in nuclear command & control systems. For Beijing and Washington to talk about that, first of all they have to explain to the other side what their nuclear command & control system looks like. This won't happen in the foreseeable future. But if indeed China is increasing its nuclear arsenal, its huge nuclear disparity with the US could gradually change and it could take a more proactive attitude towards nuclear talks. At the same time, a more realistic approach is to discuss no-first-use of nuclear weapons that China has championed for decades. This won't be easily acceptable because America's allies seek a US nuclear umbrella. But a pledge of no first use won't cripple a nuclear power's capability for retaliation. Given Russia's thinly-veiled threats to use nuclear weapons in the war in Ukraine and the fact that there is no prospect of ending the war any time soon, this seems to be a more realistic priority.

In cyber, it is difficult to tell whether cyber incidents are espionage or cyber warfare. But the bottom line is not to attack critical information networks, such as military command & control systems. In 2013, Washington and Moscow established links between their national computer emergency response teams, agreed to warn each other of cyber exercises through the Nuclear Risk Reduction Centre and set up a direct hotline between the White House and the Kremlin. Beijing and Washington also have hotlines at governmental and military levels. Eventually, both countries might wish to exchange a list of sensitive targets that should be forbidden from coming under attack in any circumstance.

Significant cooperation between China and the US in outer space is unlikely since the Wolf Amendment passed by the United States Congress in 2011 restricts, but doesn't completely prohibit, NASA's cooperation with China in outer space. This is out of fear that China might 'steal' American technology. But the irony is that, by 2030, China may have the world's only space station in outer space and American astronauts may have to request for a ride. In 2019, China became the first country to land a lunar probe on the dark side of the moon and NASA got congressional approval for a specific interaction with China's space agency to monitor China's landing using NASA's Lunar Reconnaissance Orbiter.

SHOULDERING MAJOR POWER RESPONSIBILITIES

Major powers shoulder major responsibilities. As the two largest economies in the world, China and the US have to cooperate for the well-being of other nations as well. Take the Middle East as an example. In the Middle East, Beijing and Washington used to have a similar stance on two important issues—preventing Iran from developing a nuclear bomb and a two-state solution for the Israeli-Hamas conflict.

Neither Beijing nor Washington have wished to see Iran become a nuclear weapons state. But America's sudden and massive bombing on Iran's nuclear facilities came as a big surprise for everyone. Beijing naturally condemned it particularly because these facilities were under the supervision of the International Atomic Energy Agency (IAEA). On this issue, China's biggest advantage is Tehran's trust. China has been the only major power to give Iran an economic lifeline in the face of US sanctions. Even if China has condemned Israel's and the US' obvious violation of Iran's sovereignty and territorial integrity, Beijing should make it clear to Tehran that should it decide to close the Strait of Hormuz, it would not only seriously jeopardize one of the most important international shipping lanes, but also doom its own economy that is heavily reliant on oil export.

The United States has long supported a two-state solution to the Israeli-Palestinian conflict that would give Palestinians sovereignty in the Israeli-occupied West Bank and Gaza. That has been American policy since Washington helped broker the Oslo Accords in 1993. Trump is not interested in a two-state solution. But he won't be in the Oval Office forever. As Gaza grapples with the worst violence in over 50 years, the two-state solution first proposed in a 1974 UN resolution may look like a dream, but even a dream is useful if it gives people hope. And how do we know the two-state solution is just a dream? No war will last forever and more countries have come to recognize Palestine as more and more people have died in Gaza. As of 18 June 2025, over 57,800 people have been reportedly killed in the Gaza war. A two-state solution will almost certainly win more sympathy and look more acceptable after the war is over.

In the war in Ukraine, President Trump, who once bragged to resolve this issue in 24 hours, asked China to help. As time goes on, Washington seems more and more frustrated by an ever-lasting stalemate. China's readiness to broker talks between the warring parties was already reflected in its 12-point peace plan in February 2023 and its joint six-point proposal with Brazil in May 2024. But China could not solve the problem single-handedly by making a demand on President Putin to end the war, as some in the West wishfully proposed. It is too early to tell what the end game will look like. But if it is eventually a ceasefire or armistice, perhaps China can join other major powers in providing a collective security guarantee. Or if one day peacekeeping is needed, China could take the lead in sending peacekeepers along with other troop contributing countries from the Global South. This is much better than any proposals of sending in NATO troops which will definitely be rejected by Russia.

Conclusion

Major power relations are never as good as one would wish but can become less risky. Given that China's economy has slowed down in recent years, economists are less certain that China may overtake the US as the largest economy in the next decade as was widely assumed before. Yet this won't matter tremendously in that whoever remains superior, the gap between the two largest economies will be marginal. This suggests their competition could indeed intensify, but also that no one will lose too much from cooperation. China and the US are not enemies yet, and there is no scientific law saying that competitors are bound to become enemies.



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