

China — US

Focus

Digest

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CHINA US FOCUS

China-US Focus Digest is a bi-monthly magazine of exclusive commentaries from influential opinion leaders and scholars on China-U.S. relations. It is prepared by the Digital+ team at the China-United States Exchange Foundation (CUSEF), led by Peng Hui, Hong Chang and Zhu Yinghuang.

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CHINA  US Focus

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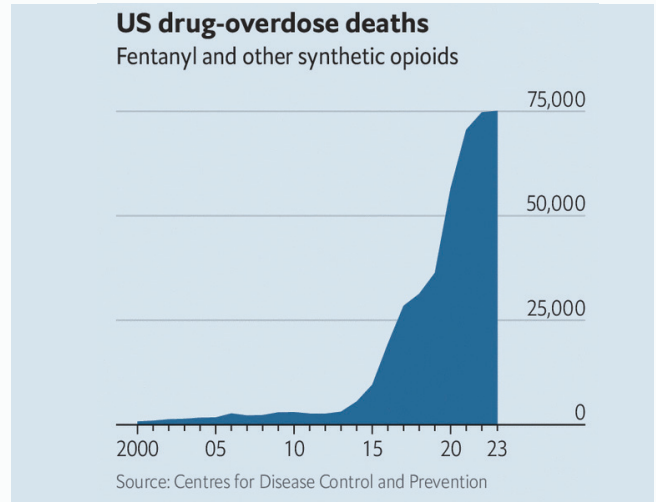
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IN BRIEF

January

1 Chinese President Xi Jinping and U.S. President Joe Biden exchanged congratulatory messages marking the 45th anniversary of U.S.-China diplomatic ties.

26-27 Chinese Foreign Minister Wang Yi and U.S. National Security Advisor Jake Sullivan met in Bangkok, paving the way for a planned Xi-Biden call, with both sides acknowledging progress in military communication, AI dialogue and counternarcotics cooperation.



30 Washington and Beijing established the Joint Counternarcotics Commission to address the fentanyl crisis by coordinating efforts to combat the trafficking of illicit synthetic drugs and their global production.

April

2 President Biden and President Xi held a phone call as a follow-up to their November 2023 meeting in the San Francisco Bay Area, discussing military communication, AI safety, as well as climate and people-to-people exchanges.

4-9 U.S. Secretary of the Treasury Janet Yellen met with Chinese Vice Premier He Lifeng in Guangzhou, launching two new initiatives to enhance economic coordination.



17 Citing “unfair competition” during a speech in Pittsburgh, the center of the American steel industry, President Biden called for a tripling of tariffs on Chinese steel.



Brian Stauffer/The New York Times

24 President Joe Biden signed a bill requiring ByteDance to divest from TikTok within 270 days or face a nationwide ban in the United States.

May

14 The U.S. Trade Representative proposed new tariff modifications on Chinese imports such as EVs, solar panels and semiconductors, set to begin on August 1, 2024, amid China's plans to restrict dual-use aviation and space exports.

29 During the U.S.-China Bay to Bay Dialogue, California Governor Gavin Newsom expressed hope for collaboration between the San Francisco Bay Area and the Guangdong-Hong Kong-Macau Greater Bay Area, two economic and cultural powerhouses for each country.



31 U.S. Secretary of Defense Lloyd Austin met Chinese Defense Minister Admiral Dong Jun to discuss U.S.-China defense relations and global security at the Shangri-La Dialogue in Singapore. It was the first in-person meeting between Chinese and U.S. defense ministers since 2022.

June

21 The U.S. Treasury Department issued draft regulations to restrict U.S. investments in China's sensitive technology sectors, aiming to prevent national security risks.

August

19 Officials from the U.S. Treasury Department and the People's Bank of China convened in Shanghai for the fifth Financial Working Group meeting, focusing on financial stability.

27-29 During a trip to China, U.S. National Security Advisor Jake Sullivan held discussions with top Chinese officials, including President Xi, covering bilateral relations, military communications, AI safety, and regional conflicts.

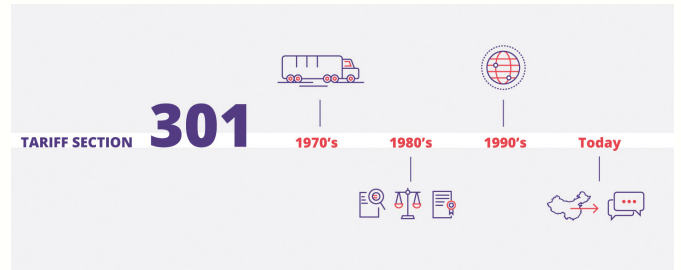
September

4-6 Senior Advisor to the President for International Climate Policy John Podesta met with China's Special Envoy Liu Zhenmin to discuss enhancing climate action as part of the U.S.-China Working Group on Climate Action.

5 The U.S. Commerce Department introduced export controls on quantum computing, semiconductor manufacturing equipment, and advanced technologies.

6 Following the investigation by the House Select Committee on the CCP, Atlanta-based Georgia Tech decided to end its educational collaborative programs and research partnerships with Tianjin University in both Tianjin and Shen zhen.

9-10 The U.S. House of Representatives passed 25 bills targeting Chinese companies and industries in its first session after the summer break with broad bipartisan support, focusing on areas such as technology-related risks, international trade, and electric vehicles and batteries.



13 The U.S. Trade Representative announced final modifications to Section 301 trade actions, aiming to protect American workers and businesses from “unfair trade practices” by China.

October

The Washington Post



13 Two giant pandas, ‘Bao Li’ and ‘Qing Bao’, made their way to their new home at the Smithsonian’s National Zoo in Washington, D.C., where they’ll be staying for the next 10 years.

15 In a message to the National Committee on U.S.-China Relations, Xi called for increased people-to-people exchanges and deeper cooperation between China and the United States. Biden also sent a congratulatory message to the NCUSCR annual gala held in New York.

28 The Department of the Treasury published final rules prohibiting U.S. individuals from making certain transactions related to semiconductors and microelectronics, quantum information technologies and AI, or requiring them to notify the Treasury of such transactions.

■ *By Wang Zixin and Koen Smeets*
CISS Youth, Center for International Security and Strategy (CISS) of Tsinghua University



CUSEF x Columbia SIPA Initiative, January 2024.

Fostering Understanding Through **Exchange** and **Dialogue**

Columbia's young minds immersed themselves in the ancient art of Chinese calligraphy "Fu" (meaning Blessings in Chinese). Sponsored by the China-United States Exchange Foundation (CUSEF), the Columbia SIPA students embarked on a transformative journey through Beijing, Chengdu, and Shenzhen in January 2024.

Education Diplomacy

In **2011** CUSEF initiated its exchange program for U.S. students

Over **2,000** exceptional U.S. students have experienced this program

About **1,000** students are from Historically Black Colleges and Universities



▲ The Harris School students experience a traditional Chinese tea ceremony in Xi'an, central China.

**CUSEF x UChicago Harris School Initiative,
March 2024**



CUSEF x MIT Initiative, September 2024

◀ Students play table tennis with Tsinghua University students in Beijing.

CUSEF x Columbia SIPA Initiative, January 2024

▼ Columbia SIPA students dance with the local students during the visit in Chengdu, western China.



◀ A Johns Hopkins student examines a Flying Tigers blood chit at the Kunming Flying Tigers Museum, southwest China. The Flying Tigers (1st American Volunteer Group) played a vital role in China during World War II.

CUSEF x Johns Hopkins SAIS Initiative, March 2024

Music Brings Us Together



CUSEF Next Gen x Harvard College China Forum x U.S.-China Youth Leaders Dialogue, August 2024



The Harvard University students sing “Fly me to the moon” at the Jazz at Lincoln Center Shanghai.

INTERVIEW: **CARLA CANALES**

Listening is the Foundation of Friendship

A renowned singer, educator, cultural diplomat, arts advocate, author and entrepreneur, Carla Canales has served as a longtime cultural envoy for both the U.S. State Department and the President's Committee on Arts and the Humanities. She sees music as an area ripe for progress in relations between China and the United States, and has performed as a soloist with the Qingdao Symphony Orchestra, Shenzhen Symphony Orchestra, and appeared multiple times with the China National Symphony Orchestra. In recent years Ms. Canales has also led masterclasses with the Shanghai Conservatory, Beijing Conservatory, and Guangzhou Opera House.

This interview was filmed in Fuzhou in Southeast China on June 26 while she was attending "Bond with Kuliang: 2024 China-U.S. Youth Festival," co-hosted by the China-United States Exchange Foundation (CUSEF).





James Chau:

Carla Canales, you may be known first and foremost as a mezzo soprano, but you're also known to another audience as a near 20-year cultural envoy for the United States. And I guess we're all people who love music and the arts, but what does a cultural envoy in 2024, standing here in China as an American, actually mean?

Carla Canales:

It's the work that's been most important to me. I'm incredibly honored that I've gotten to do it for almost 20 years on behalf of the U.S. State Department. I've actually been working here in China as such since 2011, so it's been almost 14 or 15 years of this continuous relationship for me. I find that on each trip the seeds that were planted at the beginning grow and blossom a little more. The friendships that I've had have really developed over time — sometimes rough times, sometimes less rough times.

So I think today, coming here, my role is really to listen, to learn and to take in as much as I can from these very trusted relationships and from the culture in general. To see what I can do in my role as a cultural envoy to help strengthen mutual understanding, to bring back home lessons that I think can serve us in America to better understand our friends here; and also personally, as an artist, to continue to learn about communication and culture that becomes a part of my inside, my inner soul and my tool kit.

James Chau:

Your inner soul seems to run on that word "listen." You've mentioned it here in Fuzhou, but you also wrote about it in your op-ed for the New York Times, where you said that the next step of the U.S.-China



▲ Carla plays the role of Giulietta in the new production of *Les Contes d'Hoffmann* at the NCPA in 2013.



▲ The conclusion of *Carmen* with the Shanghai Opera in July 2016, with conductor Maestro Zhang Guoyong.

relationship has to be about listening to each other. How does that work?

Carla Canales:

I think it's really quite simple. I go back to a very basic analogy: We have one mouth and two ears, so I hope that we're listening twice as much as we're speaking. Unfortunately, I don't think we always achieve that. We're at a time where, for different reasons globally, there's a lot going on. A lot of shouting, a lot of imposing views and less listening. I'm interested in getting us to move away from that into thinking about what we have in common. Let's start with our commonalities. Let's start by doing some really deep listening, and then move toward considering where we don't see eye to eye. Then, eventually, as Dr. Brzezinski said, you may have to agree to disagree on certain things, but by then at least there's been an established trust that comes with listening. This isn't just paying homage to the idea of listening, but really, truly listening and believing that you can learn something from another person.

James Chau:

You have a pair of ears unlike most people in the world because they've been trained and developed over time as a singer and as a recording artist. Give us some ideas on how you actually make the best of what God gave us to listen and to learn, and maybe to apply.

We're at a time where, for different reasons globally, there's a lot going on. A lot of shouting, a lot of imposing views and less listening.

Carla Canales:

I think you understand this yourself, James, as a trained musician, as a trained artist. But for me, I use a very basic methodology, which I have to credit Theaster Gates for. I learned this from him. The first step is coming into a



▲ The end of the season opening concert of the China National Symphony Orchestra in Sept 2016, with conductor and composer Tan Dun at the NCPA in Beijing.

new place. It could be a new community in my neighborhood or a new country. And when you do, say, “May I listen to you? Tell me about your culture, tell me about your home, tell me about your community. Would you be so kind as to share that with me?”

If you’re invited in and you get to that step, that’s an honor. And if you can get from that step to a second step, which is even more of an honor, you say, “Thank you for sharing, and now may I share with you how I see my community, my culture and my country?” Then there’s a mutual listening that happens. And with cultural exchange, you have to focus on the exchange part, not just the give.

If you can get to the third step, kind of the master level, you then say, “My friend, take my hand. Can we now look at culture, community, country, nationality, citizenship together? Can we reexamine that concept, having listened to each other, and maybe reconsider our own view on that?” That’s true exchange for me.

James Chau:

You have a really unique platform, being an envoy officially appointed by the Biden administration as part of the President’s Committee on the Arts and Humanities, which in itself has a history going all the way back to President John F. Kennedy. You’ve seen the span of the U.S.-China relationship since your interaction with China in 2011. That’s a long timeline. How would you describe the relationship today, from where you sit?

Carla Canales:

I’m honored that you feel it’s a long timeline. I think the small span of time that the U.S. and China have been in closer relations compared with the legacy of a country with as much history as China has is just such a small period in the vast history of this great country. But what I do think is that right now, we’re at a moment where we need to be thinking about the future, the future of both of our countries, and how we must work together.

And with cultural exchange, you have to focus on the exchange part, not just the give.

It’s very important for us to consider our shared history — the last maybe 15 years in my case — that I’ve been coming here, and certainly the past 50 years of the bilateral relationship. But it’s also important to consider the history of both countries, and the much longer history of China. I’m very much thinking about how we as Americans think about this relationship, and we shouldn’t just think about it in the context of the next five years but rather the next 20 years, the next 50 years. I would say

humbly that long-term thinking is something the United States needs to learn to do a little bit better. Our political system has many benefits, but of course, it also has some areas where we could improve. We're running on this democracy with election cycles, which sometimes prohibits us from thinking about the longevity that's required to blossom any friendship. And this friendship is perhaps the most consequential, the most important one for our future.

James Chau:

Music has been a conversation-starter for the U.S. and China. The Philadelphia Orchestra came in the early '70s, then at the end of the '70s I think it was Seiji Ozawa who brought the Boston Symphony over here. So music has been important. But is music now irrelevant in a time when the

relationship has really dropped off a cliff and when people don't really talk about friendship tours or goodwill exchanges?

Carla Canales:

I wish they did discuss these things; I will say that. I hope to maybe play a very small part in trying to increase that conversation. But I absolutely feel very strongly that if there's one area that I would bet on, that I would put my complete confidence in, for our two countries moving forward, it's music. We've seen such a blooming of classical music in China. I've witnessed this in the last 10 years, with the new opera houses, the new concert halls, the new symphony orchestras ... and not just these new institutions and organizations but the quality of the players, which is really outstanding.



▲ Carla Canales stands next to Tang Wensheng (2nd R) at “Bond with Kuliang: 2024 China-U.S. Youth Festival.” Ms. Tang is an American-born Chinese diplomat who served as Mao Zedong’s chief interpreter during U.S. President Richard Nixon’s historical 1972 visit to China.

Also, if you go to any symphony or opera in the world, and certainly in the United States, you will likely find either Chinese musicians or musicians who have worked or trained to some degree in China. You'll find them also in the conservatories in the United States. I think that's a real testament to the love of classical music that Chinese people have, and to a very clear path forward for us to at least begin to have more of those dialogues and exchanges that both Chairman Xi Jinping and President Biden committed to last November.

James Chau:

The Chinese people also have an immense respect for musical training in America, be it Curtis, Juilliard or elsewhere.

I'll finish off with this. You came to Fuzhou. We are here for the U.S.-China Youth Festival. And you came carrying lots of really important messages that can really be applied in several ways—from listening with your ears to connecting with the person sitting next to you and promising to stay in contact with them for the next four or five decades ahead. Out of all that package of messages, what would you tell the people and the young people among them?

Carla Canales:

Find one person to commit to. I especially want to encourage our young friends who have a friend in another country, and specifically for our young Chinese friends, to commit to a friend in the United States or vice versa. Just find one person and commit to making them happy. Commit to engaging in dialogue and to this new friendship for the long haul, not the short haul, not a few years, not right now when it's fun and convenient, but to seeing life with this person for many years to come, and how our two cultures intertwine as you grow older. That's a beautiful opportunity, and it just takes one person to do that. It's a very easy and simple thing, but often we forget. So that's my big advice. Find one person, commit to that friendship and make it a priority.

We're running on this democracy with election cycles, which sometimes prohibits us from thinking about the longevity that's required to blossom any friendship.



INTERVIEW: LAWRENCE H. SUMMERS

Yes, China and the U.S. Can Succeed Together

Reagan asked Gorbachev: If Martians attacked the United States, would you come to our defense? And Gorbachev said yes, and then asked Reagan: If Martians attacked the USSR, would you come to our defense? And President Reagan said yes.

— Lawrence H. Summers

Lawrence H. Summers, a prominent economist, has made unique contribution to public life, serving as chief economist of the World Bank, U.S. treasury secretary in the Clinton administration, president of Harvard University, and director of the National Economic Council under President Barack Obama.

James Chau of China-US Focus sat down with Summers to explore the relationship between China and the United States, which is at a critical crossroads. Summers presents an optimistic view as he looks to the future, recalling a key moment during the Cold War that suggests the two countries should be able to find common ground.

James Chau:

Professor Lawrence Summers, thanks very much for your time. You know, when we look at your life's work — your incredible, extraordinary life — you've helped shape U.S. economic policy at pivotal moments. As such, you've observed shifts in the U.S.-China relationship for a number of decades now. What lessons from past economic cooperation and competition do you believe are most relevant for us in navigating the complex dynamics of the bilateral relationship today?

I think the key lesson is that the relationship between the U.S. and China is ultimately a positive sum.

Lawrence H. Summers:

I think the key lesson is that the relationship between the U.S. and China is ultimately a positive sum. It is possible to imagine a world in which the United States flourishes, China flourishes and the world flourishes. It's also possible to imagine a world in which things work out very badly for the United States, for China and for the global economy. It's much harder to imagine a world in which China is succeeding and the U.S. is failing, or a world in which the U.S. is succeeding and China is completely failing. And so, for better or for worse, our destinies are tied together.

Prospects for survival and success depend upon their capacity to achieve cooperation — enough to get that rowboat to shore.

When thinking about the United States and China, I like to use the image of two people who are very different, who do not have a close



natural affinity but who find themselves in a two-oar lifeboat in a turbulent sea a long way from the shore. And their task is to get to the shore, and it doesn't really matter whether they have affection for each other. It doesn't really matter if they have different values or different views. Their prospects for survival and success depend upon their capacity to achieve cooperation — enough to get that rowboat to shore. That, I think, is the right way to think about the United States and China. It is not about who is right and who is wrong, who is worthy and who is unworthy, who is at fault and who is not at fault. It is about finding a *modus vivendi* in mutual interest.

James Chau:

Decoupling and de-risking have become much-used terms when we talk about the economic



relationship. But less spoken of is what we think could be the greatest potential for reestablishing economic cooperation. What do you think that is, particularly in light of current tensions around trade, technology and financial stability?

Lawrence H. Summers:

It is probably appropriate that there be greater elements of resilience in both societies than exist today. And so the notion of some greater resilience in the United States — from having access to more diversified supplies, or some greater resilience in China from having access to more diversified supplies — I think is a quite healthy notion. The idea of reducing single points of dependency is always a good one. I think there are large common enemies, large common adversaries, that we all need to think about. Climate change is potentially existential for Planet Earth. There's also the risk of terror and global insecurity, particularly when associated with nuclear proliferation. And I think the very nature of human existence and human interaction is potentially going to be changed with the advent and rapid development of artificial intelligence. So I think these common challenges can be animated by cooperation between the United States and China.

The very nature of human existence and human interaction is potentially going to be changed with the advent and rapid development of artificial intelligence.

I am very much influenced by the story of President Reagan and Soviet leader Gorbachev in Reykjavik, where Reagan turned to Gorbachev at one point and said, if Martians attacked the United States, would you come to our defense? And Gorbachev was surprised and thought about it for a moment, laughed and said yes, and then asked: If Martians attacked the USSR, would you, President Reagan, come to our de-

Treasury Secretary Larry Summers visits China on October 24, 1999. He is the first Cabinet-level U.S. official to visit China after NATO warplanes bombed the Chinese Embassy in Yugoslavia. During his visit, Larry Summers and China's Prime Minister Zhu Rongji discussed economic issues and China's campaign to enter the World Trade Organization.



fense? And Reagan, too, said yes, and a greater sense of mutual trust was established. Martians aren't going to attack the United States or China. But we do share common threats, such as nuclear proliferation, as well as opportunities and risks associated with artificial intelligence, the challenge of climate change, the risk of pandemic — and that can be a basis for cooperation in our mutual interest and in the greater global interest.

James Chau:

Maybe not Martians, as you said, but we have plenty of existential threats that you unpacked just now. Those threats are already here on our doorstep. The pandemic is just one of those examples, and they not only didn't help each other but in fact widened the distance between them. It seemed to grow ever larger. Does that mean that we are in a more distrustful relationship than even the leaders of the USSR and the United States had during the Cold War?

Lawrence H. Summers:

I'm not sure that the level of distrust and the level of risk are yet at the level that they were

during the Cold War. I think there's a far greater degree of interdependence between the United States and China. Many more Americans live in China. Many more Chinese people live in America. Many more Chinese people have studied in American universities. Many more American businesses are operating in China. I think all of that connection at the person-to-person level offers a foundation for more trust and less hostility than existed during the Cold War between the United States and the Soviet Union. But I think one does have to be concerned, from an American perspective, by the very substantial militarization in China, which does raise real questions and point toward the possibility of a return to a more Cold War-like dynamic.

All of that connection at the person-to-person level offers a foundation for more trust and less hostility than existed during the Cold War between the United States and the Soviet Union.

James Chau:

You mentioned artificial intelligence. Among your many roles, one is a seat on the board of OpenAI. In light of intensifying U.S.-China competition, what do you believe are the stakes of advanced AI without substantive and meaningful collaboration between two AI leaders?

Lawrence H. Summers:

I think there are risks that these systems will be used to allow the dissemination of knowledge that can be very dangerous — for example, the creation of very dangerous and lethal weapons, the risk of fakes that serve as major provocations or support intrusions in other societies and risks that these systems will not be fully controlled by human beings.

James Chau:

You also have three children of your own who will themselves be navigating a world very different from the one you knew at their age. You've spoken about the antisemitism that is sweeping the world. Is that one of the factors alongside pandemics and a declining climate condition, that concerns you, or that is among the top global challenges for you and your family?

I am someone who's very much a believer in the idea of progress.

Lawrence H. Summers:

Yes, but I see my children as living in a world community, as well as certain dangers. I think we're going to see the advent of extremely inexpensive renewable energy during my children's lifetime. I think we're going to see staggering progress in the life sciences that is going to drive incredible efforts to conquer diseases that have been scourges of mankind for centuries. And I think the application of artificial in-

telligence offers an unprecedented opportunity to relieve humans of tasks that are repetitive, tedious and unfulfilling and to have an opportunity to put their energy into connecting with other people, to put their energy into creative pursuits. I am someone who's very much a believer in the idea of progress.

If China is able to compete on a fair basis, then relations between our nations will turn around.

James Chau:

Last, Professor Summers, of course I'm speaking to you ahead of one the most anticipated U.S. elections globally, with the prevailing view that U.S.-China ties will remain competitive regardless of the outcome of this vote. What strategies do you think China can adopt in managing its relationship with Washington, with whichever president over the next four years?

Lawrence H. Summers:

I think China needs to think about how to provide reassurance that it is prepared to peacefully coexist with the United States, which means paying close attention to military measures that could reasonably be interpreted as aggressive. That means being careful with respect to actions it takes that can be seen as interference with our society, whether those are cyberattacks or other kinds of measures. I think it also goes to the relationship between Chinese companies and the Chinese government and the concern that what are presented as private Chinese companies are in fact government-controlled entities. And so I think if China is able to provide that kind of assurance and compete on a fair basis, then relations between our nations will turn around.

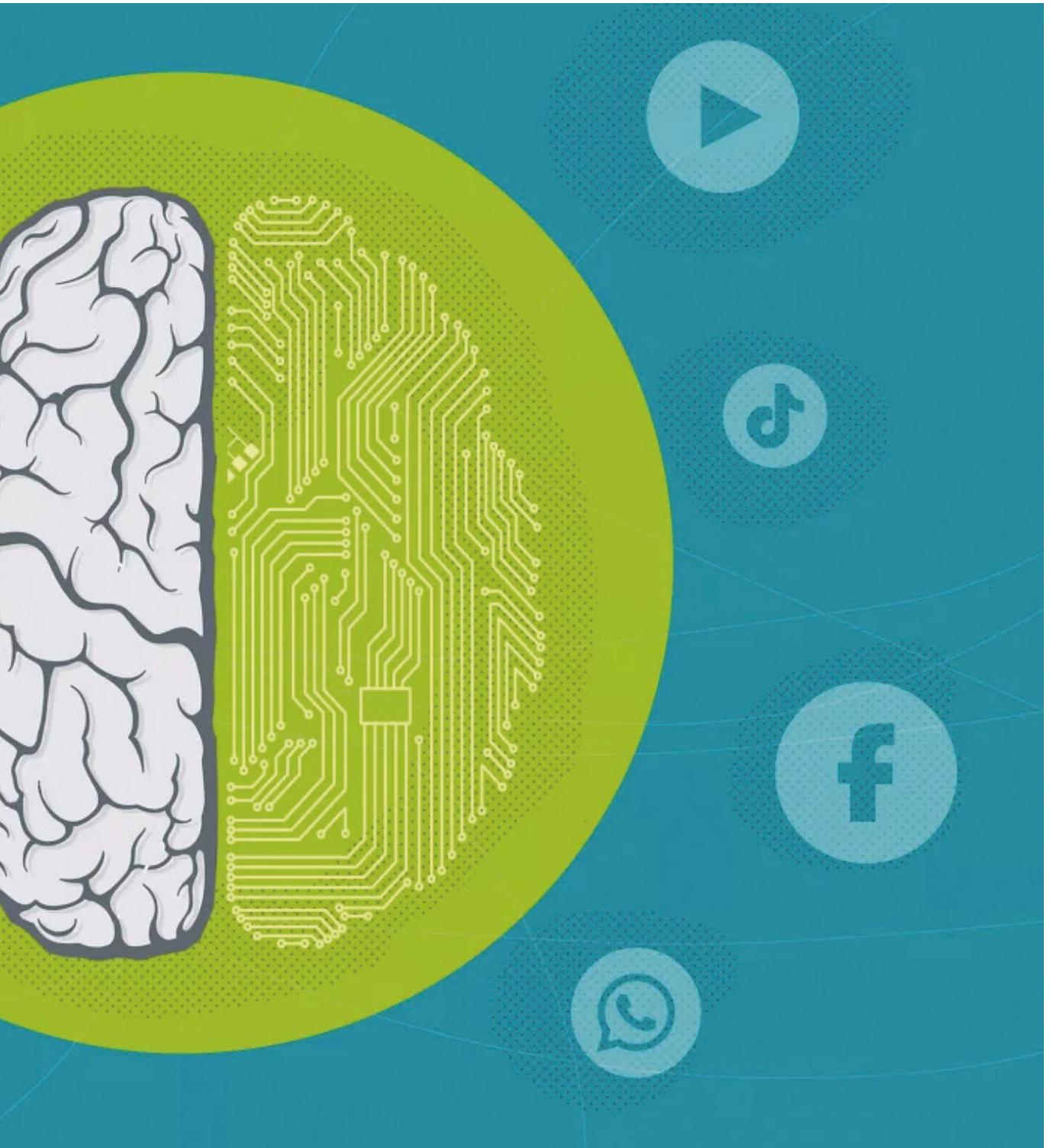
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In a context of technological disruption and intense geopolitical competition, the human mind is becoming a new confrontation domain for major powers seeking to shape narratives about the future international order.

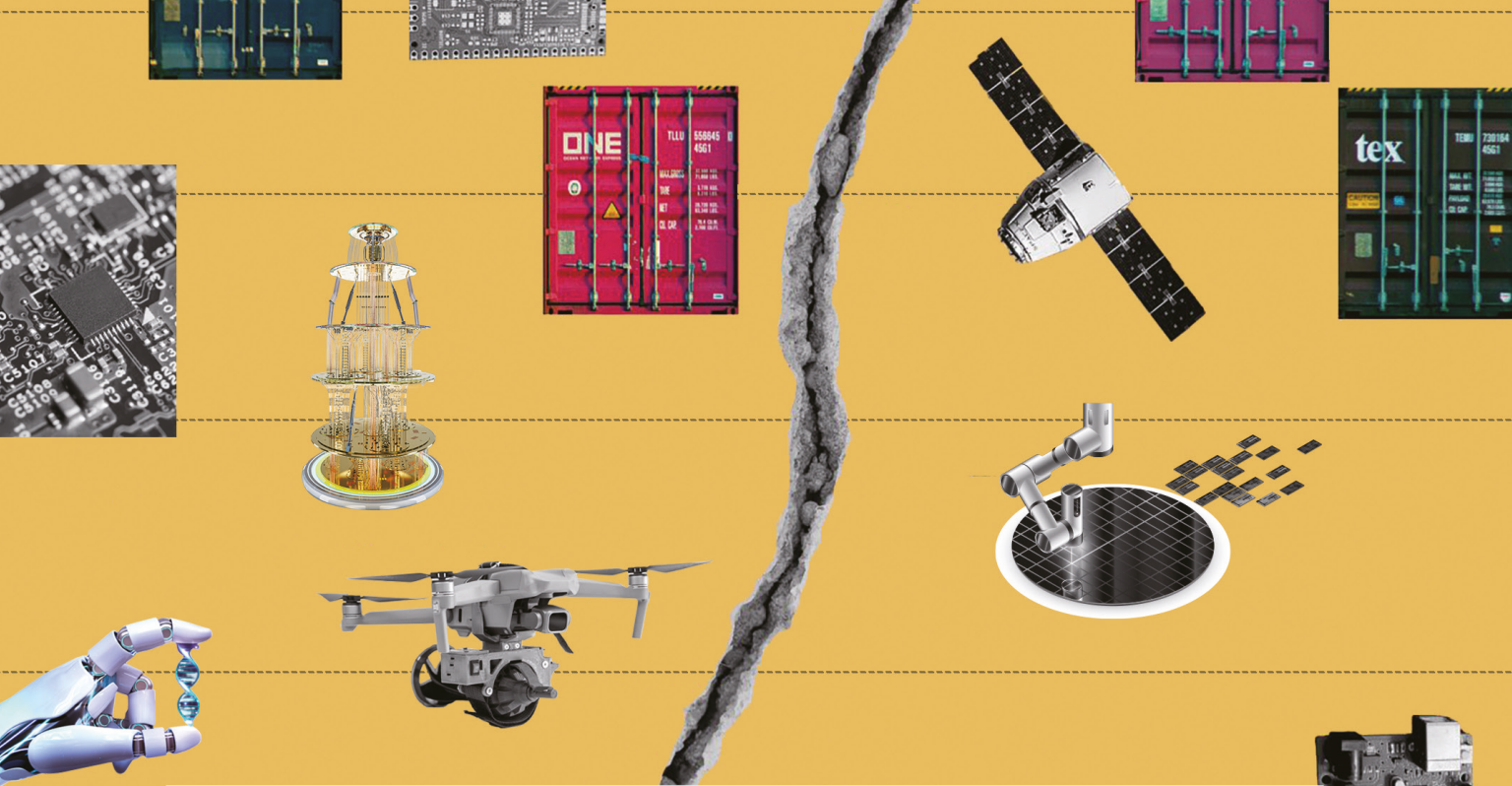
— Manuel Muñiz
Provost of IE University

(Opening remarks of 2024 Munich Security Conference roundtable discussion on cognitive warfare and artificial intelligence)





Graphic by Pia Danner



INTERVIEW: **DANIEL RUSSEL**

Implications of Rapid Change for Planet Earth

Daniel Russel is vice-president for international security and diplomacy at the Asia Society Policy Institute. He previously served as special assistant to U.S. President Barack Obama and Assistant Secretary of State for East Asian and Pacific affairs at the U.S. State Department from 2013 to 2017. He was a major figure in the Obama administration's "pivot to Asia" strategy.

In a recent interview with China-US Focus in Tokyo, Daniel Russel shares his concerns on U.S.-China rivalry in new technologies and its impact on bilateral relations and the globe.

China-US Focus:

Daniel Russel, you are a longtime foreign service officer who went on to work in the very heart of power — in the White House, working under President Barack Obama — and now bring that knowledge into your current role at the Asia Society Policy Institute. With all the different hats you've worn, the perspectives you've acquired and the seats you've occupied over the decades in different moments of history, what do you make of the state of today's world and where we are?

In some respects, you see echoes of the 1930s, and these are pretty worrisome developments.

Daniel Russel:

Well, it's a messy world. It's always been messy. I think that what's really different now is the impact of critical, emerging technologies. The pace of change and the scope of change is really unprecedented and, frankly, the moment today is quite different in that respect from the time that I spent in the Obama administration, which is not all that far away. There have always been great power plays among countries. There have always been hot spots and crises, wars, famines, floods, etc. So it's not a fundamentally different world in those terms. But I'd say in addition to the impact of critical technologies, I certainly feel a heavy sense of disappointment that the promise and the expectation of globalization, of global integration, of the ability of advanced economies to mobilize capital and mobilize technology to lift up the lives and the well-being of the developing world, has fallen so far short. Instead, it feels like we're actually losing ground in many respects, particularly when we see the proliferation of protectionism, of isolationism, of authoritarianism and of ultra-nationalism. In some respects, you

see echoes of the 1930s, and these are pretty worrisome developments.

China-US Focus:

Where did things not go right? If the world had all that promise held within globalization, as you described — global integration, parts of which manifested and parts of which have gone in a very, very different direction — where do you think the pivot point was?

Daniel Russel:

I don't know that there was a single pivot point, but I think in retrospect it's pretty clear that the sort of unfettered capitalism, the sheer market freedom, the absolute pursuit of profit, created not just huge wealth gaps but also a divide, a sense of grievance, a hollowing out of some industries, and generated backlash against globalization. We're paying a price for that in many respects. It's by no means limited to the United States. It's a widespread struggle, and it wasn't a straight-up choice. It's not as simple as "If only we had done XYZ," everything would have been fine. These involve huge tradeoffs and the ability of governments, or frankly, the ability of leaders, to hit the right balance between overregulating and stifling the market, and laissez faire, go for the brass ring, free market. These are difficult judgment calls, and again, the tools are limited.

China-US Focus:

You mentioned earlier the pace of change that technology has brought to what was once familiar in our landscape. That has now shifted dramatically. You would have thought that this technology would bring advancement, progress and assurance, but instead, we have vast segments of populations and communities who fear the change because they're not necessarily included in the progress it can bring. Where are the United States and China in this world?

Daniel Russel:

When we look at history and see the various industrial and other transformative revolutions, the anxiety of the potential losers is a feature of those moments. So it's no surprise that there's public anxiety about what the impact and implications of progress and of new technology is going to be. That's pretty standard. There are many differences, though, in the current — I think even unprecedented — nature of these critical technologies. Things are moving very fast, and the new technologies have really astonishing impacts and implications. They also have huge potential for benefiting humans. And these are not, simply, threats to human existence. These are phenomenal opportunities. We see it in medical science. We see it in education. We see it in industry. There are tremendous benefits. Some have materialized and others are potential.

The level of mistrust and animosity — antagonism, really — between the U.S. and China turns every tool into a weapon.

I think the big issue in terms of your question about the U.S. and China is simply the level of mistrust between the two governments, and increasingly between the two societies. It's so intense and so toxic, and we are trapped in a security dilemma where each is convinced that they're the victim of bad intentions from the other, so there is no basis or platform for utilizing and collaborating on new technologies for the greater good.

Any tool is potentially a constructive instrument or a weapon. How it is used is a function of the human that holds it and wields it. The level of mistrust and animosity — antagonism, really — between the U.S. and China turns every tool into a weapon. It's understandable that neither Chinese nor American leaders are comfortable forgoing the use of new technologies for defensive, or, for that matter, offen-



sive purposes, in part because they fear that if they don't do it first, the other side will. This is a really dangerous downward spiral. The U.S. and China are very powerful countries to begin with, armed with these new technologies. The risk profile is expanding exponentially. We have an urgent obligation to get a handle on the bilateral relationship. At the same time, we're struggling to cope with the unknowable implications of these new technologies.

They fear that if they don't do it first, the other side will. This is a really dangerous downward spiral.

China-US Focus:

There are people who will listen to or read this conversation, who understand that the outcomes and the consequences ahead could be extremely serious. How can people participate



more widely in shaping the future if they're not a former assistant secretary of state for East Asian and Pacific affairs — someone who hasn't necessarily been trained or is skilled in this career that's been crafted over decades?

Daniel Russel:

I think there's a basic question that everyone, certainly everyone over the age of reason, should be asking themselves: What kind of world do I want to live in? From that flows the question, what kind of community do I want to live in? And from that flows the question, what can I do to influence or shape my community, my city, my country, in the direction that I think we should go? Not because of ideology but because of the picture I have in my mind about what a healthy, comfortable and safe Planet Earth would look like. So it's not a matter of a single career choice. It really is a challenge for both our imagination, to visualize the world we want to live in, and our character, to find ways to act and to implement that vision.

China-US Focus:

Sitting across from you, your face lit up when you were talking about that. And it seems to recall the days of the era you served in the Obama administration. Many people continue to associate the meaningful change that led to outcomes with Obama's compelling and inspirational leadership. Are there any lessons that can be reapplied today, in these trying times?

Daniel Russel:

Yes, there's a plethora of potential lessons to extract. The campaign motto of the Obama political operation was hope and change. These were not abstractions, and they weren't mere bumper stickers. I think they're an accurate reflection of the mindset that Obama brought to the challenge, the challenge of serving as the U.S. executive, the challenge of leading the nation. You can't get a lot better than hope and change. Not change in the abstract but change in the spirit of making things better. Obama served as a community organizer early in his career, and as I just mentioned there's a direct link between the community and the investments that we're prepared to make in our community and on the global scene. So I think that's one lesson to take away.

The promise and the expectation of globalization, of global integration, of the ability of advanced economies to mobilize capital and mobilize technology to lift up the lives and the well-being of the developing world, has fallen so far short.





Photo: United Nations Development Programme

INTERVIEW: **RICK WATERS**

Current Status of Troubled Bilateral Relations

Rick Waters is the managing director of Eurasia Group's China practice. He previously served as the U.S. State Department's inaugural director of the Office of China Coordination (China House) and as Deputy Assistant Secretary of State for China, Taiwan, and Mongolia in the Biden administration.

In a recent interview with James Chau of China-US Focus in Tokyo, Rick Waters addresses potential risks and possible cooperation between the U.S. and China.



▲ As the first China Coordinator at the State Department, Waters' acumen and diplomacy were critical in advancing U.S. policy on China.

James Chau:

Rick Waters, it's great speaking with you. You've been the "China person" for the United States over many years, up until very recently. And in that Rolodex of memories and moments, there have been some troubling episodes, including, as you've brought up recently, the U.S. bombing of the Chinese embassy in Belgrade in 1999 and what happened in Hainan in 2001. How have both sides managed to negotiate their way through, around and beyond those crises? What can we take from those major incidents in recent history and reapply today?

Rick Waters:

I would say two or three things. First, those crises came at a time when the relative power dynamics between the U.S. and China were very different. Even in the 1990s, nationalism was a very powerful force. And it meant that channels of communication closed. It meant that it was very difficult to even restore some channels to de-escalate. But I think the second thing is that there was a larger stake in the relationship at that time on both ends. There was greater people-to-people involvement. There was a relative horizon for economic possibilities that is very different from

the retrenchment we see today. And I worry about the loss of those residual buffers, because I think it's the change in the relative power equation and the loss of buffers that can make future conflicts, future periods of tension, even harder to manage.

It's the change in the relative power equation and the loss of buffers that can make future conflicts, future periods of tension, even harder to manage.

James Chau:

What about constructing new residual buffers? If you look at the shared challenges that they have today, what could some of those points of partnership be? Or are we being naive in thinking that partnership is still a shared interest and shared goal?

Rick Waters:

Well, I think for the current administration, that's a lot of what Joe Biden and Jake Sullivan have been working on. They call it "guardrails." But I think really what you're saying is, let's start at the very basic level — that neither President Biden or President Xi have any interest in unintended conflict. And that's actually not an inconsequential thing. So their teams have set about to ensure that on issues where there have been long-standing differences, there is some boundary, some buffer, some clear channel of communication to make sure that each side does not misunderstand the other's intentions. And I think we have to give some credit to the so-called strategic channel that Jake Sullivan has with Wang Yi. Since 2022, they have largely maneuvered on the Taiwan issue in a way that has avoided unintended consequences.

James Chau:

Does fentanyl play a role in this? Does it



◀ U.S. Secretary of State Antony J. Blinken chats with China Coordinator Rick Waters at the Office of China Coordination in Washington, D.C., on December 16, 2022.

have a role in this equation? It's highly important. It's highly urgent. It can also be highly emotional. Because we're not talking about policy, we're talking about people's lives too.

I don't see any desire from the Chinese or the Taiwan side to fall back into a crisis like 2022. I think miscalculation risk is what worries me more.

Rick Waters:

This issue I think cuts to the core of every American community at this point. Fentanyl is not solely a problem of the U.S.-China relationship. It's a problem of an incredibly powerful synthetic drug that can be manufactured in very small quantities, making it easy to sneak into the U.S. and bring devastating effects. In the context of U.S.-China relations, this issue has gone from being a sore point to a point of cooperation multiple times. I think the most notable was under the Trump administration, when a combination of leader-level diplomacy and congressional involvement helped persuade the Chinese to prohibit the marketing, sale and production of fentanyl in China.

But then two things happened. One is that banning fentanyl doesn't prevent the chemical industry in China from producing the precursors. The second is that events in 2020, particularly the highly polarized environment around COVID, meant that China's cooperation stagnated, and it took several years to restore it. I think the progress that was made at the Woodside Summit in November 2023 was actually quite consequential. You had clear actions by the Chinese side to go after precursor producers, to pull down their websites from the internet, to go after the money flows. And, look, it's not perfect. It's a very hard thing to do. But I don't see an alternative



▲ Wang Yi, director of China's Office of the Central Commission for Foreign Affairs, participated in a new round of strategic communication with U.S. National Security Advisor Jake Sullivan in Beijing on August 27, 2024.

to U.S. cooperation with China on that issue, because there's simply no other way to conduct law enforcement within China's territory.

James Chau:

Let's cut to another core issue, which is, of course, the Taiwan Strait. Are there concrete steps there that can reduce the risk of unintended escalation at potential flash points? And do you think at this stage, if we really are honest about it and look at the whole package, are Beijing and Washington doing enough at this time, when they have so many other issues to balance?

Rick Waters:

Well, I don't think that Beijing is rushing to an imminent invasion. I think the strategy is much



n for Foreign Affairs, holds a
curity Advisor Jake Sullivan in

▲ U.S. Deputy Assistant to the President and Deputy Homeland Security Advisor Jen Daskal and Chinese Minister of Public Security Wang Xiaohong meet in Beijing, January 30, 2024.

more subtle and complex. It's meant to apply pressure on the parts of Taiwan politics and society that are viewed as pro-independence and to create inducements for the parts of society that might be more willing to reunify, by Beijing's definition, at some point. I don't think there's a fixed timeline, but I do think there's a sense of urgency under the current Chinese leadership that may not have been present in the past. I think the broader context is the deterioration of U.S.-China relations. And the massive modernization effort within the PLA, which is creating pressure in the U.S. and in Taiwan, to some extent, to increase Taiwan's asymmetric defense capabilities and build out its whole of society resilience, like the Baltic states, so that a combination of civil mobilization and asymmetric defense keep Beijing from ever concluding that there is a viable military option at a cost acceptable

to President Xi and the leadership.

I think where this issue stands now is a very fragile state, where there's mistrust between the two sides. There are arms race-like dynamics underway. But where I'm a little bit more positive in the near term is I don't see any desire from the Chinese or the Taiwan side to fall back into a crisis like 2022. I think miscalculation risk is what worries me more. Which is why it's important in the few channels that do remain, such as the one between Wang Yi and Jake Sullivan, that there is some clear communication about the intentions in Washington and Beijing on the issue.

James Chau:

Let's finish deconstructing just a bit. As someone who's invested so much of your life not

I'm convinced that China's economic growth and the prosperity of its people is actually a global good.

only in the relationship with China but also in public service in the United States (and through that to the world), what do you want for the U.S. and China? What do you call on China to do, to think about, to consider?

Rick Waters:

My hope is that in the areas that matter most to ordinary Americans — whether it's fentanyl or the consequences of China's supply led industrial policy model — there will be a greater degree of introspection about the political implications those create in other countries, not just the U.S. During the FOCAC summit, it was interesting to see that [South African President] Cyril Ramaphosa expressed concern about some aspects of the bilateral economic relationship with China. And I do think that introspection, that feedback, is important not just for the U.S.-China relationship but for China itself. I'm convinced that China's economic growth and the prosperity of its people is actually a global good. It's something that's important to the global economy and to the stability of U.S.-China relations.

But I'm not as sure that the current approach will yield those results without putting immense pressure on the global trading system and on the very populist reactions in other countries that have corroded bilateral relationships — not just with China but in many other contexts in the past.



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Our hosts Kyle Obermann, James Chau, and Tasmin Little tell stories that bring you closer to those shaping our global future.

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America's 'Big Security' Assumptions in Asia-Pacific

■ Zhao Minghao

Increased cooperation among Quad countries and partners in the Indo-Pacific region poses a challenge for Chinese diplomacy. The new U.S. president will not only inherit the security framework built under Joe Biden, but is likely to harden it even further. Thus, China has reason to worry that tensions will rise and that new hot spots will be created.

During the presidential campaign in the United States, both Kamala Harris and Donald Trump have advocated strategic competition with China as a feature of their foreign policies. Whoever wins the election will inevitably continue with Washington's Indo-Pacific strategy, the core of which is the Quadrilateral Security Dialogue, or Quad, comprising the U.S., Japan, Australia and India.

The consolidation of the Quad largely derives from Washington's great power competition with China. In the Indo-Pacific strategic arrangement, the Quad is the skeleton of an alliance/partnership system characterized by a "big security" perspective that is designed to pressure China.

The Quad is the skeleton of an alliance/partnership system characterized by a "big security" perspective that is designed to pressure China.



■ Zhao Minghao
Professor, Institute of International Studies at Fudan University, and China Forum Expert

▼ U.S. President Joe Biden hosts the 4th Quad Leaders' Summit with Australian Prime Minister Anthony Albanese, Japanese Prime Minister Kishida Fumio and Prime Minister of India Narendra Modi on Sept 21, in Wilmington, Delaware.



The concept of this quadrilateral mechanism initially came from Japan. Back in December 2012, the Japanese prime minister, Shinzo Abe, wrote about creating a “democratic security diamond,” at the core of which would be the United States, Japan, India and Australia, with the United Kingdom and France playing a bigger role. Short for the region spanning the Indian and Pacific oceans, the term “Indo-Pacific” embodies the idea of countering China’s rise. In November 2017, Donald Trump’s administration rolled out the concept of a “free and open Indo-Pacific.” During Trump’s tenure, the grouping was reactivated, quickly developing from a directorial-level coordinating platform for policy to the ministerial level.

U.S. President Joe Biden, who was inaugurated in January 2021, upgraded the Quad to a head-of-state mechanism. Although U.S. National Security Adviser Jake Sullivan has denied that the group amounts to an “Asian NATO,” its official full name — the Quadrilateral Security Dialogue — pretty much captures its fundamental nature.

The United States has been seeking to deal with long-term competition against China

and other rivals by reshaping its alliance system. We can see from this quadrilateral mechanism that the U.S. is reinforcing its policy coordination and integration with its treaty allies and partners to construct a flexible alliance/partnership system. On top of joint military exercises, the four Quad countries are also collaborating more closely on economic security, maritime security, public health security, critical and emerging technologies, cybersecurity, semiconductor supply chains and outer space.

Through this process, America’s perception of a “China threat” — and measures to contain it — could become, step by step, a multilateral framework that influences the whole U.S. alliance-partnership system. Washington defines China-U.S. competition as democracy vs. authoritarianism, and U.S. Deputy Secretary of State Kurt Campbell has said the Quad was an arrangement among “four maritime democracies.”

According to Manjari Chatterjee Miller, a senior fellow at the Council on Foreign Relations, India is committed to positioning itself as the champion of the Global South, so its com-



petitive relationship with China and the U.S. should offer immense support. Also, the U.S. is deepening its quasi-alliance with India. In particular, the two sides are trying to integrate their defense and military sectors.

Besides the Quad, Washington has created another bloc, known as the I2U2. Formed with India, Israel and the United Arab Emirates, it is focused on West Asia and the Middle East. India serves as the adhesive of the two quadrilateral mechanisms, and the military relationships between Japan, Australia and India — core allies of the U.S. — have seen clear progress.

In September, President Biden hosted his final Quad summit at his Delaware home with the intent of leaving a political legacy. During the closed-door discussions, U.S. Secretary of State Antony Blinken announced the first topic: China. Members of Congress had already announced a bipartisan, bicameral Quad caucus, indicating that Congress attaches enormous importance to the Quad. Substantial outcomes were achieved at the summit in a range of areas, from security to economy, public health and infrastructure.

Through this process, America's perception of a "China threat" — and measures to contain it — could become, step by step, a multilateral framework that influences the whole U.S. alliance-partnership system.

First, the four Quad countries agreed to push forward the Indo-Pacific Partnership for Maritime Domain Awareness, which aims at improving their capacity to monitor their waters and gather related intelligence. They also announced the launch of the Maritime Initiative for Training in the Indo-Pacific, with the idea that they would layer new technology and data into the IPMDA. In addition, the U.S. Coast Guard, Japan Coast Guard, Australian Border Force and Indian Coast Guard planned to launch a "Quad-at-Sea Ship Observation Mission" next year to improve interoperability and maritime safety.

Second, the Quad countries committed to strengthening infrastructure cooperation. They have invested more than \$48 billion in infrastructure financing in the region since 2015, carrying out thousands of projects involving renewable energy, telecommunications, roads and water resources across more than 30 countries.

At the summit, the four nations announced the "Ports of the Future Partnership" initiative to support sustainable and resilient port infrastructure across the Indo-Pacific using the Quad's expertise in collaboration with regional partners. They also released their "Principles for Development and Deployment of Digital Public Infrastructure" on top of the Quad infrastructure fellowship announced last year. Moreover, a logistics network pilot project "Quad Indo-Pacific Logistics Network" was launched, aiming to leverage their collective logistical strengths by promoting shared airlift capacity.

Third, the four nations are creating a "tech camp." The Biden administration views competition in technology as the top priority in the China-U.S. rivalry, with tech playing an increasingly important role in Washington-dominated "minilateralism." In this quadrilateral partnership, securing critical and emerging technologies is at the top of the agenda.

At the summit, the leaders also proposed further cooperation in artificial intelligence and

THE JOINT FORCE



Northrop Grumman's vision of JADC2.

The U.S. Department of Defense has launched an initiative to unite operations across all branches, including the Air Force, Army, Marine Corps, and Navy, as well as Space Force – and eventually allied partners into one integrated “network-of-networks” powered by artificial intelligence. This ambitious new operational concept is called Joint All Domain Command and Control, or JADC2. U.S. military is partnering with various businesses, including the aerospace and defense technology company Northrop Grumman, to deliver JADC2. (Source: Northrop Grumman)

China has every reason to worry that camp confrontation, typical of the Cold War era, will only get worse.

launched two Track 1.5 dialogues — on AI and advanced communications technologies. In addition, they announced plans to launch what's called the "BioExplore Initiative" to develop outer space technology, expand the Open Radio Access Network and collaborate on 5G.

The U.S. government values the role of social forces in the quadrilateral grouping. For instance, the Quad Fellowship, which is aimed at cultivating STEM talent, is led by the Institute of International Education and supported by private sector investors such as Google, the Pratt Foundation and Western Digital. In tech competition, the Quad is accelerating collaboration between companies, venture capital institutions, universities and research institutions in developing renewable energy, cybersecurity, aerospace and other sectors.

In conclusion, the Quad has become the primary priority in Washington's Indo-Pacific strategy, and the new U.S. government after the election will likely continue with the alliance-partnership system against China. The Quad leaders' summit in 2025 will be held in India.

Meanwhile, the challenges brought about by the increasing institutionalization of the Quad pose a test for Chinese diplomacy. Considering the evolution of such minilateral mechanisms involving several groups of players — U.S.-Japan-Australia, U.S.-Japan-Philippines and U.S.-UK-Australia — China has every reason to worry that camp confrontation, typical of the Cold War era, will only get worse. As the Ukraine war and conflicts in the Middle East continue unabated, Beijing and Washington should make joint efforts to prevent new military hot spots from igniting in the Asia-Pacific. Building a camp as exclusive as the Quad will only exacerbate the region's security dilemma.

INTERVIEW: **MICHAEL D. SWAINE**

Much Can Be Done to Reduce Tensions

China-US Focus editor KJ Kerr sat down with Dr. Michael D. Swaine, a prominent American scholar of Chinese security studies, to explore his thoughts on the state of U.S.-China relations. Swaine, currently with the Quincy Institute for Responsible Statecraft, points to a need for greater frankness and openness between the rival powers and suggests that they can do things — both individually and together — to reduce tensions and forestall conflict.



KJ Kerr:

Thank you so much for being here with us, Dr. Swaine. Security, particularly in relation to China, has been your primary focus throughout your career and now at the Quincy Institute for Responsible Statecraft. Over the last few years, we've witnessed heightened concern over national security in both China and the United States. What strategies do you think both sides could enact or consider to prevent these concerns from hindering opportunities for cooperation or evolving into a conflict?

Michael Swaine:

A variety of things need to be done. First, both sides need to stop the one-sided blame game, which is currently in effect, and recognize that the two countries are caught in a destructive dynamic to which they both contribute. They need to begin

genuine strategic dialogues at both the official and the unofficial Track II levels that are designed to create a more positive, constructive vision of peaceful coexistence and bounded areas of competition.

They need to begin genuine strategic dialogues at both the official and the unofficial Track II levels.

This requires honest, frank discussions about both the acceptable and the unacceptable features of current and future bilateral and international policies. This is what needs to happen to avert zero-sum escalation and to encourage cooperation and constructive forms of competition. There must be that kind of discussion,

which I don't see happening at present. Both sides need to develop a vision of constructive, peaceful coexistence based on balance and some level of mutual compromise, not the drive for dominance or singular leadership — or, in the Chinese case, the victory of socialism. All of these tropes, these statements that are made by U.S. officials at times, and by analysts and others, are just not helpful in trying to reach the kind of understandings, balance and shared leadership in many respects that are required for the United States and China if we're going to have a stable and productive relationship going forward.

Both sides need to develop a vision of constructive, peaceful coexistence based on balance and some level of mutual compromise.

KJ Kerr:

How do you think they can integrate that balance without undermining each other's economic stability and future growth?

Michael Swaine:

I think this requires clear, international, coordinated definitions of the scope and limits of technology, competition and cooperation, as well as industrial policies and subsidies and a more selective and functional — as opposed to political — use of sanctions. In the case of sanctions, Washington needs to make more explicit the conditions under which the U.S. would expand or relax restrictions and sanctions against China to make clear that U.S. policies are a calibrated and proportionate effort designed to shape Chinese policies and behavior, rather than being unconditional efforts aimed at containment, which is what the impression seems to be now.

We need to have all of these things to try to balance national security concerns without undermining growth.

Washington needs to make more explicit the conditions under which the U.S. would expand or relax restrictions and sanctions against China to make clear that U.S. policies are a calibrated and proportionate effort designed to shape Chinese policies and behavior, rather than being unconditional efforts aimed at containment.

KJ Kerr:

There have been increased security concerns in the Asia Pacific more broadly as well, with regional powers expanding military spending and the growing concerns over an arms race in the Asia Pacific. How can the U.S. and China address stability in the region without contributing to further destabilization?

Michael Swaine:

There's no replacement for serious diplomacy. There needs to be serious, sustained diplomacy to provide credible assurances that each side will not opt to threaten the vital interests of the other in ways that force a crisis or conflict. We need, in particular, to stabilize the Taiwan situation through a revitalization, as I put it, of the original understanding that Beijing and Washington reached over the island — which on the U.S. side was a clearly viable and believable “one China” policy, and on the Chinese side was a clear commitment to achieve peaceful unification as a top priority.

The United States needs to be much clearer in the nature of the policy. It has eroded over time. The U.S. has shown less commitment to the kinds of principles that originally defined the “one China” policy in some areas and re-

lies now on a very simplistic repetition of mantras: “We continue to support the ‘one China’ policy. We do not support Taiwan independence.” But there needs to be much more said and done to really lend credibility to the fact that the United States does not recognize Taiwan as a formal ally. It does not see Taiwan as a critical strategic node that must be kept out of the hands of the Chinese under any conditions, as some people have said. It is committed only to unofficial relations with Taiwan. It’s not going to be deploying warships to Taiwan, much less soldiers.

China itself also needs to remain committed to seeking peaceful unification and needs to say that it has not given up on efforts to work with Taipei to reduce tensions and that it has no deadline for unifying Taiwan with China. Now, this has been said by Chinese leaders at lower levels of the system, but to my knowledge it has never been said publicly and clearly by Xi Jinping — that China has no deadline. So I think that needs to be said, and I think China needs to indicate that it will reduce the development of invasion capabilities and military exercises around Taiwan as tensions over the island abate.

The U.S. has shown less commitment to the kinds of principles that originally defined the “one China” policy in some areas and relies now on a very simplistic repetition of mantras.

Finally, I would say that China needs to start thinking about new formulas for dealing with Taiwan, beyond “one country, two systems,” or considering new versions of that could have some chance of being found acceptable by the people on Taiwan. Right now, the people of Taiwan completely reject the idea of “one country, two systems,” and China needs to work beyond that.

KJ Kerr:

Do you think that third-party actors such as regional allies and multilateral institutions can contribute to promoting stability and easing the tensions surrounding Taiwan, and what role should they play?

China needs to start thinking about new formulas for dealing with Taiwan.

Michael Swaine:

Yes, I think third-party countries and third powers should openly support the kind of initiatives that I’ve been talking about and also resist clearly signing on to commitments to fight alongside Beijing or Washington in a Taiwan conflict. Both sides also need to resist this idea of trying to pull in third countries to support their efforts to conduct a war. These third powers should state that they best preserve stability in the region by maintaining their own self-defense capabilities, maintaining their own capacity to deter aggression against themselves, not by joining a grand coalition to deal with the Taiwan situation.

So, I think that as power dynamics keep shifting in the Asia Pacific, the U.S. and China should work more with their allies and partners. They need to overcome the zero-sum approach that we now see in multilateral organizations and initiatives and work together — third powers, the U.S. and China — to create the rules and norms for a more genuinely inclusive regional and global system.

KJ Kerr:

We’re of course also on the brink of the U.S. elections. What strategies do you think Beijing could adopt to manage its relationship with Washington over the next four years, regardless of who is in office?

Michael Swaine:

China needs to show very clearly that it is committed to stabilizing the relationship, that it is willing to consider having a strategic dialogue with the United States to define exactly where there are areas for cooperation and to define where there are serious areas for competition — and what, when areas of intense competition (if not conflict) exist, could moderate those levels and depths of competition, rather than just exchanging the usual mantra talking points that occur at many of these meetings.

The next administration needs to think hard about how we can move to a diplomacy-led policy.

I think China needs to show that it is quite willing to undertake changes in some of its policies, particularly in the area of cyber hacking, I would say, as well as in some areas of technology and trade, that would make for a less suspicious West.

I've been involved in Track II dialogues with the Chinese on crisis management for many, many years. And you can have discussions at that level that do not pin the participants to an official policy line, that do not restrict what they can and cannot say.

Of course, China will still stay within certain parameters, but within those parameters, there is still a good realm of area for give and take that I think is necessary if you're going to get at some of these really tough questions. I think it's necessary to have a Track II dialogue that reinforces and coordinates with a Track I dialogue to probe these bigger questions and that seeks areas of compromise, where there are possibilities for mutual accommodation and what reaffirming initiatives would look like that the other side would find substantive and meaningful — and that are also feasible. Testing those kinds of things in a Track II dialogue,

and then seeing if they can be transposed to a Track I dialogue is really important.

Right now, we have some crisis management mechanisms in place between Beijing and Washington, but they are woefully inadequate. Such a crisis could escalate quickly, and it would very quickly go beyond the military, which is where a lot of these crisis management mechanisms are lodged. It would very quickly make its way to civilian leadership at the central level, the top levels of both governments. These leaders and their subordinates need to be much better informed about the pitfalls of the attitudes, assumptions, biases, decision-making systems and intelligence systems that operate on both sides that obstruct effective crisis management.

KJ Kerr:

I think a lot of what you just expressed goes for both sides of the Pacific. But do you have further specific recommendations for the next U.S. administration in shaping a China policy that mitigates tensions, fosters economic growth, promotes trade and encourages some kind of constructive cooperation?

Michael Swaine:

The next U.S. administration really needs to take a serious, hard look at the state of the relationship and its dynamics. They need to consider the trends that are going on — and on the Hill in particular [Congress] — but also in other areas that are continually reinforcing this steady drumbeat of a dire zero-sum competition that is existential in nature in some ways, and could result in war, especially as we have constant references to war preparation as opposed to war avoidance. They need to genuinely try to emphasize diplomacy over preparations for conflict.

The next administration needs to take a second look at this problem and really begin to think hard about how we can move to a diplomacy-led policy. This is going to involve some

very significant risk-taking on both sides. It involves initiatives that each side is willing to take and putting themselves out there to see if there is a positive response by the other side and trying to really work out credible actions that the other side would look upon as meaningful.

It's going to take some real political courage on the part of our leaders on both sides, but I think the alternative would be much, much worse.

We also must ask ourselves where we want the relationship to end up. Ultimately, we don't want to end up in a cold war. We certainly don't want to end up in a shooting war. We don't want to end up in a vicious zero-sum competition that shuts out our ability to cooperate in almost every area, including climate. And climate is a critical area where we are closing off incentives and options to deal with each other because of the larger strategic competition that's going.

KJ Kerr:

I'll end with this: We're in a time of intense polarization and increased tensions. Do you think there's still hope for achieving that kind of cooperation — critical cooperation — on climate, pandemics and other global challenges for a future in which both countries can establish a sustainable, positive relationship, ultimately, for the well-being of humanity?

Michael Swaine:

Yes, of course, I do have hope that this kind of meaningful cooperation could occur beyond what we see now, but it's going to take determination. It's going to require risk-taking and a much clearer definition of the strategy involved by each side and their concrete goals. There must be clear signs of progress and what constitutes progress in this interaction.

And I should add that there needs to be zero tolerance for the kind of dogmatic, ideological, zero-sum war mongering, I daresay, that goes on both in Washington and Beijing by individuals who are dedicated to the primacy of each side or by ultra nationalists who simply beat that drum and expect others to rally to it — to engage in some never-ending “do or die” competition with the other side. These things need to be countered.

I think it can be done. It's going to take some courage, some real political courage on the part of our leaders on both sides, but I think the alternative would be much, much worse.

The next U.S. administration needs to consider the trends that are continually reinforcing this steady drumbeat of a dire zero-sum competition that is existential in nature in some ways, and could result in war.

How U.S. Strategy Will Impact Beijing on Taiwan

■ Shao Yuqun

America's China policy, characterized by major-power competition, has had a subtle yet significant influence on the Taiwan question. The next U.S. administration, whether led by Kamala Harris or Donald Trump, is likely to make changes. The devil will be in the details.

Taiwan is the most important, most sensitive topic in relations between China and the United States. America's China policy, characterized by major-power competition, has had a subtle yet significant influence on the Taiwan question. No matter who wins the coming presidential election, the next U.S. administration is likely to continue along these general lines. But changes can be expected.

Major features of U.S. strategy for competition with China

The U.S. strategy for major-power competition with China mainly encompasses the following three aspects:

First, it wants to make sure its geopolitical and military influence will not be surpassed, especially in the western Pacific. Although the general decline of overall U.S. national strength has been an obvious trend, and the



■ Shao Yuqun
Director, Institute of Taiwan, Hong Kong and Macao Studies, Shanghai Institutes for International Studies

mismatch between its available resources and policy goals has become increasingly conspicuous, the U.S. government still takes maintaining U.S. primacy in the Asia-Pacific as a strategic imperative.

The U.S. government still takes maintaining U.S. primacy in the Asia-Pacific as a strategic imperative.

Second, it seeks to guarantee absolute U.S. superiority in critical areas of science and technology. Because such technologies as AI, biotech, quantum computing and new-energy technologies have dual military and civilian potential, the U.S. government has been promoting a “small yard, high fence” policy, pressuring allies and partners to make sure it will not be surpassed by China

in those areas. It wants to ensure that U.S. military hegemony will not be challenged by China by cutting off technology, capital or personnel flows between the U.S. (and its allies and partners) and China.

Third, the international order and model of governance must be “liberal,” rather than “authoritarian” or “autocratic.” Although the Chinese government does not export its ideology on its own initiative, the U.S. government thinks China’s Belt and Road Initiative — as well as its proposed Global Development Initiative, Global Security Initiative and Global Civilization Initiative — are enormous challenges to the “liberal international order” and global governance regime. The U.S. cannot allow a heterogeneous major power to challenge the existing order from within or to build another order outside of it.

Characteristics of U.S. strategic competition with China

First, the idea that China is America’s main rival in strategic competition is a consensus of Democrats and Republican, both in the administration and in Congress. Although the Democratic and Republican parties don’t agree entirely on such subjects as the purpose, means, cost and benefits of the country’s China strategy, they all take China as America’s foremost strategic competitor. Even when a very small number of people in U.S. strategic and academic circles do criticize the government for failing to properly and thoroughly understand China, they don’t challenge the idea of China being America’s main rival in strategic competition.

Second, Cold War-style policies in a time of globalization are being used. Although ranking officials in the U.S. government keep saying that its China strategy is not a “new cold war” — because the time and conditions have all changed — one can judge from their actual practice that their strategy’s essence

looks a lot like the Cold War. This is mainly reflected in A) promoting geopolitical, military zero-sum games; B) promoting the policies of de-risking and decoupling, which drive globalization toward regionalization, fragmentation and even faction; and C) promoting policies of ideological confrontation, blindly promoting confrontation by means of stigmatization, disregarding the actual performance of different systems and undermining the existing framework of effective global governance.

America’s China strategy has had a subtle yet important influence on Taiwan policy.

Third, it says it wants to avoid direct conflict or war with China. The essence of U.S. strategy for major-power competition is to contain China and prevent it from challenging America’s global hegemony by promoting Cold War-style policies. Hence, one feature of the strategy is striving to avoid a military collision. This is the most important reason that the Biden administration has repeatedly underscored the significance of “guardrails,” as well as mechanisms for preventing misjudgments — such as communication between various levels of the two governments.

Influence of U.S. strategy on its Taiwan policy

America’s China strategy has had a subtle yet important influence on Taiwan policy, visible mainly in the following aspects:

First, the goal of U.S. Taiwan policy has begun to imply preventing the Chinese side from accomplishing reunification by any means. Since the central focus is making sure that U.S. geopolitical and military influence is not surpassed, Assistant Defense Secre-

tary Ely Ratner said during a congressional hearing soon after the Biden team assumed office that Taiwan's status was a critical link on the "first island chain," underlining its importance in preserving U.S. military hegemony in the region. American scholars have already pointed out that Ratner's remarks were very dangerous, since they imply that the U.S. would attempt to prevent reunification. The Biden administration has since been cautious on the topic, yet judging from the orientation of its actual policies, doing everything possible to prevent reunification has already become the unspoken goal.

Second, the focus of America's Taiwan policy has shifted from emphasizing preservation of the cross-strait status quo to enhancing military deterrence and suppressing Beijing's impulse for resolving the Taiwan question by military means. Since the U.S. sees that China's asymmetric military advantages in the western Pacific are steadily expanding — an acute concern based on its analysis that "ability determines intention" and the strategic need to guarantee its dominance in the Asia-Pacific — the focus of America's Taiwan policy has changed from preserving the status quo to strengthening military deterrence against Beijing by enhancing military security cooperation. It does this through alliances, partnerships and direct military security cooperation with Taiwan. This means that no matter who might have become Taiwan's new leader in the island's Jan. 13 election, and no matter who wins the U.S. presidential election on Nov. 5, the U.S. government will actively push military security cooperation with Taiwan. At the same time it will incorporate Taiwan into the military security apparatus of U.S. allies and partners in the region, so as to discourage Beijing from resolving the Taiwan question by force.

In April, the U.S. Congress passed the Emergency National Security Supplemental Appropriations Act of 2024, and President Biden

The focus of America's Taiwan policy has shifted from emphasizing preservation of the cross-strait status quo to enhancing military deterrence and suppressing Beijing's impulse for resolving the Taiwan question by military means.

signed it into law. The law provides a \$2 billion package for Taiwan and others — on top of the \$1.9 billion that had been earmarked for the military already — for education and training in Taiwan and defense materials and services for regional partners. The amount was a historical record.

Third, the U.S. is trying to reinterpret UN Resolution 2758 to prevent the "one China" principle from defeating the "one China" policy. The Biden administration began promoting reinterpretation when it entered the White House, claiming the document did not resolve Taiwan's representation within the United Nations system. This sudden move was mainly driven by the fact that, during the Donald Trump presidency, a number of countries withdrew diplomatic recognition of Taiwan and expressed in their joint communiques with China upon establishment of diplomatic relations a commitment to adhere to the "one China" principle. This made the U.S. government very nervous, and it reacted by telling itself it had to prevent the "one China" principle from becoming dominant at the UN. Otherwise, it thought, the legitimacy of the "one China" policy it had committed to, along with some other countries, might be seriously weakened. This is consistent with the main goal of the U.S. strategy for major-power competition with China — i.e. making sure the "rules-based international order" remains under complete U.S. leadership and that the

“rules” are dominated by the U.S. and its alliance and partnership regime.

Fourth, the U.S. is attempting to incorporate Taiwan into the U.S.-led regional alliance and partnership framework, dwarfing the Chinese mainland’s achievements by highlighting those of Taiwan on such matters as supply chain security and governance model competition. For its leading role in the R&D and manufacturing of high-tech chips, Taiwan has become an important chess piece in America’s competitive strategy in such fields as China-U.S. scientific and technological competition and U.S. supply chain security.

The U.S. is attempting to incorporate Taiwan into the U.S.-led regional alliance and partnership framework, dwarfing the Chinese mainland’s achievements by highlighting those of Taiwan.

Moreover, affected by the “democracy vs. autocracy” ideological competition in its strategy, the U.S. government has employed Taiwan’s “system of freedom and democracy,” “democratic elections” and “pandemic response model” to create the image of a liberal democratic model that is supposed to outshine the “authoritarian,” “autocratic” mainland. Unlike the Obama administration’s neglect of Taiwan in its strategic pivot to the Asia-Pacific, the Biden administration has an explicit definition of Taiwan’s position in the region and in the U.S. strategy for competition with China. It wants to make Taiwan “visible.”

Factors that will impact the next U.S. administration’s Taiwan policy:

The next U.S. administration will continue implementing the strategy of major-power competition with China, but the scope and extent of it will definitely be different. Factors that will affect the next round include the following:

First, the new administration will assess the negative influence of enhanced military deterrence. The strategy for competition features a focus on avoiding direct military conflict with China, but the negative impacts of a steady stream of U.S. moves to consolidate military deterrence in the Taiwan Strait are becoming increasingly prominent as time goes by. For the U.S., the biggest danger will be that the two big powers’ military deterrence could go overboard, with both sides sinking deeply into a security dilemma. The U.S. could be duped by the authorities in Taiwan into making misjudgments in the case of some accident, resulting in a possible conflict. The next U.S. administration will have several months to assess the current Taiwan policy, and the outcome will be worthy of close attention.

Second, a dilemma similar to that in the Israeli-Palestinian crisis will come to characterize the Ukraine situation and the broader East-Asian security framework. At present, neither Russia nor Ukraine is capable of decisive victory on the battlefield. Both sides have sent signals of willingness to engage in dialogue, and even negotiation. Yet, because Russia and Ukraine — as well as (behind-the-scenes) the U.S. and Europe — differ greatly over how to end the war, there will be serious disagreement on the future of European security. The Ukraine crisis likely morph gradually into a dilemma similar to the one in Gaza. This will have a significant influence on relations between the U.S. and Russia, as well as between the U.S. and Europe. It will also have collateral impacts on the Asia-Pacific, particularly the East-Asia security framework.

For the U.S., the biggest danger will be that the two big powers’ military deterrence could go overboard, with both sides sinking deeply into a security dilemma.



INTERVIEW: **YU TIEJUN**

Can Others Influence China-U.S. Relations?

Yu Tiejun is president of the Institute of International and Strategic Studies and a professor at the School of International Studies at Peking University. In a recent interview with China-US Focus, he shares his insights on the third-party influences over the bilateral U.S.-China relationship.

China-US Focus:

Professor Yu Tiejun, thank you for this time today. I want to talk about the United States and China and how their relationship can be impacted by third countries. Do you think third countries have an important role in this bilateral relationship?

Yu Tiejun:

I think so. First of all, Japan has the third-largest economy, it neighbors China, and it's also the closest ally of the United States in this region. So Japan plays a very important role in the China-U.S. relationship. Actually, if you look back in history, Japan used to be the largest factor impacting the trajectory of Chinese modern history before the Second World War. After WWII, Japan was defeated mainly by the grand allies, including the United States and China. Since that time, Japan politically has become quite dormant regarding its security policy. But nowadays, I think Japan is changing its national security policy, especially with the Ukraine crisis. It also doubled its defense budget. So with that, and with the factors I mentioned previously, I definitely think it will play a much more important role in the future.

China-US Focus:

As you said, Japan is a traditional American ally, yet at the same time a country that's not far from China and a country that knows China very well, and vice versa. So there's a natural, organic opportunity for it to be maybe a broker, maybe a moderator, or at least a contributor of ideas that can go between those two nations. But is there a risk of having an ally such as Japan? Could it further harden or cement the alliance it has with the United States? And, therefore, will some people perceive that it's not with China or at least not with its interests in mind?

Yu Tiejun:

Yes, Japan could play both a positive and non-positive role in shaping the China-U.S. bilateral relationship. We hope it plays the role of a kind of bridge, bridging the East and the West. Japan, based on its modernization experience, and now its key role in the G7, is still regarded as maybe the only country that modernized based on the Western model. But as an Eastern country and culture, Japan still knows China well and shares some Confucian traditions. I think the Japanese usually understand Chinese culture more. So we hope, in that sense, that it can play a more positive role.

I think most of the countries surrounding China would like to see a better relationship between China and the United States.

It used to play this kind of role during the Cold War. Japan was China's most important trade partner within the Western system. It normalized its diplomatic relationship with China before the United States did in 1979. So Japan actually played a very important role in the Chinese opening-up and reform period. China also has followed the Japanese model quite a lot since 1978. We even have a documentary of Deng Xiaoping's visit to Japan from that year. He took the high-speed train, Shinkansen, and asked, "What is modernization?" This highlights the modernization and opening-up of China in Deng's era.

China-US Focus:

We're looking to engage with global stakeholders, including Japan. Where do you see other countries being involved in this conversation? What are some countries that you think we should be on the lookout

for? Second, how can they be encouraged and coaxed into taking on this additional role in the U.S.-China bilateral equation?

Yu Tiejun:

I think most of the countries surrounding China would like to see a better relationship between China and the United States. You can imagine, because of their economies and their cultural and societal relationships with these two continental sized countries, that they look forward to a better relationship. Besides Japan, South Korea can also play an important role in shaping and improving the China-U.S. relationship. But China-ROK relations have also encountered some problems in recent years.

China-US Focus:

Can you tell me what you make of the global order? Does it need a refresh? Does it somehow need a restoration? Do you think that the global humanity is in as much trouble as we seem to be hearing from newspapers and radio?

Yu Tiejun:

I think we are now living through hard times regarding the global order. If you look around the world, it's more like a global disorder nowadays. You see it in the Ukraine crisis, the Middle East and elsewhere. There's a rise in nationalism and populism in many countries, along with an increasing expansion of military boundaries. The development of political blocs and security alliances around the world are also not good indicators of order. Instead, they point to disorder. So, the question is how can we play a role in stabilizing this fragmented world? I think that's the role China seeks to play. In that sense, the China-U.S. relationship is important, and I believe both sides want to stabilize it. However, as the two largest economies and superpowers in the international system, it's always challenging to maintain a stable relationship. History shows that.

China-US Focus:

Give me one idea for a trust-building measure between China and the United States. What would it be? Would it be 15-day entry visas that China is giving to most countries? Would it be more frequent flights between the two countries? What else? Where can China start?

The development of political blocs and security alliances around the world are also not good indicators of order. Instead, they point to disorder.

Yu Tiejun:

I believe the Party (China) aims to improve the international environment, and it is taking various measures to do so. But, as always, the details matter. How do we strengthen national security capabilities and manage relations with the outside world? I think we still need to gain expertise and experience from other countries to better adapt to this world and understand what people in other countries are thinking by putting ourselves in their position.

I often think about what steps we can take to facilitate international action. On the visa issues, I think, in principle, we can understand them. These aren't major issues; they can be improved and changed.

Japan's Ishiba Era: Big Players Feel the Impact



▲ Shigeru Ishiba, taking office on October 1, proposes establishing an “Asian NATO” during his campaign.

■ Zhang Yun

From Shinzo Abe’s concept of escaping the postwar regime to Shigeru Ishiba’s idea of postwar political settlement, the trajectory of Japan’s political evolution is becoming increasingly apparent. For both China and the United States, responding to a Japan that embraces strategic autonomy poses a significant strategic challenge.

On Sept. 27, Shigeru Ishiba was elected president of the Liberal Democratic Party; then, on Oct. 1, he officially took office as Japan’s new prime minister. A longtime conservative politician deeply involved in Japan’s defense policy, Ishiba proposed several major initiatives during his campaign, including the establishment of an “Asian NATO,” revisions to the Japan-U.S. Security Treaty, and discussions about the potential deployment of nuclear weapons in Japan. Does the advent of the Ishiba Era signify a significant shift in Japan’s strategic direction? What implications does this hold for China-U.S.-Japan relations and regional security?

From a strategic standpoint, Ishiba’s vision for a new era in Japanese security policy is focused on gaining strategic autonomy from the United States. This direction shows strong continuity with the policies of the preceding Abe and Kishida administrations. Whether through Abe’s lifting of restrictions on collective self-defense or

Kishida's formulation of three key security documents, the underlying theme has been Japan's postwar conservative political forces striving to reduce dependency on the U.S.

Ultimately, this political trajectory aims to revise Japan's constitution, a mission established as a core task since the founding of the LDP in 1955. From Shinzo Abe's notion of escaping the postwar regime to Shigeru Ishiba's so-called postwar political settlement, a clear lineage emerges, making Japan's political evolution increasingly transparent.

For both China and the United States, responding to a Japan that increasingly seeks and practices strategic autonomy presents a significant strategic challenge.

From Shinzo Abe's notion of escaping the postwar regime to Shigeru Ishiba's so-called postwar political settlement, a clear lineage emerges.

On a tactical level, Ishiba stands out by explicitly advocating ideas about the "relative decline" of U.S. power and doubts regarding U.S. security guarantees. These notions underpin his vision for a new, more equitable Japan-U.S. alliance. Ishiba argues that the existing logic of the alliance — wherein the U.S. protects Japan while Japan hosts U.S. military bases — requires reform. He introduced the concept of "mutual security obligations," suggesting that Japan should also offer security guarantees to the U.S. While not a new idea, Ishiba specifically proposes stationing Japan's Self-Defense Force on Guam and utilizing U.S. bases for training, aiming to elevate the Japan-U.S. alliance to be equivalent to the U.S. alliance with the United Kingdom. He also promotes strengthening smaller multilateral alliances to embrace South Korea, the Philippines, India and Australia, thereby continuing the policies of his predecessors.



■ **Zhang Yun**
Associate Professor, Niigata University, Japan

However, Ishiba's clear push for an Asian NATO represents a new development that aims to establish a dual-axis security framework in East Asia, particularly at sea. On nuclear issues, while Abe called for discussions on NATO-style nuclear sharing, Ishiba explicitly mentioned the possibility of allowing the U.S. nuclear weapons to enter Japan, signaling a partial revision of Japan's three non-nuclear principles.

For the U.S., the key question is whether Ishiba will emerge as a De Gaulle-like leader, steering Japan further along the path of strategic autonomy, or as a leader more like Churchill. This distinction will be crucial for the U.S. as it navigates the Ishiba era and manages its alliance with Japan. Internal divisions within the United States suggest a relative weakening of the country's ability to engage effectively in international affairs, potentially requiring Japan to assume greater responsibility in upholding the U.S.-led order in Asia. However, an overly autonomous Japan could provoke regional anxiety and lead to scenarios where the U.S. becomes entangled in conflicts it cannot control. The Biden administration's goal of integrated deterrence in the Indo-Pacific seeks

to forge an alliance that fully leverages Japan's strengths while maintaining oversight.

The concept of an Asian NATO has historical precedent: After World War II, the U.S. attempted to establish the Southeast Asia Treaty Organization, a NATO-like entity in Asia, which ultimately failed. Reviving this idea could lead to a confrontation between China and the U.S. in the region, raising concerns among ASEAN members and others. The evolving U.S.-Japan relationship will likely continue to be shaped by political dynamics, particularly now as the U.S. prepares for its next presidential election.

He asserts that establishing an Asian NATO is essential to deter China.

For China, the rise of a more strategically autonomous Japan presents both challenges and opportunities. Ishiba argues that the absence of a collective defense mechanism in Asia makes the region vulnerable to conflict. He asserts that establishing an Asian NATO is essential to deter China. If this logic translates into policy, it would undoubtedly have severe repercussions for Sino-Japanese relations.

However, history shows that collective defense systems in East Asia have struggled to succeed. Overemphasizing the mutual defense obligations of Japan and the U.S. could also lead to public fears in Japan about being drawn into U.S. military conflicts. Both the LDP and opposition parties have expressed concerns over Ishiba's bold proposals, particularly as they have not been fully coordinated with the United States. A cautionary tale is that of former Prime Minister Yukio Hatoyama, who, upon taking office, proposed relocating the U.S. military base from Okinawa, which led to strained U.S.-Japan relations and his eventual resignation. Conversely, while Ishiba emphasizes the deterrent power of the U.S.-Japan alliance and multiple small multilateral alli-

ances, he also advocates building mutual trust — particularly highlighting the importance of direct communication between Chinese and Japanese leaders.

As Japan enters the Ishiba era, China-U.S.-Japan relations are poised for another round of adjustments. Last year, the leaders of China and Japan met in San Francisco, reaffirming their commitment to a strategic and mutually beneficial relationship. Recently, they reached a consensus regarding Japan's handling of wastewater from the Fukushima nuclear plant. Building a stable, constructive and era-appropriate Sino-Japanese relationship reflects the mainstream views of both nations and requires a foundation of positive, rational understanding. Beyond official channels, there is an urgent need to expand and strengthen social interactions, including Track II and Track 1.5 diplomacy, to engage intellectuals and scholars.

For the U.S., the key question is whether Ishiba will emerge as a De Gaulle-like leader, steering Japan further along the path of strategic autonomy, or as a leader more like Churchill.

Palais des congrès de Montréal





LEAD BY EXAMPLE

CUSEF x One Young World Scholars, an initiative created in 2023, supports young leaders from around the world who are dedicated to constructive East-West exchanges and tackling global challenges such as climate action, poverty, gender equality and public health. It aligns with CUSEF's long-standing mission to build trust and understanding between the U.S. and China by prioritizing youth and educational exchanges.

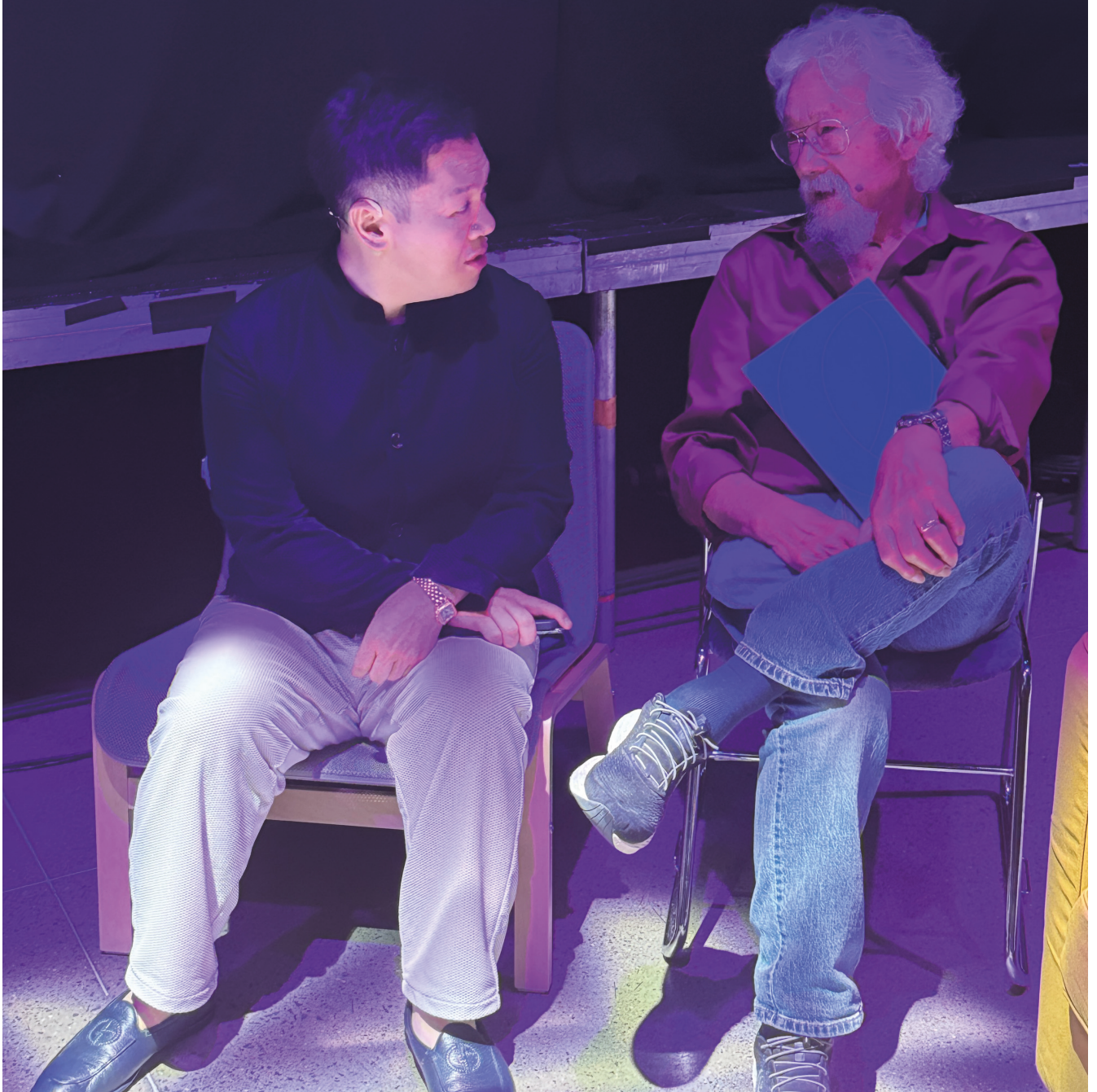
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◀ CUSEF President James Chau and the CUSEF scholars attend the One Young World Summit in Montréal, Canada, September 18-21, 2024.

INTERVIEW: DAVID SUZUKI

Nature Is At The Root Of The Human Economy

Plants and animals provide our most fundamental needs, David Suzuki, Canadian academic and environmental activist tells James Chau of China-US Focus. He argues that the economy and nature are integral, not separate. Humans need to build an economy that aligns with nature. But they haven't done it.



James Chau:

In the 1950s, the world was very much East and West, and it was also a world that was divided by an Iron Curtain, with the United States on one side and the Soviet Union on the other. Today, there is no Soviet Union in the form that we knew then. The competition seems to be between the United States and China. What do you think about China and the U.S.?

The diversity of cultures was a huge opportunity, but instead of valuing that as we came together, we became competitors and ended up homogenized.

David Suzuki:

Let's face it, Russia, China and the United States are the giants, and what an opportunity we've missed! As an environmentalist, one of the things that I've understood very clearly from a science perspective is that diversity is built into us as a species. Diversity enables us to be resilient over time. If you look at any species, even a fruit fly, amazingly, this highly evolved animal has a tremendous amount of genetic diversity. We call it genetic polymorphism, and we now know it is the key to the health of a species. Species have a great deal of diversity, so that when environmental conditions change, you find solutions in genetic diversity. When you monoculture a species, they become very vulnerable to new parasites, diseases or temperature changes because they don't have the resilience due to their lack of diversity.

The diversity of species within an ecosystem makes it much more resilient. That's why you never get big forest fires in the Amazon — because it's so diverse. Even if a fire breaks out, it won't spread. And if you look at the Arctic or the deserts, they have very few species, they're much more vulnerable to change. So genetic species and ecosystem diversity is the key to life's resilience over time. Humans have added another level of diversity, which is culture. And it's cultural diversity that has enabled us to live in the Arctic, in rainforests, in the tropics, and human cultural diversity is adapted to different areas.

Now, we've had these two giants, the United States and Russia, that were diverse because of the Iron Curtain. When the curtain came down, we went in and did several special programs in Russia. What was incredible was that because we had been separated, the science in Russia had gone off in different ways, and we discovered that they had scientific approaches that we didn't have that were useful for us. For instance, we are now beginning to use antibiotics that are viruses. Every species of bacterium has its own virus parasite that kills it. And the Russians said, look, if there's diphtheria or there's smallpox, they must have a virus that kills them, and they developed their whole approach to treatment of bacteria by using viruses themselves. Now they're beginning to use it in North America. So the separation led to diversity. Since China began opening up, we're now seeing similar examples with China, such as acupuncture, that the U.S. had previously discarded as superstition.

The diversity of cultures was a huge opportunity, but instead of valuing that as we came together, we became compe-

titors and ended up homogenized. Now, we're stuck in economic battles — like tariffs on EVs — using the economy to battle each other, when the economy itself is a part of the problem that we should be working together to solve. We blew opportunities to really start working together and find ways to value our differences and learn from each other — first Russia and the U.S., and now China and the U.S.

James Chau:

Ironically, though, despite a pandemic which has lessened the reputation of scientists worldwide, and that sowed fear and division — and also political division between the U.S. and China — you arrive at a situation where climate action is still one of the few shared interests between the countries, and where they have envoys who are working together to build solutions. So there is still somewhat of an opportunity lingering there, and it's actually a big chance compared with all the other areas where they refuse to work with each other. How do you seize that now?

David Suzuki:

China has become an economic competitor, leading the way on electric vehicles. While this is not the solution, it is necessary to move away from internal combustion engines. After Elon Musk started the EV revolution, China stepped in. But instead of cooperating, we're competing, and the U.S. is trying to cut China's leadership in that sector.

James Chau:

And now the European Union is imposing tariffs on EVs from China too.

David Suzuki:

We're not united in tackling the problem. We're still economic competitors, rather than using the economy to help both sides. We should be using it to encourage China to get off coal faster, but instead we're using it to compete and block each other from doing the right things.

James Chau:

You've worked with countries in significant ways over your lifetime — visiting Russia and going to China soon after President Nixon in 1972. You've studied, lived and worked in the U.S. and built a powerhouse foundation here in Canada. When you look at China, it seems like a contradiction to outsiders. On one hand, it's leading in EVs and clean technologies like solar panels, yet it still relies heavily on coal. How do you explain that? Is it a contradiction, or is there a reason behind it?

David Suzuki:

China's large population drives much of its productivity, and transitioning to solar panels and other clean energy is a challenge. But I think as long as we maintain this globalized human construct of the economy, it becomes a higher priority, and every country that's plugged into it sees the economy as the source of everything that matters. The economy does not regard nature as the foundation of its existence. But our very survival and livelihood depend on nature.

James Chau:

Well, a lot of people talk about the survival of the planet. But I believe, as you likely do, that it is really about the survival of the human race, not the planet.

David Suzuki:

Exactly. And I don't like the term "human race." Race is biologically meaningless. It's the human species, and I emphasize our commonality. We are a single species, we all share the same basic needs: clean water, pure air, rich soil, food and sunlight. All our energy comes from the sun, either directly or indirectly from the plants or animals we eat. These are the fundamental needs of every human being on the planet, and they are created and cleansed by the web of living things. Our atmosphere was created by plants producing oxygen and removing carbon. It's the plants and the animals that filter water through the hydrologic cycle, and the Earth cleanses it. Our food comes from living organisms, and the energy in our bodies comes from plants. So it's the plants and animals that give us our most fundamental needs.

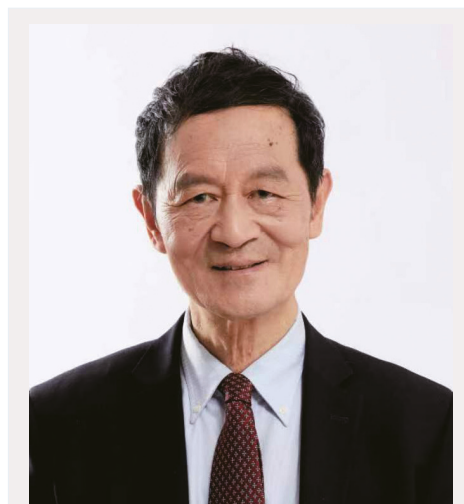
If we recognize our shared responsibility to protect these essential resources, then we can build an economy that aligns with nature. But we haven't done that. The economy is disconnected from nature. Partha Dasgupta, a UK economist, published a 600-page paper showing that nature doesn't matter in economic models — which is absurd. We consider nature an externality, assuming the economy rests solely on human creativity and human productivity. Nature provides critical services like pollination, soil formation, carbon removal, oxygen production and water filtration. The economy fails to recognize this, and that is the crisis that we face.

If we recognize our shared responsibility to protect these essential resources, then we can build an economy that aligns with nature.

Revocation of China's Trade Status a Recipe for Disaster

■ He Weiwen

A Republican proposal, along with heavy tariffs promised by Donald Trump and certain retaliation by U.S. trading partners, would drive the global economy into a new Great Depression. Rather than trying to punish China, the U.S. should continue to maintain dialogues and establish practical trade and investment collaboration.



■ He Weiwen
Senior fellow, Center for
China and Globalization

Early in September, U.S. Senator Tom Cotton and his colleagues proposed the Trade with China Act, which contains a key clause that revokes permanent normal trade relations with China. It is the third time Cotton has proposed the bill over the past three and half years.

China's PNTR status effective on Jan. 1, 2002, is not a unilateral grant by the United States but a binding international obligation under WTO rules — including China's PNTR status in the U.S. and U.S. PNTR status in China.

Revocation of PNTR, or Most Favored Nation status, means that 32 percent of tariffs will apply to all imports from China. Earlier, Donald Trump said that he will impose 60 percent of tariffs on all imports from China, namely 19.25 percent of the current tariff level after Trump's unilateral 2018-19 tariffs, plus 32 percent of

non-PNTR treatment and a further 10 percent general tariff on all imports from the rest of the world.

China's PNTR status effective on Jan. 1, 2002 (after China accession to the World Trade Organization in November 2001), is not a unilateral grant by the United States but a binding international obligation under WTO rules — including China's PNTR status in the U.S. and U.S. PNTR status in China. The core of WTO rules and the multilateral trade system is the unconditional multilateral MFN treatment, or non-discrimination for all WTO members alike, so as to create a fair, equal and level field for free trade flows among all WTO members. Both China and the U.S. are WTO members and bound to the WTO's unconditional MFN clause. Since unconditional MFN status is a binding clause to which both must adhere, it is a normal and permanent trade relation. Hence, the PNTR.

No WTO member has the power to abrogate the WTO rule via domestic law. The revocation of

PNTR is a blunt smash and total violation of the WTO rules and the core and foundation of the multilateral trade system.

China's PNTR is not a one-way benefit to China only, but a two-way benefit to both China and United States. Chinese customs data show that during the 2000-23 period, Chinese exports to the U.S. increased from \$52.1 billion to \$500.2 billion (an aggregate increase of 860.2 percent), while its imports from the U.S. also increased from \$2.23 billion to \$147.4 billion (up 596.6 percent). Two-way trade growth was more or less balanced. Data from the U.S. show that, during the 2009-23 period, U.S exports worldwide increased by 91.1 percent while those to China increased by 112.6 percent.

PNTR has also benefited U.S. multinationals' investment and operations in China. In 2023, China accounted for 63.8 percent of Qualcomm's global revenue, 26.8 percent of Intel's, one-third of GM's global sales and 40 percent of Apple's smartphone global sales.

On the other side, the revocation of China's PNTR will be a grave damage to China, the U.S. and the world. It will result in 51-61 percent tariffs on all imports from China. And as an inevitable retaliation, all U.S. exports to China will also be subject to the same. That tariff level is undoubtedly a trade-killing one, as proved by postwar international trade history, and will undoubtedly inflict tremendous damage on Chinese and American businesses alike.

Both China and the U.S. are WTO members and bound to the WTO's unconditional MFN clause.

A Peterson Institute for International Economics report shows that the revocation of China's PNTR status, followed by Chinese retaliation, will mean that China's GDP will lose between 0.01 to 0.22 percentage points from 2025 to 2034, while the U.S. will shed \$158.7



▲ Senator Tom Cotton (L) with then President Donald Trump (C) at the White House on August 2, 2017, unveiling new legislation limiting legal immigration.

Two cycles in Chinese exports to the U.S., 2018-24 (\$ billion)

Cycle	Year	Exports	Y-O-Y	Compared with 2018 high
Cycle One (2018-22)	2018	478.42		
	2019	418.67	-12.5%	-12.5%
	2020	451.81	+7.9%	-5.6%
	2021	576.11	+27.5%	+20.4%
	2022	581.78	+1.0%	+21.6%
				Compared with 2022 high
Cycle Two (2022-24)	2023	500.29	-13.1%	-13.1%
	Jan - Aug 2024	334.15	2.8%	
	Aug	47.25		
	Annualized	567.00		-2.5%

Source: China Customs. www.customs.gov.cn, and computations thereon.

billion of GDP, durable goods output of \$520 billion, inflation up 0.4 percentage points and a rise in unemployment, especially in agriculture, mining and durable manufacturing sectors. The report warned that all trade policy-makers must read it carefully before making any policy moves.

The Oxford Institute of Economics estimated in an earlier study that a 60 percent tariff level on Chinese goods, followed by Chinese retaliation will result in a U.S. GDP loss of \$1.9 trillion during the first year as well as a job loss of 801,000.

A Bloomberg report estimated that the revocation of China's PNTR followed by retaliation will result in a 40 percent drop in U.S. imports. And if all U.S. trading partners retaliate, U.S. imports would fall by 55 percent. American exports would fall by 30 to 60 percent, and the extremely sad scenario of the

Great Depression of the 1930's — when the U.S. drastically raised tariffs across the board under the Smoot-Hawley Tariff Act. and the United Kingdom, France and Canada retaliated heavily — resulted in a 61 percent plunge in U.S. exports and a 66 percent drop in imports, prolonging the Depression.

The revocation of China's PNTR and the additional 10 percent tariff on other imports from the world (as Donald Trump has promised), will mean a repetition of the Great Depression and a fatal retreat to pre-GATT time, along with a new economic depression in various parts of the world, including the United States.

Chinese economy and exports to the U.S. will undoubtedly suffer seriously in that eventuality. However, empirical studies have found something different, or the resilience in China's exports to the U.S.

The sweeping tariffs on Chinese goods during 2018-19 did lead to a fall in Chinese exports to the U.S. in 2019 (12.5 percent off). However, it started picking up in Q2, 2020, ending the year at \$451.81 billion, a rebound of 7.9 percent. The rebound continued into 2021 and 2022, reaching a new high in 2022 at \$581.78 billion — 21.6 percent higher than pre-tariff time in 2018. Hence, the tariff-driven plunge was short.

It only started falling sharply again in Q3, 2022 and hit a new low of \$500.29 billion in 2023 — 13.1 percent off the 2022 high. The direct reason is not new tariffs, because there was no effective tariff rise in the Biden Administration. The cause was the high-tech bans and restrictions, or “small yard, high fence” policy. However, the new fall has been brief, and Chinese exports to the U.S. started to rebound again in Q3 2023. In August this year it reached \$47.2 billion, annualized at \$566.4 billion or 97.5 percent of the 2022 high.

What’s behind all this? Obviously, the close and complex intertwining of China-U.S. supply chains and the complementary nature of their trade has made it hard for the two economies to decouple.

Chinese economy and exports to the U.S. will undoubtedly suffer seriously in that eventuality. However, empirical studies have found something different, or the resilience in China’s exports to the U.S.

The trade tensions over the past seven years have eroded the U.S. share of Chinese global two-way trade by 2.5 percentage points. During the same period, ASEAN’s share rose by 2.7 percentage points, easily filling the gap caused by the U.S. retreat, while the European Union (plus UK) kept its share astonishingly unchanged. The share of the three leading markets combined was stable.

China’s Global Trade Share of Major Markets (2018-23)

	2018 (%)	2023 (%)	Change (%)
World	100.0	100.0	unchanged
U.S.	13.7	11.2	-2.5
EU(+UK)	14.8	14.8	unchanged
ASEAN	12.7	15.4	+2.7
Subtotal	41.2	41.4	+0.2

Source: China Customs. www.customs.gov.cn, and computations thereon.



◀ U.S. Trade Representative Charlene Barshefsky (L) exchanges signed bilateral agreements on China's accession to the World Trade Organization with Chinese Minister of Foreign Trade and Economic Cooperation Shi Guangsheng (R) on November 15, 1999 in Beijing.

Paradoxically, the United States has reduced direct imports from China but increased imports from ASEAN, especially Vietnam — but Vietnam also serves as a good destination for Chinese goods. During 2018-23, the United States increased its imports from Vietnam by \$65.29 billion, and Vietnam increased its imports from China by \$53.71 billion. Again, this shows supply chain synergy. During the first eight months of this year, G20 countries accounted for 64.2 percent of China's global trade — virtually the same as 2018, or pre-U.S. tariff time.

All the above shows that the revocation of China's PNTR in the U.S. might not hit China as severely as the analytical models show, because of the strong complementarity between China and the U.S. on the one hand, and on the other China's key role in global supply chains, where there is extensive room for trade diversion to other markets.

PNTR should be further maintained, not revoked. The revocation of China's PNTR not only runs against the WTO rules and against the basic economics of world trade but also against the common interests of both countries. China and the U.S. should continue to

maintain dialogues, as well as practical trade and investment collaboration. They should improve bilateral trade relations steadily as a new contribution not only to our two peoples but also to the world multilateral trade system.

801,000

A 60 percent tariff level on Chinese goods, followed by Chinese retaliation will result in a U.S. GDP loss of \$1.9 trillion during the first year as well as a job loss of 801,000.

Oxford Institute of Economics



40%

The revocation of China's PNTR followed by retaliation will result in a 40 percent drop in U.S. imports.

Bloomberg

\$158.7 billion

The revocation of China's PNTR status, followed by Chinese retaliation, means that from 2025 to 2034, the U.S. will shed \$158.7 billion of GDP, durable goods output of \$520 billion, inflation up 0.4 percentage points and a rise in unemployment, especially in agriculture, mining and durable manufacturing sectors.

Peterson Institute for International Economics

2.5%

The trade tensions over the past seven years have eroded the U.S. share of Chinese global two-way trade by 2.5 percentage points. During the same period, ASEAN's share rose by 2.7 percentage points, easily filling the gap caused by the U.S. retreat.

China Customs

860.2%

During the 2000-23 period, Chinese exports to the U.S. increased from \$52.1 billion to \$500.2 billion (an aggregate increase of 860.2 percent), while its imports from the U.S. also increased from \$2.23 billion to \$147.4 billion.

China Customs


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