

Critical Issues Confronting China Series featuring Joseph Nye – US-China Strategy and the Lessons of History, April 6, 2022

– Welcome back to the Fairbank Center's Series on Critical Issues for Contemporary China. Michael Szonyi, the center director, sends his greetings. I'm Bill Overholt, Senior Research Fellow at Harvard's Kennedy School. It's a pleasure and a challenge to introduce Joseph Nye. What else does one say about someone whose colleagues in international relations rank him as the number one most important scholar in the field. And who has served as chair of the National Intelligence Council, and in some of the most important Department of Defense positions, as well as leading Harvard's Kennedy School. Let me highlight a couple things. One, is the way his dual careers in government and academia have benefited both the country and scholarship. Many international relations scholars have interesting, well documented ideas. But trying to implement them, and then live with the consequences is the most severe peer review ever designed. Professor Nye's ideas endure, because they're disciplined by a harsher reality than regressions. Conversely, most government officials live each day overwhelmed by multiple crises by a mountain of paperwork, personnel problems, and demands to say politically convenient things. But Joe and I entered each position having reflected deeply about the historical context, and the long run consequences of decisions. Decisions he made long ago are remarkably still respected, because he brought long range vision to a government, mostly driven by today's inbox. I'll highlight just one other thing, professional aplomb. In the Carter administration, Joe was sent to Japan to persuade them to abandon a nuclear reprocessing facility. The Japanese government very much wanted to keep that facility. I happened to be consulting about nuclear strategy, and nuclear proliferation at the time, and also was working closely with the Japanese government. So I had a front row seat as the government, the Japanese government, launched a campaign of personal vilification against Joe and I. It was really vicious. I thought this guy is gonna hate Japan for the rest of his life, but I never saw any personal reaction, only total professionalism. He positioned himself then, and ever since, as a friend of Japan, a supporter of the Japanese American Alliance. Years later, the emperor of Japan awarded him Japan's highest honor, The Order of the Rising Sun. He provides a model of dignity and professionalism that most of us ordinary people can only aspire to very rarely achieve. Joe, over to you.

– Well, thank you very much, Bill, for that generous introduction. It's also amusing to be reminded of that situation back in the Carter Administration. You're right, I was pretty unpopular for a while. but today I'm gonna talk about China, not Japan, or indirectly, it involves Japan. And I'm also going to try to divide the time we have together in half. The danger is professors can talk forever, and I want to make sure there's lots of time for questions and answers, which is I think the most interesting part of sessions like this. So

as I mentioned earlier, if I go on past the halfway mark, shut me up, 'cause I do want the Q&A. But any case talking about the US and China, and then I'll talk a little bit about the lessons of history involved. But if you look at the period we're going through now, it's probably the worst relations that we've seen between the United States and China in 50 years. It's kind of interesting if you think back historically. US-China relations have gone in cycles of roughly two decades, right after the Communists took power in 1949, we had two decades in which we even went to war with each other. And then you had following the Nixon visit with Mao, you had two decades of being basically aligned against the Soviet Union. And then two decades after that you had the period of engagement, which wound up with the United States, sponsoring China's entry into the World Trade Organization. And then for the last, I would say five years or so, we've seen a downturn. Now a lot of people say that's because of Trump, but in fact it it's more than just because of Trump. It's something that's bipartisan. If you look at the public opinion polls in the United States, they've changed quite dramatically from, a third with a negative view on China today, or in the past going up to two-thirds today. And that's a significant change. Some people say that that's all because of Trump, but I would argue that the Chinese bear a good part of the cause of this. I use the analogy that Trump is like a boy who comes along and sees a fire smoldering and he pours gasoline on the fire. But you have to ask who lit the fire in the first place? And I think the fire was lit basically after 2008 when Chinese elites starting with Hu Chin-t'ao, but greatly accentuated later by Xi Jinping, come to the conclusion as a result of the 2008 financial crisis that the United States is in decline. And that they can press harder, and that they can basically drop Deng Xiaoping's cautious policies, and can essentially push for a greater place. And I think this is aided and abetted by Chinese nationalism. I think the fact that the legitimacy of the Communist Party has been a legitimacy based on high rates of economic growth. And as the rates of economic growth slow down, I think that's been replaced by nationalism as a legitimizing a force. But whatever these ultimate causes, I think the problems in the US-China relationship, which we're seeing today, and I don't know whether, don't know whether it's gonna be another 20-year cycle, like the ones I mentioned earlier, or shorter or longer. But the problems have a lot to do with China, as well as with the US. And I try to make a point of telling that to my Chinese friends who often say, "Oh well, it's because of Trump." It's much more important than that. The interesting thing is that if you look at Xi Jinping's period, since 2013, you could almost imagine him having a little red hat that says make China great again. And that his China dream, which basically is displacing the US as the leading country, by the 100th anniversary of Communist Party rule in 2049. Who knows, will he or won't he? And there where I want to focus my talk. How do we think ahead to see whether that is a plausible outcome, A, and B, how we should respond to it? Nobody knows what the future will be. When I was running the National Intelligence Council that does intelligence

estimates for the President, I used to always tell the analyst, "There is no one future. There are an infinite number of possible futures, some of which are more probable than others. And some of which we can affect by our actions, others, which we probably can't." And therefore, as you think about the poor decision maker, you have to be sympathetic of how can he, or she make sense of this. And there, I think what you see is that decision makers in Washington often turn to what they think of as lessons of history, to guide policy. You always have to be careful of lessons of history, because Mark Twain, perhaps apocryphally said, "History never repeats itself, at best it sometimes rhymes." But our former colleague Ernest May did this very well in which he said, "Whenever you're using a historical analogy to guide policy, take out a three by five card, draw a line down the middle. And on one side of the line, put things that are similar, on the other side, put things that are different. And then ask what you can learn about policy, how these differences and similarities total up." Right now, in Washington there are probably three major historical analogies, that are going, they're shaping policy, that are popular. Not just among policy makers, but editorial writers, and so forth. And one of them is what's called the Thucydides trap, as my colleague Graham Allison has dubbed it. Another is Cold War II, which is actually somewhat more popular. And a third is 1914, and sleep walking into world war. So let me talk about each of those briefly, and then we can do some conclusions, and ask what has changed, or not changed as a result of the Russian invasion of Ukraine. And then throw it open for Q&A. The Thucydides trap is based on the idea that when a rising power challenges an established power, it's a recipe for war. This is named after Thucydides, because he, after studying the Peloponnesian War in which the Greek city state system tore itself apart said, it wasn't this little cause or that little cause. The real cause of the war was the rise in the power of Athens, and the fear that created in Sparta. And the analogy, of course, would be if we have a conflict or a war with China, it will be caused by the rise of the power of China, and the fear that creates in the US, particularly in Washington, DC. Graham Allison has tried to quantify this. He looked at historical cases since 1500 in which you've had a rising power, and a challenging established power. And he comes to the conclusion that three-quarters of them result in war, 12 out of his 16 cases. Graham's a good friend, but I've told him that I don't think his numbers add up. I don't think he has 16 cases. There are either many more, or many fewer. It's not at all clear what's a case or not. For example, in the 19th century, Britain was generally accepted as the established power by the middle of the 19th century. And Prussia became a very clear rising power. and there were three wars in the 1860s to 1870 period in which Bismarck used to increase the strength of Prussia, Germany and the British sat aside, they didn't didn't do anything about it. So if they were an established power, watching a rising power, they had opportunity to stop the rising power, but they didn't. Now some people say, oh, but it's all one case, because eventually in 1914 the British and the Germans did go to war. But that's a bit too simple to lump together

that much history and call it one case is not in my mind convincing. But any point let's not get bogged down the details. The important point is that this idea that there's a 75% chance that a rising power, established power relationship becomes a war is I think not right. Where input title on his book, or maybe his publisher put the title on his book, "Destined For War," I think there should at least have been a question mark on that. But in any case, that analogy is one that has taken on certain legs. And even Xi Jinping is referred to Thucydides trap. And there are a number of people, I've run into a number of senators and others who say, "Oh, well, this shows," and it doesn't show that. Indeed, even if you go back to the original historical analogy of Thucydides, Donald Kagan, a former Dean at Yale, the famous classic system, the Greek period argues that it it's not that Thucydides didn't even get the original situation right. Yes, there was a rise in the power of Athens, and that may have caused the first Peloponnesian war, but that had come to an end in a truce. And it was the second Peloponnesian war, which was so disastrous. And that was not caused by continuing rise of Athens, but by a bunch of dumb policy mistakes that the Athenians made. So in that sense, I think we want to be careful not to get this feeling of inevitability about US-China conflicts based on historical analogies. What the Thucydides historical analogy warns us, and it's useful for that, is to be careful that rising powers do create fear in established powers, and be aware of that. But if you go back to Thucydides' original proposition, that the war was created by the rise and the power of Athens, and the fear created in Sparta, I'm not clear that we can do an awful lot about the rise in power of China. But we can do something about not letting excessive fear develop in Washington. And that means that as we assess the US-China relationship, we have to be careful to do a clear net assessment, in which we look carefully at our strengths, and their strengths, our weaknesses and their weaknesses. And not believe the Chinese are 10 feet tall, and succumb to fear. That's not the way you develop a good strategy. The other analogy that's, it's a historical analogy that's very prevalent or popular in Washington now is called Cold War II or the New Cold War. And the argument here is that China is a challenge to us, similar to the challenge that the Soviet Union presented in the 1940s through 1989. And that we can basically learn from that experience how to deal with China. We were able to contain the Soviet Union. We should aim to contain China. The trouble with that using that analogy is that the situations are very different. There are two types of interdependence which have characterized the current period, which did not characterize the Cold War. One, was economic interdependence. The US had almost no trade with the Soviet Union, nor did many of our allies. The net effect of that was that when we wanted to contain the Soviets by restricting trade with them, it wasn't that hard. In contrast today, the US itself has a half a trillion dollars of trade with China. And in addition to that, China represents the major trading partner for more countries than does the United States. So the argument that you can just transfer cold war containment from the past

into a policy for dealing with China, ignores that. In addition, there's another type of interdependence that's grown since the Cold War, and that's ecological interdependence. Nobody was worried about climate change, and global warming during the Cold War. And yet today as the IPCC reported just this past week, there is a real threat to all countries from global warming. And it's going to be extremely costly, not just to the US if Chesapeake Bay, and Florida go underwater, but also to China, if Himalayan glaciers melt, and rivers dry up and agricultural in central China suffers droughts, and so forth. So this a very new dimension of the relationship, which is ecological interdependence. And one of the interesting things here is that nobody can solve this by themselves. China is now the largest emitter of greenhouse gasses displacing the United States. And we can't solve it alone, and they can't solve alone. In the book that I recently published, "Do Morals Matter?: Presidents and Foreign Policy from FDR to Trump," I distinguish between power over others and power with others. Power over others is the traditional form of power. Power with others means you have a problem, which you can't solve unless you work with the others. And that's another dimension of the US-China relationship, which is not caught by the cold war analogy. In fact, I used a metaphor in an OP Ed I wrote for the New York Times in last fall saying that we're involved in a three dimensional chess game with China. One chess board, of course, is the traditional military chess board, and that's analogous to the Cold War. But the economic chess board, there's no analogy in the Cold War, and the ecological chess board there's no analogy. And the problem is that if we call this a New Cold War, we're oversimplifying the challenge we face. Or another way of putting it is you're involved in a 3D chess game and you play just normal chess, you're gonna lose. So I think the dangers I see is that the analogy of the New Cold War lulls us into believing that this is a problem we can solve the way we solved the Cold War problem through a doctrine of containment, and it's a different game. And we're gonna need a much more sophisticated strategy. The third historical analogy that sometimes used in, or heard in Washington, Henry Kissinger has used this, and I think it's a useful one, is what you might call the 1914 sleepwalkers analogy. And that really goes back to how we understand the origins of World War I, not the outcome of World War II. And there what you saw in the eve of World War I, was a considerable rise of nationalism in Europe, in all countries. And in that sense, it's somewhat analogous to what we're seeing today, which is an increase in nationalism in China, as well as a populist nationalism in the United States. And what happened with the rise of nationalism in the beginning of the 20th century in Europe was countries pressed harder for their advantage. There hadn't been a war for some time, and people become used to control of war. And when a situation arose out of the Serbian nationalist assassination of the Archduke of Austria, Hungary, the feeling is that all right, well, let it come to war. Let's let it go. This will clarify the balance of power. And there was a widespread view that the troops will be home by Christmas. This will be in effect the third Balkans War, a short sharp

war, which will clarify the balance of power, and then we'll go back to business as usual. Of course, that's not what happened. What happened was that you had four years of war, which led to the end of four empires, and the loss of four thrones. I've often said that if you could have given these leaders a crystal ball in August, 1914, and let them peak inside it and say, what's 1918 look like, and they saw that their empires had been dismembered and they'd lost their thrones, they might not have been so willing to take the risks that led to the beginning of the war. So in that sense, I think you could argue that in the current circumstances, the rise of nationalism in both countries, plus the possibility of a triggering event. Sometimes people say it's most likely to grow out of Taiwan, some efforts toward Taiwan independence, or China's conquest of Taiwan. You can imagine the type of argument that, well, it'll be a short, sharp war, which will clarify things, but it might not stop there. And the one difference, of course, is that to some extent nuclear weapons today provide leaders a crystal ball that you see some devastation at the end of a nuclear war. But that's not in itself sufficient to guarantee that we won't sleepwalk into a war. So those are the three historical analogies, the acidities post World War II, Cold War, and pre-World War I sleepwalking. And each of them has its, at virtue, none of them is empty, but all three of them have some drawbacks. Which is they oversimplify, and they violate Ernie May's proposition of draw the line, which says similarities and differences. So where does that leave us in terms of a strategy for dealing with China? I tend to agree with Kevin Rudd who has a new book out on US-China relations, which basically questions whether we're destined for war. And Kevin Rudd talks about having a competitive coexistence. In other words, that the goal should not be regime change, which is beyond our capabilities. And on the other hand, we have to realize that we're going to have to coexist. I sometimes call this a cooperative rivalry, which we are definitely gonna be intense rivals for some time. But there are also gonna be areas in which we're gonna have to cooperate at the same time that we're a rival risk. But in any event, it's a different proposition about the end state than we saw from the Cold War when George Kennan proposed the Doctrine of Containment. It was basically a long run doctrine of regime change. I don't know whether you'd find regime change in China or not, maybe, but I don't think it's in our capabilities to produce it. So in that sense, I think having a competitive coexistence, which in the words of the Biden Administration officials, maintains a favorable balance for our interests and values. That's a usable or sensible objective for developing a strategy for the US-China relationship. Will it work? I'm not sure. But I tend to think that in fact, the Americans have more high cards in this game than the Chinese do. Everybody sees the Chinese as 10-foot tall, and getting stronger and stronger. I think if you look at the problems that Xi Jinping faces, where you have a demographic decline, the labor force peaked in 2015, and you have factor productivity, total factor productivity, that's below the OECD average. And you have the fact that China doesn't have many allies,

maybe Russia, maybe North Korea, though I don't know what sign you put on that positive or negative. You know if I were a agent from Mars looking down at this poker hand that these two players had, the Americans and the Chinese I'd rather play the American hand than the Chinese hand. But that's not the conventional wisdom today. The conventional wisdom is that the Chinese are about to eat our lunch. And nobody knows the answer to that, but I think exaggerating the strengths, or the weaknesses of your opponent is a good way to produce a mistaken strategy. Now, let me just say a couple of words about the recent events in Ukraine. But I'll try to keep them brief. We can elaborate them in Q&A if you want. If you look at the, I mean, I could have given you the talk I just gave you on February 23rd, and you might say, "Okay, but it's now after February 24th, when the Russians invaded Ukraine. How would that talk have to change?" And I think what we've seen as a result of the Russian invasion of Ukraine is a major change in the agenda of world politics. Obviously, you're seeing a great focus on Europe, on Ukraine, which has an effect of reducing the so-called pivot to Asia. And I think in that sense, it's made people focus on the Russians and on the Europeans, and in a way, which hadn't been in a case before. And that's brought about some amazing changes. I mean, the idea that Germany would cancel the Nord Stream 2 pipeline, which the Americans had been pressing them to do, and they've strongly resisted for years, and then suddenly they do that, that's a big change. Or the fact that Germany would move toward a 2% goal, percent of GDP to be spent on the military. That was a big change. And the fact that NATO has held together as consistently as it has, since the Russian invasion. These are changes if you want, in the focus and agenda of world politics, primarily centered in Europe. And what's been the effect of that? Well, one effect has been to reduce Russian power. The formidable Russian military machine, which was supposed to be able to do take care of Ukraine in a matter of days now has a major puncture hole below the water line. The Russian economy, which was already limping before the events of February 24th, is now going to be suffering because of the sanctions. And Russian's soft power, the ability to get what you want through attraction rather than coercion, or payment is in tatters. So Russia's power has definitely declined. How does that affect China? Well, to the extent that Xi Jinping has tied his faith to Russia, it means that China has a loss of power as well. Its one ally, it's one major ally, is weakened, and that weakens China. In addition, China has to face the danger that if it helps Russia too much, it could suffer secondary sanctions. And these could have strong effects on the Chinese economy, particularly as China is finding that dealing with COVID with a zero COVID policy is harder than it first looked. So the net effect of that one immediate point is that the prospects of China invading Taiwan don't look as high as they might have. If Russia can't cross a land border with 190,000 troops, more effectively than it did the idea that China can launch an amphibious invasion of Taiwan doesn't look too good. So I would think whoever was whispering in Xi Jinping's ear that now was the time on Taiwan. I think Xi would have the good sense not to listen to him. Xi

could find himself in an interesting position. I wrote a column for Project Syndicate, and I said, if there were really creative Chinese diplomacy, Xi should turn to what I call a Teddy Roosevelt strategy. In 1904, Teddy Roosevelt, 1905, actually, basically mediated in the Russo-Japanese war, pressed hard on the parties to compromise, won himself a Nobel Peace Prize, and greatly increased American influence. If Xi were to do something like this, he could get China out of a bind where it's undercut its own soft power with Europe, a major trading partner. And it could restore China's position as an equilibrator between Russia and the United States. A little bit like Kissinger's trip in in the '70s, made the US an equilibrator between the USSR and China. So it might be a very clever strategy for Xi. I don't think he's capable of it. I think he sees the American threat as so important that he's not going to put any space between himself and Russia. But that means that as Russia sinks, or as Russia's fate goes down, that affects China in the negative direction. And finally, in the narrative of world politics, there was a lot of talk before February 24th of the east wind prevailing over the west wind. The access of authoritarians was taking over the future. I always regarded that as excessive rhetoric. For one thing, if you add Russia and China together, their total GDP is about 20% of the global total. If you add the US, Europe and Japan together, you're talking about 50% of the world product. So the idea that Russia and China is axis as authoritarians was the equal of the Western democracies was exaggerated well before the events of February 24. But if in addition you say that the myth of the axis of authoritarians taking over, and the east wind prevailing over the west wind, which Xi used to refer to, that narrative doesn't look too good anymore. So in that sense, I think the effect of this has been, of the invasion of Ukraine has been to strengthen the American hand somewhat in the US-China relationship. But the US-China relationship is gonna go on longer than the Ukraine war. And that still means we need a strategy asking, how is the world gonna look in 2049? And there, I've tried to indicate that I think we have a reasonable hand to play if we learn to play it well. So that, let me stop there. I think that's about the halfway point. But in any case, it'll get us to something which is more fun, which is Q&A.

- Thanks so much, Joe. I plow some of the same ground, and I find myself taking copious notes with all the new insights. When we go back to the beginning of your talk, and the fact that things change. We don't know the future. There tends to be a 20-year cycle. But Washington locks itself in to a mentality, it seems to be pretty strongly locked in right now, that could foreclose opportunities in the future for a different kind of relationship. Is there anything that we as scholars can do to encourage people in Washington to think about keeping open to different alternatives in the future? And are there any things that Washington could be doing to ensure that we're not just locking out, foreclosing any possible improvements that might come, say after Xi Jinping has gone?

- Well, I think the, this is why I'm opposed to this cold war analogy. It locks us into positions that will last well beyond the current period. This is why I like Kevin Rudd's approach of competitive coexistence. It allows you more flexibility for change. I mean, imagine a situation in which China does start to suffer from droughts, which dries up agriculture, which threatens growth, which threatens the control of the Communist Party. China might decide it's probably in its own interest to become a lot more cooperative on some issues, both climate and trade. And if so, then we should be prepared to meet them halfway if it fits our interests. But if we demonize them, if we see this as a cold war, where the only answer is regime change, it would mean that we are not gonna be flexible enough. We're not able to have a strategy that's flexible enough to adjust to that. I think this is why I much prefer the Kevin Rudd type approach of competitive coexistence to the analogies about new cold war.

- Thank you. We have quite a number of questions. One comes from Bill Hsiao of Harvard School of Public Health. He says, "Thank you for your insightful analysis, using historical lessons. China faces many problems in its economic growth and environment. Can you elaborate what you think are the major ones that may not pose such a huge threat to the US?"

- Well, I think the, if you look at the Chinese economy, I think it does face problems that start with demography. In other words, China under Deng Xiaoping, had a wonderful record of raising hundreds of millions of people out of poverty by taking surplus labor from the countryside, bringing it to cities, becoming manufacturing centers based on cheap labor. And exporting that to the world as the world's manufacturer, if you want. That's coming to an end, partly because of demography that as I mentioned, the labor force peaked in 2015. But also there are now lower cost labor sources, such as Vietnam and Bangladesh. So the answer to that is there's still a large source of rural labor that could be brought to the cities, but it's not as highly educated as it needs to be to have the kind of productivity we'd need. So in that sense, finding a way for, China's finding a way to raise standards of education in rural areas is something which I think is good for China, but it can also be good for us, or good for the world. Similarly, if China's health system is stretched very thin, and most of my friends who study China carefully say that the Chinese health system is not very good. I mean, it's okay in Shanghai or Beijing, but nationwide is not. And so in that sense, improving Chinese health system is good for them. I mean, that seems to be also good for us. If China also in public health gets a better control on how the pandemics like SARS originate, that's good for them and good for us. So there are lots of areas. I mean, there's some areas, for example, if you look at artificial intelligence where you can say AI can be used for weapons systems. Yes, but it can also be used for medical approaches and cures to cancer. And so there are areas where you can still have cooperation with China, or work with China. And

there are areas where you don't want to. Huawei's a great example. You don't want China controlling your fifth generation telecommunications for very clear security reasons. But that's just what I mean by a sensible strategy distinguishes between those areas where there is a security threat, where you have to decouple. And those areas where yes, it may help them, but it doesn't hurt us that much, and decoupling would be a wrong response.

- Thanks. An anonymous attendee asks, "Is it valid for China to claim that its ambitions in the Asia Pacific region are not much different from the United States ambitions in the Americas under the Monroe Doctrine?"

- Well, it's valid for China to aspire to that in the sense that great powers often act as hegemony, but you also have to ask how do the neighbors feel? What's interesting about Asia is it has its own balance of power. Bill Emmott, the former editor of The Economist wrote a book a decade or so ago called "The Rivals," in which he said, look, Japan, India, Vietnam, these are countries that don't want to be dominated by China. So China might say, we're gonna have our own Monroe Doctrine, but the Vietnamese, and the Japanese and others may say that we don't like that idea. And that's why the United States is often welcome. These are countries that want to trade with China, but they don't want to be dominated by China. And that's why they welcome American security presence at the same time that they don't want to have a policy of containment cutting off their trade. So yeah, China can aspire to its own Monroe Doctrine, but it can only do so effectively, if it does so with the consent of its neighbors.

- Thanks. Mark Dallas, a guest asks about your comments regarding economic independence. He says, "Aren't there key differences between economic interdependence, and technological interdependence? Don't we have to think of three kinds of interdependence, technological, economic, and ecological?"

- Yes, I would. I think that's correct. As a first rough approximation tend to subsume the technological interdependence under a form of economic interdependence. But to go back to the example I gave about Huawei, some economic interdependence is good for us, and some is bad for us. And that often depends on the technology. The Chinese have seen this themselves. When Chinese complain that we exclude Huawei or ZTE from our telecommunications process, I always reminded that they excluded Google back in 2010 and Facebook, and so forth. And the reason is that they wanted an internet that they could control, and it wasn't a threat to the party. And so they have long made these distinctions between dimensions of economic interdependence, which there's a net benefit to them. And dimensions where there's a net threat, and we have to do the same thing. So if you want to say, well, let's separate a technological independence as another category. Then even within technological interdependence, you want to distinguish

some that are a threat, and some that are not. I give you that example, I just cited about artificial intelligence. It can develop or it can be used for weapons systems, autonomous weapons systems, and also be used to read mammograms.

- We have two questions about Taiwan. One from Irving Bloodkin says, "What should the us do if China moves militarily on Taiwan?" Another question from Bao Choy, a Hong Kong journalist and Harvard Neiman Fellow, wants to know your thoughts about the analogy between the 1914 sleepwalkers, and what might happen across the Taiwan straits. He says, "Do you think the Indo-Pacific containment effort is a good strategy to prevent war? What could be done better?"

- Well, on Taiwan, the American position for years has been what sometimes it calls strategic ambiguity. Which is we don't declare that under all circumstances, we will defend Taiwan, because we don't want Taiwan to think that if it declared independence, which would likely provoke military action by China, that we're behind this. So our position has been roughly, since '72 or so, has been no unilateral declaration of independence, no use of force. And then the two sides negotiate their relationships across the Taiwan straight. And that position has, with variations, pretty much held the whole time. It was interesting when President Biden said last year that we would defend Taiwan, as sort of an ad libbed statement, there was a quick correction from the White House saying this was not a change in policy. That the standard policy remains in place. It probably didn't do any harm for Biden to remind the Chinese that we might indeed defend Taiwan under it. But on the other hand, you don't want to have it standing out there as a way which encourages the DPP, or others in Taiwan saying, "Let's push harder toward independence." So I think we ought to strengthen Taiwan's capacity for self-defense. We ought to help it become a porcupine or a poison shrimp. And in that sense reduced the risk of a Chinese invasion. But I personally do not think it would be wise to give a absolute clear guarantee of coming to their defense along the same route. And along the lines that we have in our security treaty with Japan. On the south China sea, when you get to the Senkaku Diaoyu Islands, President Obama said that we regarded these as covered by the US-Japan security treaty. And that was a way of deterring China, but remember nobody lives on those islands. And so the argument that somebody was gonna suddenly do something provocative, like declare independence, wasn't part of the problem. So the Taiwan situation has been a tricky one. You might think of it as double deterrence. We want to deter Chinese invasion, and deter Taiwanese unilateral declaration of independence. And that still remains the policy. The other piece, Bill, remind me of the second question on Taiwan. There were two. I was answering just the first one.

- It was whether the, what he calls the US Indo-Pacific containment effort is a good, a good strategy for preventing war in the region.

What could be done better?

- Well, I'm not sure that the administration has called it a containment policy. I think it has been a set of alliances. And those alliances have been built upon the, what I referred to earlier as the existing Asian balance power. The administration has resisted calling it containment, per se. Another way of thinking about it is shaping the environment in which China exercises its power. Maybe you can say, well, what's the difference between that and containment? It means there may be some difference in the sense that we're not trying to prevent countries trading with China. Or we are not trying to economically isolate China as we did contain it in the Cold War. But we want to make sure that the environment is one where states that wanna preserve her independence, feel that the Americans are there to help them. You might say, well, it's a small difference. I think it actually makes the difference.

- Oh, we have a question from Mabel Chan, who's a research associate in the Fairbank Center. She says, "You mentioned the China dream, rhetoric of President Xi Jinping. Do you agree or disagree that it was a more, a direct appeal aimed at a domestic audience, and perhaps even overseas Chinese rather than a challenge to America's superpower status?" She says, "The American dream has been an attractive idea that sent hundreds of thousands of Chinese to America, for opportunities they couldn't find back home. Many settled down and assimilated and never returned. As China rises, one could argue that the China dream slogan is to galvanize nationalism, and Chinese American support for their motherland, and to diminish the appeal of the American dream." What are your thoughts?

- Well, I'm largely sympathetic with that comment. I think that the China dream is less a foreign policy than a domestic political support policy. But I think what Xi Jinping hasn't been sufficiently attentive to is what I call the two audience problem. That when a political leader says something, there are two audiences, one internal and the other external. And sometimes you may say, "Oh, this is for home consumption." But you forget, wait a minute, somebody outside is listening as well. So if you look at something like, you know, the China dream, or you look at something like Xi Jinping's statement, that China will be number one in artificial intelligence by 2030, well, that's great at home when you're trying to show that how well the party is doing at promoting Chinese nationalism, and homeland and so forth. But you know what, there are people listening to that in Washington who say, wait a minute, you're gonna be number one in artificial intelligence in 2030, we don't like that. That assumes we're number two. And that means our willingness to cooperate with you in artificial intelligence is gonna be diminished. So in that sense, Xi uses rhetoric, which may be for the reasons that that you said. But he's not sufficiently attentive to the fact that the external audience may hear it differently. I mean, it's not unique to China. Donald

Trump talked about America first. Well, that's understandable for political leaders to defend the interests of their own country first. But it doesn't go over all that well in the rest of the world, which means you're second. So I accept the point, the description, but I think a more expert leader internationally, would've softened that type of statement.

- Thanks. We've got two questions about nuclear issues that are phrased almost identically. Xiaoxiang Xue, a guest asks, "While the US warns of China's breathtaking nuclear expansion, why is the Biden Administration scrapping the nuclear cruise missile program? Do you support that decision?"

- Well, I don't know the details of that. If it might be just cost effectiveness, I don't think it's necessarily driven by the US-China competition. You know, there are lots of weapons you can develop, and not develop, and whether the nuclear cruise missile was worth, what it would cost is I think the decision was based on that rather than not irritating the Chinese. But I don't know the answer to that.

- Research Fellow Barrak, I'm gonna have to apologize if I mispronounce the name, Dabin Myev at the center for China and Central Asia Studies in Kazakhstan says, "Thank you for your deep analysis of US-China relations. My question is what is China's strategy regarding Afghanistan? How is Beijing trying to balance the interests of other countries in Afghanistan?"

- Well, China has always taken a position that it wants to be influential in Central Asia. And on the other hand, it didn't want to import radical Islamism into Xinjin and other places. And so it has had a longstanding close relationship with Pakistan, which is based on China's rivalry with India. So I think the effort in Afghanistan is to make sure that it doesn't spill over into, among Chinese Muslims, A, and B, that it will be following more or less the same policy lines that Pakistan is falling toward Afghanistan, which has been again to avoid the worst excesses of the Taliban, but not to alienate them entirely. So I think China's trying to walk a tight rope on that.

- Katherine Wilhelm asks starts out by saying, "If we only count China's formal alliances, we may underestimate China's influence, for example, in the global south, for many global south countries, China is both inspirational, and also seems to be offering more practical assistance for development. The US doesn't seem to pay much attention to the discourse in developing countries capitals. How would you factor this in?" And maybe I can take advantage of my position to broaden that to a fundamental question about the concept that your most famous for, soft power. We tend to think that our democracy and freedom is the ultimate in soft power. Maybe that's been damaged a bit by what we've done in the Middle East and elsewhere. China's lifting people out of poverty tends to get discounted in this country as a

soft power inspiration. Does our national discourse about this need some revision?

- Well, Chinese, China does have soft power, which is the ability to get what you want through attraction rather than coercion or payment. And one source of Chinese soft power is traditional Chinese culture. And, you know, the glories of the traditional culture, but another source of it in more modern terms is China's economic success. I mean, China has been extremely impressive in what it's accomplished. And I think that makes it attractive to a number of others. On the other hand, those are the assets, if you want, the liabilities for China in terms of soft power, there are two in particular. One is it has territorial disputes with its neighbors. It's very hard to set up a Confucius Institute in New Delhi about getting people to admire Chinese culture, if at the same time Chinese soldiers are killing Indian soldiers on the Himalayan border. And China has what, it has 14 neighbors, borders with 14 countries, and probably at least a half a dozen with whom there are territorial disputes. So that's a, it can downplay those disputes. It doesn't always do so in an era of nationalism, and wolf warrior diplomacy, the extent to which those disputes are played up rather than down as the Indian case illustrates. That costs China in terms of its soft power. The other liability China has for its soft power is the insistence on tight party control over civil society. A great deal of a country's soft power comes not from its government broadcasting or whatever, it comes from civil society, which in the case of the United States means everything from the universities to Hollywood, to Bill and Melinda Gates Foundation, and so forth. If China insists on tight party control, it undercuts a lot of those civil society institutions. And that then cuts back on the extent to which China can benefit from soft power. The one way to test this, oh, I should also added Belt and Road Initiative, another's China by providing funds and loans for infrastructure projects around the world is currying favor. I mean it's trying to make itself more attractive. And in some places that works, and in some places, it doesn't. in Hambantota, which is the port in Sri Lanka, which was uneconomic, and yet had commercial level scale loans, or interest rates on the loans, it probably caused more resentment than attraction. I mean the initial stages, it created attraction, but with time that it led to resentment. So China's influence in the poorer world, poorer parts of the world, it varies from place to place. And Belt and Road is an effort to try to increase it. But one way to check on this is to look at reputable public opinion polls by organizations like Pew, or Gallup, and so forth. And what's interesting there is if you look at different continents, Chinese soft power is much less than American soft power in Europe, in Australia, and south America, and Asia. The one area where the US and China are regarded as roughly equally attractive is Africa. And that varies somewhat, of course, among different African countries. So yes, China has soft power, but it also has limits on its soft power. And when we look at the results as measured by reputable polling

organizations, asking questions about attractiveness, China hasn't got a very good return on its investment.

- Thank you. I think we have time for one more question. Jesse John asks, "Do you have further comments about how the Ukraine crisis will reshape US-China relations, and the global political landscape?"

- Well, a lot depends on what happens on the battlefield, also, on what Putin decides to do. But I think the most likely scenario at this stage is that Putin has given up plan A, which was a smash and grab for Kiev, and gone to plan B, which is to try to pound the east and south into submission. And then take the areas of the Donbas, and maybe a corridor along the Southern littoral, and maybe after some point declare victory, and just hold that. I think that the extent to which that will be broadly accepted is minimal. I think there's gonna be continued Ukrainian insurgency against that. And I think it'll continue to poison relations between Russia, and the US and Russia, and Europe, and so forth. The extent to which China associates itself with Russia in that I think it hurts China. In addition, if China were to go further, and to actively support Russia, it would expose itself to secondary sanctions. And that would be expensive for the Chinese economy. So that's my sort of central estimate of what could happen, but there are a lot of scenarios running from rosier than I described to rougher than I described. And frankly, at this stage, we don't know which of those is most palpable.

- Well, thank you very much for all these insights. Usually almost all the questions in one of these sessions relate directly to the core of the speech. In your case, they've treated you as the guru on virtually everything in the world, and you validated that. So again, thank you so much.

- Well, it's been my pleasure Bill, and thank you for inviting me. Goodbye.