

CHINA & US FOCUS DIGEST

Navigating Relations

**Cooperative Rivalry Can
Move Relations Forward**

Joseph Nye

**Telling an Authentic China
Story is Crucial for Progress**

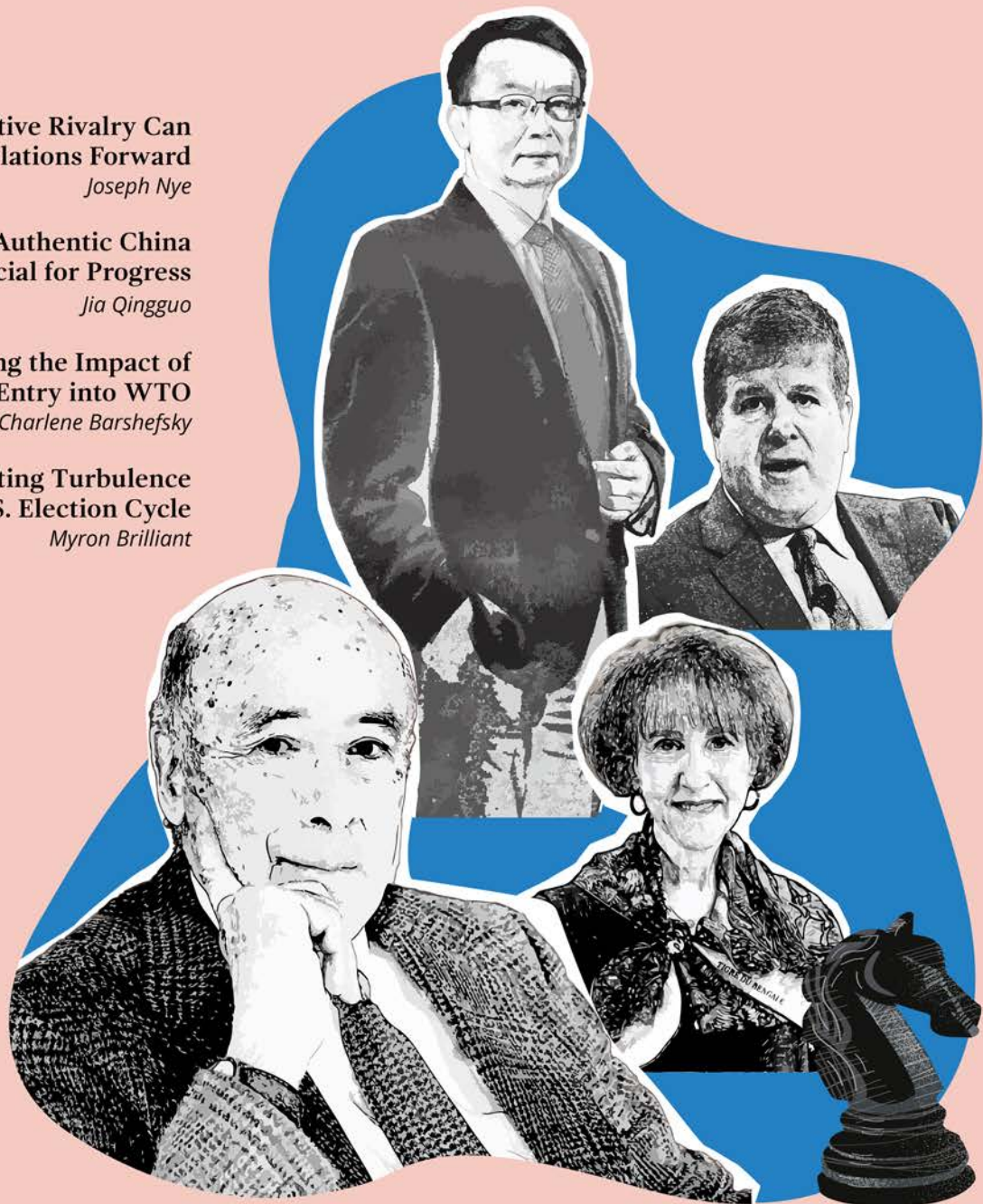
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CHINA & US FOCUS

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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.

Unpacking China-U.S. Relations in 2024

Notable experts at a seminar hosted by the Charigo Center for International Economic Cooperation (CIEC) on Jan. 30 stimulated discussion on a wide range of hot-button topics, including China-U.S. relations, the Palestinian-Israeli conflict and the wider landscape of the Middle East, the Russia-Ukraine war, developments in Europe and international economic trends.

The seminar included, among other participants, Ni Feng, researcher from the Institute of American Studies of the Chinese Academy of Social Sciences; Professor Zhu Feng, executive dean of the School of International Relations of Nanjing University; Chen Mingming, former Chinese ambassador to New Zealand and Sweden; Huo Jianguo, former president of the Chinese Academy of International Trade and Economic Cooperation; Professor Zhang Minqian, doctoral supervisor of the University of International Relations; Professor Huang Jing, director of the Center for American Studies at Shanghai International Studies University; and CIEC Director Wang Xin.

The following analysis summarizes their concepts on these hot topics and has been edited for length and clarity.

I. Views on trends in China-U.S. relations

- Conflicts between Russia and Ukraine, between Palestine and Israel and others on the Korean Peninsula create an imperative for the administration of U.S. President Joe Biden to engage in dialogue with China to communicate its policies and explore possibilities of cooperation. The U.S. also needs to stabilize the bilateral relationship and prevent it from spiraling out of control or plunging into direct confrontation. Moreover, new problems and challenges have prompted China to adjust its policies over time. Interactions have intensified between Chinese and U.S. leaders, between senior diplomatic and national security officials and at the wider government level.

- A pattern of strategic competition and confrontation has taken shape between China and the United States. The past few years has witnessed major changes in China-U.S. relations without parallel since the establishment of diplomatic ties in January 1979. The relationship is and will continue to be marked by an unparalleled level of strategic complexity.

The United States aims to achieve long-term containment of China, while China seeks to promote mutual respect, peaceful coexistence and win-win cooperation through dialogue. In terms of development strategies and international geopolitical strategies, the two nations are moving toward competition, confrontation and control. This trajectory is expected to be the new normal in the future.

- The ongoing mix of dialogue, suppression and containment indicates that the Biden administration's China policy has fully formed. First, the United States is focused on long-term strategic competition with China; second, it has begun to implement a carrot-and-stick strategy against China: On one hand, it intensifies efforts to counter China across various fronts, including technology, trade, data, markets and supply chains; on the other, it has restarted dialogues between top leaders, as well as other bilateral mechanisms. Third, in addition to engaging in communication with China and suppressing its development, the United States

continues to contain China at a strategic level by enhancing its comprehensive deterrence and strategic deployment in the Asia-Pacific region in line with its Indo-Pacific Strategy.

- The United States continues to cause trouble for China on issues regarding Taiwan, Xinjiang, and Hong Kong. In fact, the core issue in their strategic competition today has extended beyond the Taiwan question. China should deal with the Taiwan question in a calm and judicious manner, because it is a bargaining chip employed by the United States to strategically suppress China.

China should deal with the Taiwan question in a calm and judicious manner, because it is a bargaining chip employed by the United States to strategically suppress China.

- China-U.S. economic relations have experienced substantial changes, unlike any seen since the launch of reform and opening-up policies. From containment to decoupling and de-risking, fundamental changes have taken place in the U.S. strategy toward China.

- The West, led by the United States, still dominates the world stage. It seems that the more chaotic the world is, the stronger the United States' global leadership and influence becomes.

- The world situation has witnessed recent changes, presenting both China and the United States with new opportunities and challenges. From the perspective of global security, there is a notable trend toward fragmentation. The world is splitting into three major blocs: the Global West, the Global South and the Global East. Some scholars and media outlets in the West claim that Russia, Iran, North Korea and Syria will form a new camp opposing the West, and they even include China in this group.

Their labeling of the Global East demonstrates a continuation of a Cold War mentality.

- China will stay committed to a foreign policy of independence and non-alignment, develop its own networks of friends and identify areas of cooperation as China-U.S. competition, the Russia-Ukraine war, the Palestinian-Israeli conflict and other conflicts are expected to continue in 2024. The international relations are interactive, interlinked and dynamic. It remains to be seen whether the world will eventually be divided into several relatively fixed camps and what choices China will make. But it is certain that there will be tremendous changes in the world landscape formed after World War II and the Cold War and that these changes have the potential to impact the United Nations-centered global governance system.

- The global economy is projected to experience a downturn in the medium and long term. The World Bank predicts that global growth will be slow for the next five years and that it's impossible to predict what will happen after that. The severe uncertainty in the international economy underscores the importance of the stability of China-U.S. relations. The peace and development of the world and the common interests of mankind require stability and regular communication between the two nations.

- The Korean Peninsula may become a new flashpoint in the international arena. Since taking office, the Yoon Suk Yeo administration in South Korea has aligned closely with Washington, and their close military cooperation has intensified North Korea's sense of urgency. In the context of the Ukrainian war, Russia-North Korea relations have been strengthened, especially in the military and strategic sectors. These developments, along with President Vladimir Putin's upcoming visit to North Korea, provide ammunition for Washington to argue for enhanced relations with Japan and South Korea, threatening to disrupt the situation in East Asia. This represents another serious challenge for China.

II. How should China respond?

First, China should recognize that its relations with the United States are now and will continue to be marked by intense competition. Regardless whether China recognizes or accepts it, domestic changes in China and the United States, as well as shifts in their power in the wider world, clearly indicate that China-U.S. relations will not return to their pre-2016 state. In the foreseeable future, the United States will remain strong and the sole superpower in the world. The Western world, led by Washington, will continue to occupy a dominant position in the world in terms of political discourse, military strength, technological innovation, economic strength and international influence. Competition is the new norm in China-U.S. relations, and is a long-term process that evolves with changes in situations around the world and the formation of a new global landscape. Essentially, China-U.S. competition is about economic and technological prowess, about the stable development of the two countries and about the well-being of their respective people. Therefore, the fundamental issue for the two nations is to manage their own affairs well.

China should recognize that its relations with the United States are now and will continue to be marked by intense competition.

Second, China should develop well-defined diplomatic and security strategies that ser-

ve its overall national interests. Specifically:

a) It should continue to adopt an independent and proactive foreign policy. It should not tether its fundamental interests to other countries' affairs or allow its fundamental interests to be undermined by external factors. China's fundamental interests revolve around doubling its economy and realizing the rejuvenation of the nation in the near future.

China's fundamental interests revolve around doubling its economy and realizing the rejuvenation of the nation in the near future.

b) It should properly handle the relationship between international morality, historical correctness and proactive action. A country of China's size needs a foundation of strength in the current international political context. In a world where the concept of power politics exemplified by the United States, Russia, Europe and Japan dominates, the significance of rhetoric is on the decline, and participation and intervention are indispensable.

c) While safeguarding its core interests, China should embrace a pragmatic and flexible foreign policy to expand and strengthen scientific, technological and economic cooperation with Europe, Japan, South Korea and Australia. Strategically, this approach serves to mitigate the intensity of containment efforts from the United

States or other hostile forces. Economically, it helps facilitate China's transformation and development in the long term.

China should embrace a pragmatic and flexible foreign policy to expand and strengthen scientific, technological and economic cooperation with Europe, Japan, South Korea and Australia.

d) It should leverage its "hard power" (military and economic strength) and its "soft power" (flexible diplomacy, people-to-people exchanges and international cultural exchanges). Backed by its hard power, China can harness more of its soft power in more regions and fields around the world.

e) It should establish cross-departmental teams to coordinate all aspects of its relations with the United States.

Third, China should pursue further openness with the world. This means increasing the breadth and depth of its international economic cooperation, improving its domestic business environment in line with the rule of law and enhancing the transparency of its laws, regulations and policies governing international investment and economic cooperation.

Fourth, from the perspectives of China-U.S. rivalry and national security, China should take a long-term look at the landscape of foreign investment, economic cooperation and international trade.

Given current economic circumstances at home and abroad, as well as geopolitics, it is important to consider the role of the United States when evaluating the strategic, security and economic benefits of foreign investment,

foreign aid and procurement of critical materials. That is because Washington tends to closely monitor projects strategically significant to China. At the same time, measures and means to safeguard China's overseas investments must be enhanced. As China's investments and economic interests grow in volume and significance worldwide, Western politicians and media, notably those in the U.S., have sought to smear and even disrupt key projects under the Belt and Road Initiative, projects to which China attaches great importance, along with certain resource projects. However, China has the ability to protect these assets.

Fifth, China should include vital resources, commodity supply channels and transportation channels critical to national security and industrial security in its strategic considerations of China-U.S. relations.

Sixth, as a result of political and economic shifts in the United States and the tougher U.S. policy stance, China should open up opportunities for two-way, people-to-people exchanges, and academic and business interactions. It should also provide support for international exchange events initiated by Chinese entities in the science and technology sector.



INTERVIEW: **JIA QINGGUO**

Telling an Authentic China Story is Crucial for Progress

Professor Jia Qingguo is Director of Peking University's Institute for Global Cooperation and Understanding. This interview was conducted on March 11, 2024—the final day of the Two Sessions in Beijing.

The last time I interviewed Professor Jia was during the pandemic, in conversation with the great American scholar Ezra Vogel, who died shortly in December 2020. What I take away from our new interview is the power and value of open communications, which builds trust at a time of fear and suspicion.

—James Chau
President of China-United States Exchange Foundation

James Chau:

Professor Jia Qingguo, thanks very much for this interview today. Around this time every year, Beijing is center stage for two key political meetings: the National People's Congress and the Chinese People's Political Consultative Conference, of which you are a standing committee member. Those meetings have now concluded. Why are they significant and why should people around the world care about this year's outcomes?

Jia Qingguo:

They have significant impact in part because of the fact that China is a huge economy that is rising rapidly. Whatever China does has an impact on the rest of the world. A lot of people outside China feel the impact of changes in China. During these two sessions, a lot of policy issues are discussed. A lot of ideas are floated. If you watch what's going on, you get a better sense of what's going on in China. So a lot of people in the world are paying attention to the two sessions, and it's not just out of curiosity. It's because the meetings are relevant to their respective interests.

James Chau:

At this year's session, you submitted two proposals — one to drive people-to-people contacts and the other to draw more international students to China. That may seem important, but many

China needs to explain to the world better about what's going on in the country and tell China's story to assuage such concerns and fears.



people may be thinking, how important are these when you also look at the landscape of pressures, such as economic growth and job creation?

Jia Qingguo:

Economic growth and job creation are very important, and probably the most heated topics of this year's sessions. At the same time, I think explaining to the world what's going on in China and encouraging more students from other countries to come study in China is also very important. China has been developing rapidly and has been in the process of a transition — a large country to a strong country, or to a superpower. So during this period of time a lot of people have been concerned about what China will do and if it has the capacity. They are worried. So you have this Thucydides trap argument. But at this juncture, China needs to explain to the world better about what's going on in the country and tell China's story to assuage such concerns and fears.

Telling a good story about what's going on in China is also good for China's economy. Let the rest of the world understand what's going on in China. That would lower the level of concerns and also encourage better interactions between the United States and China, or between China and the rest of the world.

Getting more students from other

countries to study in China is also very important for this country. We need more people in other countries to understand China. We need experienced China hands to explain to their own people what's going on in China. These young people are the future leaders of the world. A lot of Chinese students are overseas, but we need more foreign students to come to China. They get to know each other and each other's countries, and then in the future, I think they can better manage our relationship. It's also very good for the economy in the long run. We'll have more people who understand each other and help trade and economic relations that will bring benefits to both countries.

James Chau:

We talk about telling the story of China to elevate openness, communication and understanding. Do you think there are people out there who are able to tell the story of China, and is there a willingness to tell that story in this current climate?

Jia Qingguo:

There are a lot of people who are capable and also level-minded, rational and pragmatic. And they can tell a good story about China. In China, the story is very complex. It involves a lot of aspects. We need not just a few people to tell this story about China. We also need people-to-people exchanges, to encourage people in different walks of life to talk to each other so that they can get a more comprehensive picture of what's going on in China while, of course in the process the experts, scholars and former officials can play a larger role. So in one of my proposals, I argue that we need to encourage these people instead of restricting those who engage in this kind of process.

One of the most significant sources of uncertainty is the current U.S. presidential election. If Trump gets elected, I think the current cause of development will probably change in a negative way, more likely than not.



You can watch the interview by scanning the QR code.

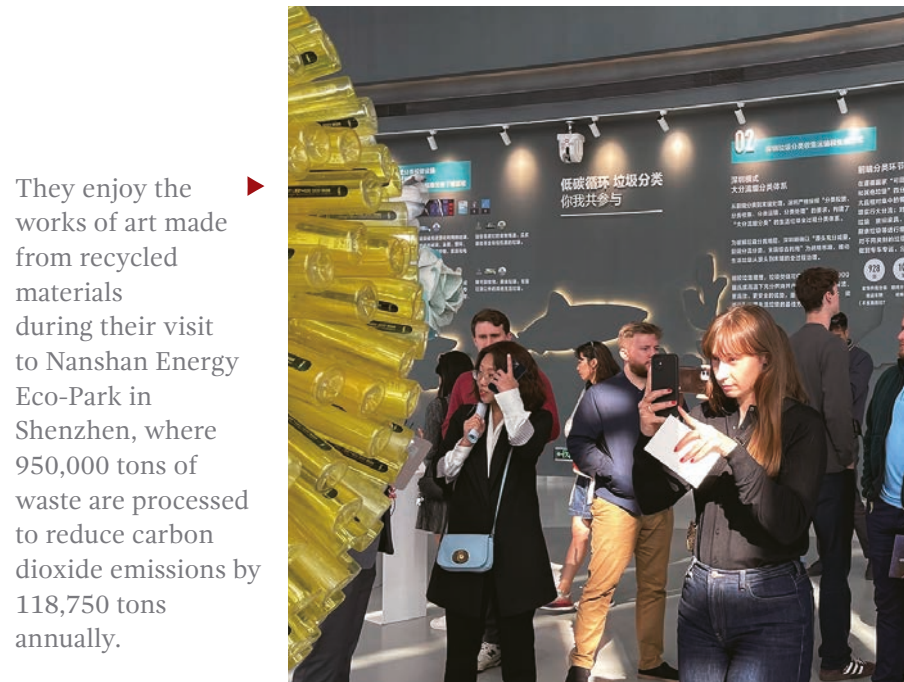
James Chau:

Four months have passed since the leaders of the United States and China met in California. That's a third of the year, basically. And a lot of people are asking whether anything has fundamentally shifted or improved since that time. Professor Jia, when you think about California, and what the San Francisco vision promises, what must happen now to make that vision a reality?

Jia Qingguo:

Quite a few things have happened since then. The two countries have stepped up the reengagement process. In other words, officials of the two countries at different levels are meeting each other. These are two big countries whose relationship cannot be run by two people — not just the presidents. They need to be run by a lot of people. That's part of the spirit of the San Francisco meeting.

In addition to reengagement, we also see a process of serious discussions on various kinds of issues. The two countries have set up working groups to discuss different issues and to try and find areas where we share interests and can cooperate. The relationship has also become more stable than it used to be. It's moving in the right direction. However, the distrust is still deep, and domestic politics are still quite hostile, especially in the U.S..



They enjoy the works of art made from recycled materials during their visit to Nanshan Energy Eco-Park in Shenzhen, where 950,000 tons of waste are processed to reduce carbon dioxide emissions by 118,750 tons annually.

CUSEF x Columbia SIPA Initiative, January 2024.

Twenty-nine graduate students from Columbia University's School of International and Public Affairs (SIPA) visited Beijing, Chengdu and Shenzhen from January 3 to 12.



◀ Columbia's diplomats-in-training attend the "Commemoration of the 45th Anniversary of the China-U.S. Diplomatic Relations" at Diaoyutai State Guesthouse, Beijing.

▼ Columbia's diplomats-in-training embrace China's cultural tapestry, Chengdu.





◀ Former U.S. Ambassador Max Baucus takes the Montana University students to Hong Kong, Beijing and Shanghai for people-to-people diplomacy, June 2023. This is the first university delegation to visit China since the COVID pandemic.



▲ Chicago students walk around the Muslim Street near the Great Mosque in Xi'an, central China.

▶ Chicago students have lively discussions with Chinese young diplomats at the Ministry of Foreign Affairs, Beijing.

CUSEF x UChicago Harris School Initiative, March 2024.

Students from the University of Chicago Harris School of Public Policy visited Beijing, Xi'an and Shanghai from March 9 to 16.





▲ Students from the Princeton University visit the China-United States Exchange Foundation's Hong Kong headquarter, July 2023.



Recently, the U.S. Congress has been deliberating a bill to ban TikTok, symbolizing the distrust and politicization of the relationship. In the days to come, I think the two countries should continue to pursue the policy of reengagement and try to cooperate on areas of shared interest, including greater efforts to help shape global governance and the global response to various kinds of challenges. But of course, there are a lot of uncertainties in the efforts to do so.

One of the most significant sources of uncertainty is the current U.S. presidential election. If Trump gets elected, I think the current cause of development will probably change in a negative way, more likely than not.

James Chau:

Professor Jia Qingguo, it has been years since I've interviewed you, and I hope that you'll give me the opportunity to do so again in the near future. Thank you very much as always for your important insights.

Jia Qingguo:

Thank you. I'm looking forward to it.



INTERVIEW: JOSEPH NYE

Cooperative Rivalry Can Move Relations Forward

Joseph Nye is University Distinguished Service Professor at Harvard University, and a regular contributor to China-US Focus. He unpacks his insights on the bilateral relationship in this new interview with James Chau, President of the China-United States Exchange Foundation.

While the two countries may have decoupled in some narrow aspects, Professor Nye warns that any broad moves will be devastating for their economies and the global economy. But progress is possible despite ongoing mistrust. He uses the term “cooperative rivalry” to suggest how to partner and compete at the same time.



James Chau:

Professor Joseph Nye, thank you very much for speaking with us. You write in your new piece about enduring rivalry, but you don't think it necessarily captures the current tensions in the modern U.S.-China relationship. Could you expand on that?

Joseph Nye:

Well, the concept of enduring rivalry — which conjures up something like the relationship of Germany and Britain before World War I — implies something that can't be avoided. People often think that means destined for war. But in fact, if you look at the rivalry between the U.S. and China, notice that in the 50 years or so since 1949, when

the Communists took over, there have been very different phases in the 50s. We were shooting each other on the Korean peninsula in the 70s. After Nixon's visit, we were cooperating to limit the Soviet Union. In the 80s, 90s and early 2010s, we were in the process of economic engagement. And now, since about 2015 or 16 or so, we've been in what's been called a great power rivalry. A term such as "enduring rivalry" has so many different aspects. It's not a very helpful description.

James Chau:

Let's talk about the Cold War. You've lived through different chapters. I saw the end of it. Many people, including former U.S. president Jimmy Carter, have made comparisons

between the U.S. and China. What they see is a modern Cold War. Do you necessarily agree with that when you look at the modern and the historical?

Joseph Nye:

Well, if by Cold War one means intense rivalry without shooting, then I suppose you could say that the U.S.-China relationship is a Cold War of sorts. Cold War means something like the U.S. Soviet rivalry with the 40 years or so that we lived through, which were many of them very dangerous years. Then I don't think we are in a Cold War. In that sense, the conditions are quite different. We, with the Soviet Union, had military interdependence, but virtually no economic or ecological interdependence. Whereas in the relationship with China, we have a great deal of both types of interdependence and all types of interdependence. So that's why the analogy of the Cold War can be misleading as well.

James Chau:

Let's move on to economic decoupling. There are some people who say that the U.S. and China have already decoupled; others think this could never happen. So these are two extreme positions that have no overlap. What's your take on this? Is it possible to avoid if it hasn't happened already?

Joseph Nye:

Well, there is selective decoupling. If you look at the steps have been taken to prevent Huawei from developing or building out 5G infrastructure in the U.S., or if you look at the steps that have been taken to restrict the most sensitive security-related semiconductor exports, that is decoupling based on security. But as National Security Adviser, Jake Sullivan put it, we want to have a high wall around a small yard. If you tried to have a large decoupling, it would be enormously devastating in terms of its economic effects on China's economy, the U.S. eco-

nomy and the world economy. So in that sense, a selective decoupling, yes, we've already seen it. A real decoupling or total decoupling we haven't seen, and I don't think we should. What's more, there is an area of interdependence that I call ecological interdependence — issues like climate change or pandemics and so forth — where it makes no sense at all to talk about decoupling, because those issues obey the laws of physics, not of politics.

James Chau:

You've been writing a lot recently about what you call cooperative rivalry. What does that mean in practice, and how does it differ from the containment strategies that we saw in the postwar era during the Cold War?

Joseph Nye:

Well, I use that term cooperative rivalry to try to get people to realize that when we're formulating a policy toward China, we must compete. We also need to combine with cooperation. Nobody can solve problems like climate change acting by themselves. You have to have power with other countries as well as power in contrast to other countries. So a cooperative rivalry requires us to do things that seem to be mutually inconsistent — compete and cooperate at the same time. It can be done, but if you express it in those terms, it makes the policymakers think more clearly about strategy rather than simplistically that it's all one or the other.

So a cooperative rivalry requires us to do things that seem to be mutually inconsistent — compete and cooperate at the same time. It can be done, but if you express it in those terms, it makes the policymakers think more clearly about strategy rather than simplistically that it's all one or the other.

James Chau:

I want to stay with the theme that you just touched on there, about how no one country can go so long in solving these enormous global shared challenges that we're currently faced with, because you're also talking about leveraging partnerships and alliances like Japan and India. Who are they important for? And how are they going to help the U.S.-China relationship as a complete entity?

Joseph Nye:

Well, I think that on some of these issues — climate, for example, or pandemics — you need the cooperation of Japan, India and Europe. Basically you need everybody. But I was thinking on the Japan-India Alliance, the so-called Quad if you then add Australia. It's more in the security area, which essentially shapes the external environment. For China, it's impossible to change China internally. How China changes internally is going to depend on the Chinese. It is just much too large for the U.S. or any other external actor to try to change. But you can shape the external environment. ... Well, if you have this relationship of alliances and friendships, it means that as China becomes crosswise with one partner, it weakens its relations with the others as well. So essentially, shaping the external environment is not the same as containment. We're not trying to stop Chinese growth. But it does mean that if China acts aggressively, or in a bullying fashion, you will find that it's more costly.

James Chau:

Would that not then just push China into a space of its own by isolating it somehow from some countries? Would the behaviors you describe, therefore not just become more determined?

Joseph Nye:

I don't think so. Because if you look at most

countries, they want good economic relations with China. And they also want to be protected against bullying or aggression by China. And that means that there's a balancing act going on. And that balancing act is for countries that are relating to China. And China, in turn has to realize that. So if China were to retreat or become aggressive and so forth, you would wind up paying a price.

So essentially, shaping the external environment is not the same as containment.

James Chau:

We've been discussing how alliances partnerships and friendships can, as you say, shape the external environment, but ultimately, what is it going to require? What do you think will actually happen in terms of the U.S. in China achieving coexistence that is not just peaceful but one that actually is good enough to work from now on?

Joseph Nye:

Well, I think it's going to require more top-level contact. I mean, Xi Jinping has centralized power in him to an extent that we haven't seen since Mao. And that means that when you try to work with the Chinese to get things done, in terms of positioning the two countries, it's going to require a great deal of symmetry. But on the other hand, having middle-level contacts and ministerial-level contacts is also important because that's where you get the implementation of policy. Commerce Secretary Raimondo or Secretary of State Blinken visiting China recently, are also important. And then at a third level, general people, students, tourists. Scientific exchanges are also important to help develop a better understanding of the realities of the two countries. So it's going to take connections that are all three levels.

James Chau:

You are, of course, an institution in yourself as a globally respected academic leader. Do you think that the exchanges between universities — between scientists, for example — and other forms of people contacts will become more important in this hostile environment? And will they be allowed to flourish as much as they can?

Joseph Nye:

Well, I think there is some realization that we have to keep up these contacts. For example, in the area of climate, we have maintained good working relations. We had actually very good working relations in the area of pandemics, when you go back to the SARS crisis of the early 2000s. Unfortunately, both sides mishandled the COVID crisis. But I think we are going to need to cooperate there again in the future. So I think keeping these scientific contacts alive is extremely important.

James Chau:

These interviews, these dialogues have the stated purpose of bringing people together and of advancing trust and understanding through conversations like these. There is, I believe, zero or near zero trust between the United States and China today, which must make a lot of people very sad and others frustrated. What is it going to require? What's the one idea, the one first step that everybody can take, together or separately, to reestablish that trust in a really meaningful way?

Joseph Nye:

Well, I find that interpersonal contacts, and working on projects where you have

This photo was taken on March 25, 2019, when I interviewed Professor Joseph Nye in his office at the Harvard Kennedy School. I always feel more hopeful for the global future each time after a conversation with Professor Nye, a visionary whose insights inform many of our actions.

—James Chau



a common goal is very useful in terms of showing that you can have parts of the relationship that are trusting, and then those may spill over into other parts.

James Chau:

I have to ask you — on the 45th anniversary of the normalization of diplomatic ties, where were you in 1979 when the new relationship was announced?

Joseph Nye:

I was working in the State Department under Secretary of State Cyrus Vance in the Carter administration. At that point, we took this as a very favorable step forward.

James Chau:

When was your first trip to China?



Joseph Nye:

My first trip to China was in 1982. I was invited to give a series of lectures at Fudan University, and then I was a guest of the Chinese government in terms of showing me all the normal sites, like the Great Wall and so forth.

James Chau:

What did you learn at that time? And was it necessarily useful in the long run looking back?

Joseph Nye:

I realized that we shouldn't think of China as a monolith. There are different views. And different Chinese see different things, in different perspectives, just as different Americans do. Realizing this is, I think, the first step toward developing a reasonable relationship.

James Chau:

You said that in 1979, establishing a modern relationship with China was seen as useful. You were working under Cyrus Vance. Would you say now, 45 years later that that was a mistake or that was a misunderstanding in itself?

I realized that we shouldn't think of China as a monolith. There are different views. And different Chinese see different things, in different perspectives, just as different Americans do.

Joseph Nye:

No, no, absolutely not. I think that was an essential first step. But now, given what we've seen in our cycles of ups and downs in the U.S.-China relationship, we ought to be thinking about how we get an upturn in the future.

James Chau:

Professor Joseph Nye of Harvard University, I want to thank you so much, not only for this interview but for dedicating your life to giving people an accurate understanding.

Joseph Nye:

Thank you very much. I enjoyed the chat.



You can watch the interview by scanning the QR code.



KJ Kerr, China-US Focus:

During your tenure as the United States Trade Representative, you played a pivotal role in negotiating China's entry into the World Trade Organization. How do you view the long-term impact of China's entry into the WTO? And what insights can you share from your experiences that may be relevant to today's bilateral economic relationship?

For China, the result of WTO accession is still visible today.

Charlene Barshefsky:

You know, negotiating China's WTO entry was a very lengthy process, both for the Chinese side and the U.S. side — very detailed, very difficult, but always in the spirit of wishing to reach an agreement that could be mutually beneficial, not only bilaterally [but] globally as well. And, of course, the Chinese-side was very ably represented. The U.S.-side worked very hard to try and match the Chinese expertise and determination. I think, for China, the result of WTO accession is still visible today. It propelled its economy forward. It propelled China's reform and opening-up. It helped to integrate China into the global economy, making it a critical feature of that economy. And it strengthened U.S.-China bilateral relations in many ways quite beyond simply trade and economic policy.

INTERVIEW: CHARLENE BARSHEFSKY

Assessing the Impact of China's Entry into WTO

Charlene Barshefsky, former United States Trade Representative, discusses in this interview with China-US Focus the lengthy negotiation process for China's entry into the WTO and its lasting impacts on China's economy, global integration and U.S.-China relations. She emphasizes the significance of international businesses having a presence in China and the considerations they need to evaluate whether to expand into the Chinese market. Both China and the U.S. believe protecting certain technologies is necessary for national security, she says, but she hopes this doesn't swallow up economic activity. This interview is part of a special series of conversations with speakers at the 2023 Hong Kong Forum on U.S.-China Relations.

I think as we look at it today, we see a couple of different shifts that have occurred. One, of course, is geopolitical. That is to say, a China that has become very ambitious, as great nations are, but in ways that for the U.S. and many Western countries has become difficult. And so that is going to have to be sorted out over time — hopefully, in a positive and constructive way. But I think on the trade and economic side, what we have seen is that, rather than a continuing convergence with market economy norms, as predicted by WTO accession, we see a divergence from those norms as China's economic system has changed over the intervening years. And that also poses challenges, I think, not just bilaterally but also globally. That also has to be sorted out in a constructive way. And I do think there are ways to do that. Hopefully, the two sides, as well as other countries can enter into a kind of informal negotiation to

sort through these issues and see if we can find some resolution. But I think net-net, China's participation in the WTO is very positive for it and for the global economy. And so we look forward to that construct being further reinforced over time.

KJ Kerr:

Looking at international businesses, what do you think are some of the main issues that some of these international businesses need to consider when determining whether to maintain or expand their presence in the Chinese market, which has become particularly complex over the last few years?

Charlene Barshefsky:

Yes, it has become complex, but I think for

business generally — put aside for a moment the geopolitical overlay — for business generally, a predictable regulatory and legal environment is the single most important factor. If regulations change without notice, if the legal environment becomes idiosyncratic in nature, if business doesn't have confidence that the rules under which it operates today will exist tomorrow in the same form and in the same legal construct, it's very difficult for a business to remain in a country. It's very difficult for a business to expand further in that country, as it will naturally seek to mitigate risk and diversify outside the country at issue. So for business, consistency, regularity, transparency and a system in which they feel confident doing business are the most critical factors. If we have the geopolitical overlay, of course, for businesses — both U.S. and Chinese businesses — there is a certain political and governmental pressure, which is not a welcome addition to doing business, but is nonetheless now a feature. It's a reality. And businesses have to navigate that, again, as they assess risk.

KJ Kerr:

What do you think is the significance of international businesses — particularly American busi-

nesses — being in China and having a presence there?

This is the epicenter of growth globally. But it is also the epicenter of a variety of flashpoints globally, and so both countries being in the region in a compatible way is of the utmost importance.

Charlene Barshefsky:

Well, I think having a presence in China is critical for growth, for the size of the market, for the positive competitive aspect of being in markets that are difficult, that are markets that are quite discerning. You want to be in those markets because it helps you improve. And so business needs to be in China in a way that, from a risk perspective, is comfortable for them. And I think businesses will continue to be in China. They'll continue to invest in China. That seems quite natural and appropriate.

KJ Kerr:

How should the U.S. and China approach their



◀ 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 15 November 1999 in Beijing.

trade and economic relationships with other Indo-Pacific nations?

What I would hope is that these definitions of national security don't expand so much that they swallow up economic activity between the two countries.

Charlene Barshefsky:

Hopefully, on a more cooperative basis, because fragmentation of the global economy, which is happening, is not a particularly positive trend. It's not positive for growth. It's not positive for global relations. I think we would like to see — or I would like to see, I should say — an environment that is conducive to both countries operating in a more cooperative manner, particularly in the Indo-Pacific. This is the epicenter of growth globally. But it is also the epicenter of a variety of flashpoints globally, and so both countries being in the region in a compatible way is of the utmost importance.

KJ Kerr:

How do you think the recent increases in U.S. export controls on semiconductors and artificial intelligence chips to China may influence trade dynamics between the two countries?

Charlene Barshefsky:

Both countries have a view of their national security. The U.S. view is encapsulated by the phrase “high wall, small yard,” meaning there are certain technologies the U.S. wishes to protect. That's a relatively small yard, because the U.S. definition of national security is quite narrow. High fence means to really protect those few technologies. China similarly has wanted to be self-sufficient in technology, self-reliant in technology. And so its yard is rather larger and the walls are just as high. This is problematic for various reasons, but each country believes it necessary for the protection of their own national

security. I don't see that changing in any significant degree.

What I would hope is that these definitions of national security don't expand so much that they swallow up economic activity between the two countries. This kind of approach, of course, fragments the global economy and fragmented technology raises questions in the long-run about interoperability. This raises the question further whether other countries will lean toward one side or the other, further fragmenting the digital commons. And that also poses enormous challenges for both countries, for both the U.S. and China. So again, I think the two sides now are beginning to talk about these issues, which is extremely welcome. And, hopefully, they can reach some common understanding, at least about not letting security concerns so overwhelm economic concerns that the relationship is swallowed by them.

The U.S. view is encapsulated by the phrase “high wall, small yard,” meaning there are certain technologies the U.S. wishes to protect. That's a relatively small yard, because the U.S. definition of national security is quite narrow. High fence means to really protect those few technologies. China similarly has wanted to be self-sufficient in technology, self-reliant in technology. And so its yard is rather larger and the walls are just as high.



You can watch the interview by scanning the QR code.



INTERVIEW: **MYRON BRILLIANT**

Navigating Turbulence of U.S. Election Cycle



In this interview with China-US Focus, Myron Brilliant, senior counselor at Dentons Global Advisors-ASG, discusses ways to enhance economic stability and increase cooperation between China and the U.S. He analyzes the influence of the four-year U.S. election cycle on candidates' stances toward Beijing and discusses how the next U.S. leader can seek out ways to compete on a level-playing field with China — fostering constructive pragmatism and cooperation where feasible. This interview is part of a special series of conversations with speakers at the 2023 Hong Kong Forum on U.S.-China Relations.

KJ Kerr, China-US Focus:

Mr. Brilliant, first off, thank you so much for being here today and traveling to Hong Kong to be with us in person at the HK Forum. We just had your panel earlier, and one thing that stood out to me was your point about what the business community can do in the relationship and how the business community should be standing up and saying something to help ease tensions. So in line with that, what opportunities and challenges do you see for businesses and investors in the evolving China-U.S. relationship? And what do you think the business community can tangibly do to help ease tensions?

Eighty percent of trade between China and the United States does not touch on national security concerns. In fact, that number may be even higher.

Myron Brilliant:

It's really important that the China-United States Exchange Foundation create an enabling environment that's quite candid, so that business leaders and other stakeholders in the relationship can exchange not only a direct perspective about the challenges, but also foster some opportunities. What this forum is doing today, and what the organization is about, is to not obscure the challenges that exist at the macro level in the U.S.-China relationship. There are well-defined tensions politically,

What's most important is to remember that business travels around the world, and that protecting a home market loses you other opportunities.

and challenges in confronting technology. And the link with national security is there. But there is an overwhelming sense that the two countries are tied economically in really pronounced ways. Eighty percent of trade between China and the United States does not touch on national security concerns. In fact, that number may be even higher.

Business leaders in the United States, ones that I've worked with in my role as the head of the U.S. Chamber's international operation, want to do business in China, and they want to do business in the United States, and they want to do business around the world. They don't want to have to confront choices because of politics. But they also want to mitigate risk. And out of COVID, certainly, supply chains were challenged. There were issues around resiliency, and there were concerns about how the United States and China were going to manage their relationship going forward. So there has been, not just a political change. I think business leaders have awakened to a complex geopolitical environment. And they have to mitigate some risks. So they're not leaving China, but they are de-risking some of their investments in China by changing some of their supply chains, which is not easy, or by looking at other markets, whether it's India or Vietnam. But they're not losing sight of the 1.3 billion customers that live in China. And they're not losing sight of the importance of business-to-business exchanges, of people-to-people exchanges, of the need to recognize that whatever industry we're talking about, both China and the United States are critical to the global economy. And we've got to confront those challenges that are creating the downward spiral in the relationship.

We've got to promote opportunities that recognize, whether it's in health, the agri-food business, the service industry, portfolio investment or direct investment and in so many other ways, including climate and clean tech ... where we've got opportunities, even in this difficult political environment. And it is difficult. It is as difficult as I've seen it in the 30-plus years that I've worked on the U.S.-China relationship. But we have

to get through it. And this is an inflection point in which business leaders need to step out more. They need to have their voices heard in this debate. They cannot be passive at a time where business has so much at stake in the global economy, and so much at stake in continuing to find ways for China and the United States to find pragmatism in this relationship. So I encourage business leaders to speak out. I encourage them to use their voice in Washington, I encourage them to use their voice in Beijing, and to also recognize that not all business is done between the two capitals. Whether it's in the Pearl River Delta or in Louisville, Kentucky or other parts of the United States, there are plenty of opportunities still for business to flourish and for partnerships to be developed, even in this complex environment.

KJ Kerr:

There's also a lot of buzzwords that we're hearing surrounding the relationship, and even here at this conference — decoupling, dual circulation. ... So what do you think about economic decoupling between China and the U.S.? Do you think this is the right approach? Why or why not? And what do you think is the best way?

Myron Brilliant:

We're throwing a lot of words out in the United States and China relationship. Decoupling, de-risking, China-plus-one strategies. ... I think the reality is that if you're sitting in the boardroom of a U.S. company, you are going to look at the geopolitical landscape, you are going to look at not only growth rates in key countries but also to protect your supply chains, protect your resources. But you're going to look at ways that you can advance relationships in the big markets of the world. Of course, China is one of the most important

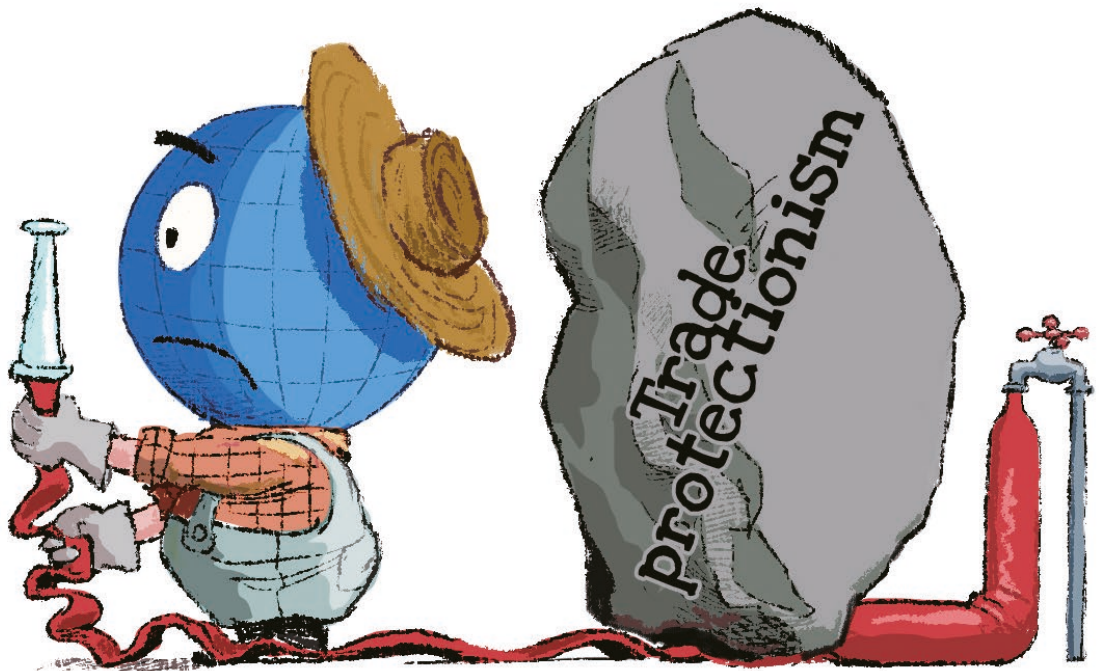
markets. I know that politicians like to talk about decoupling and de-risking, and there is certainly a lot of that going on in terms of the public narrative. But at the same time, what's going on in the boardrooms is some rethink about supply chains — not a drastic rethink in all cases, and certainly some sensitivities to how to speak to these issues with their shareholders, with their employees, and of course, with politicians. But I would just say that what's most important is to remember that business travels around the world, and that protecting a home market loses you other opportunities. So whether it's government policy in the United States or in China, this notion of self-reliance in an interconnected world, this notion of dual circulation, and not letting there be an integration of global supply chains — whether that's policy coming out of Beijing, or whether it's policy in the United States to increase the use of industrial policy means, or in Europe, where you also see Europe deviate from the United States in areas like standard development — that fragmentation is not in the interest of business leaders.

What does business want? They want certainty. They want to know that they can do business, not just today or five years from now but in 25 years. They're making long-term investments in every country they engage in. I don't think competition is a challenge. I think confrontation and the notion of confrontation in the U.S.-China relationship, and even in other markets, that's a challenge. We can deal with competition, let everyone play on a level playing field. And how we get there is not just good government policy, but business leaders speaking out to the importance of a global community.

KJ Kerr:

Can you expand a bit more on what you





think are the most pressing issues vital for enhancing economic stability and cooperation between China and the United States?

Myron Brilliant:

There are a number of important issues that the United States and China have to work on—a number of pressing issues in this relationship. First of all, we have to create a framework for dialogue. I love the Chinese proverb that dialogue doesn't cook rice. But the reality is you have to have dialogue between government leaders, and it can't always be formal. Second, we need to have this notion that there are areas where the two sides should encourage not just private sector engagement but scientific cooperation—we've heard that about that today—and educational exchanges. We know how few American students are now studying in China, and decreasing numbers of Chinese students feel safe to study in the United States. That's a terrible narrative. We need to reverse those trends, and that comes from government action. But it also comes from civic-minded leaders in both countries standing up for the fact that people-to-people exchanges are good. When they declined during the COVID-period, the relationship got worse. When we reverse that trend, when we encourage people-to-people exchanges, sub-national exchanges ...

Incredible innovation is going on in China. Incredible innovation is going on in Europe and the United States, in Japan and elsewhere. We need to work together on making sure that innovation translates into improvements for humankind. To do that, it means that the United States and China have to figure out a way to have greater cooperation on climate and on clean tech, and encourage scientific cooperation. It doesn't mean that we shouldn't protect our national security. But we should define national security in a way that's not an excuse for a trade impediment. We will have reasons to protect highly sensitive national security interests. China will have its reasons. But we have to be careful that we don't develop national

security tendencies in either country that really are disguised trade barriers because we're trying to enhance our own competitiveness at the cost of the other, the zero-sum dynamic. And that's a hard issue to reverse, because that has been now the pattern for both countries and others that are involved in this as well over the last five to seven years. So how do we get out of that? Governments have the right kind of dialogue, but they don't leave the private sector on the sidelines, they integrate the private sector. So whether it's AI dialogue that the two governments are now contemplating, a 1.5 track that brings a private sector component, or whether it's talking about other elements of technology, I don't think you can have progress unless the public-private partnership is incorporated in a stronger way.

KJ Kerr:

You talked about how in the U.S., we're in a four-year cycle—how our presidents change every four years, and how the narrative that a president is weak on China is not the way to win. How do you think we can change that narrative and integrate that change into our presidential elections, particularly as we're entering the election period for the upcoming 2024 elections?

Myron Brilliant:

China and the United States have different political systems. China has the benefit of a long-term narrative. If government officials move up the ladder, they take on more senior roles. President Xi Jinping is a good example of that. In the United States, the political cycle is much shorter. Our presidents are serving at most two four-year terms. They have to get a lot done, and then you never know who's going to be the next president and which party that president's going to represent. So we have a lot of change always in our system. Democracies can be messy. However, we also know that there is now more consensus in the United States about the perceived challenge of confronting China.

Some of that consensus, I think, is wrong. But in order for that to change, you need political courage, and when you're running through a four-year cycle as president, it's complicated when not only most of your party, but the other party also, thinks that China is increasingly a threat to America's competitiveness, as well as to national security and in other areas, not sharing the same values. So it's going to require a lot of courageous leadership. We had that from President Nixon and President Carter. We may be getting to a point where we're going to need that kind of leadership now. It may not be popular at first, but there is some good news here. If I think about the presidential election cycle coming forward in our country, I don't think China is the centerpiece of it. I'm not saying that China won't factor into the discussions. But I think there are other issues that are going to get more attention, including our own domestic economy. Also the two candidates will present some interesting issues as well. What I hope is that no matter who wins the election, that either presidential candidate and whoever that ends up being, whoever emerges from it will try to take a new, more stabilizing direction.

What I really want even beyond that is a strategic, overarching vision that the American public hears from the next president of the United States. — I would hope that the next president of the United States, whoever that is, will share a vision for the American people and go sell it on the premise that the two most important countries in the world, the two largest economies, cannot be on a course of confrontation. They have to find ways to compete on a level playing field and also find pragmatism, constructive pragmatism, and cooperation where they can.

But we have to be careful that we don't develop national security tendencies in either country that really are disguised trade barriers because we're trying to enhance our own competitiveness at the cost of the other, the zero-sum dynamic.



You can watch the interview by scanning the QR code.

An aerial photograph of a vast agricultural field, likely a cornfield, showing distinct rows of crops. A blue tractor is visible in the lower right quadrant, moving through the field. The text "U.S.-China Science and Technology Agreement Rooted in Agriculture" is overlaid in white, serif font across the center of the image.

U.S.-China Science and Technology Agreement Rooted in Agriculture

Since the early 1970s the United States and China have exchanged teams of agricultural scientists to explore solutions to food security issues. Agriculture has been a part of the U.S.-China Science and Technology Agreement since 1979 and over 2,100 U.S. scientists traveled to China to learn more about their technology with a near equal number of Chinese scientists also participating in the exchange. This foundational agreement expired in August 2023 and is operating on just a 6-month extension.



Technology Agreement Agriculture



Karen Mancl

*Professor Emerita of Food, Agricultural & Biological Engineering,
Ohio State University
Fellow, Woodrow Wilson Center for International Scholars*

After Nixon's resignation, Mao's death, and the election of Jimmy Carter, the two countries finally established a diplomatic relationship in 1979 and signed the Science and Technology Agreement. Sadly, this foundational agreement expired in August 2023 and is operating on just a 6-month extension.

Concerns over Taiwan, the Middle East, and Moscow creating tension between the United States and China blanket the news today, but these same issues have always stoked tensions in the relationship between the two nations. These same issues were being considered through the 1970s following Nixon's 1972 China visit as described by Henry Kissinger in his book "On China." After Nixon's resignation, Mao's death, and the election of Jimmy Carter, the two countries finally established a diplomatic relationship in 1979 and signed the Science and Technology Agreement. Sadly, this foundational agreement expired in August 2023 and is operating on just a 6-month extension.

More than a half dozen years before establishing diplomatic recognition, the seed of scientific collaboration was first planted behind the scenes as a result of Henry Kissinger's negotiations and the development of the Shanghai Communique in 1972. By 1976, more than 20 cultural, educational, and sports delegations had visited the PRC with about an equal number of Chinese visiting the United States. The scientific exchanges were arranged by the National Academy of Sciences' Committee on Scholarly Communications with the People's Republic of China (CSCPRC). The CSCPRC arranged for a group of Chinese agricultural scientists to visit the United States in 1973 to learn more about insect control in crops. Six more Chinese agricultural groups followed, and four groups traveled to China from the United States. The success of these agricultural scientific exchanges helped open the door to the broader Science and Technology Agreement. The agreement sets the framework for government agencies, universities, organizations, institutions and others to have contact and cooperate. Through the agreement we have been able to share important information and provide for intellectual property protection.

Fifty years of success demonstrates the need for continued agricultural collaboration. While acknowledging old and new areas of conflict, national policymakers could take a step back to recognize that, in agriculture, the United States and China do not compete. Even today, U.S. and Chinese agricultural scientists are eager to collaborate and have much to share to tackle climate impacts and adaptation in agriculture, food safety, plant and animal diseases, and the threats to food production from invasive species.

U.S. Scientists Learn about China's Green Revolution

With the goal of exchanging seeds and plant materials to develop higher yielding grain varieties, the first group of ten U.S. plant scientists traveled to China in August 1974. Sponsored by the Rockefeller Foundation, they were a real who's who of the Green Revolution. The team was led by Sterling Wortman and included the Nobel Prize winning plant scientist Norman Borlaug. During their four weeks in China, they were amazed at how China, with only 0.1 hectares of arable land per person, produced enough food to feed 900 million people. They observed how China had independently developed its own Green Revolution and the U.S. scientists were eager to learn more about their research and exchange seeds and plant samples.

In 1975, stopping in Beijing to visit the new U.S. Liaison to China, George H.W. Bush, the second U.S. team of 10 entomologists traveled around China to learn more about insect pests. The scientists from eight different universities and two USDA research stations moved from Beijing to Shanghai visiting communal farms and research stations. They set their feet in four provinces - north to Jilin, south to Guangzhou, west to Shanxi and east to Jiangsu - seeing much

of the country. Team leader Gordon Guyer described their dinner meeting at the Liaison's modest home and that Bush lamented that his travel was limited to within 50 miles of Beijing. The agricultural scientists were learning more about China – especially rural China – than the diplomats.

President Carter recognized the importance of bilateral agricultural collaboration and sent Bergland to China in November 1978 where they developed a memorandum on US-China Agricultural Understanding.

Chinese Scientists Explore Pest Control and More

The first team of Chinese scientists visited the United States in 1973 to focus on crop pest control, preceding follow-up visits with teams covering grain, cotton, soybean, and citrus production. These visits were extremely valuable to China. So much so that when Jimmy Carter became president, the Chinese Liaison came to visit the new Secretary of Agriculture Robert Bergland with a request to bring a group of Chinese agricultural scholars to the United States. Recounted in a 1986 interview, Secretary Bergland describes his surprise by the request and was unsure of how to host them. But his deputy of international affairs set things up. In the summer of 1978, the Chinese visitors met with Bergland with thanks, praise, and an invitation to come to China. His acceptance set off internal conflict with the national security advisor Zbigniew Brzezinski over who in the administration was allowed to visit China.



In early May 1971, Chinese Premier Zhou met with American scientists Professor Arthur Galston (2nd from left), a biologist from Yale University, and Professor Ethan Signer (1st from left), a biologist from MIT, at the Great Hall of the People in Beijing.

In late May 1972, Guo Moruo (Center) and his wife Yu Liqun received a delegation from the Federation of American Scientists led by Professor Marvin Goldberg, then President of the Federation, at the Great Hall of the People.



In mid-May 1973, Chinese representatives welcomed the American scientists delegation headed by Professor Emil Smith, Chairman of the Committee on Scholarly Communication with the People's Republic of China, at the Capital Airport in Beijing.

In mid-May 1973, Chinese Premier Zhou met at the Great Hall of the People with a U.S. scientists delegation headed by Professor Smith, Chairman of the Committee on Scholarly Communication with the People's Republic of China, and discussed about the U.S. proposal to send 11 U.S. science and technology delegations to visit China from September 1973 to August 1974.





Late Chinese leader Deng Xiaoping and former U.S. President Jimmy Carter during the signing of the U.S.-China Scientific and Technological Cooperation Agreement and a cultural agreement at the White House, U.S., January 31, 1979.

Dr. Sterling Wortman, a plant geneticist, headed a group of 10 American plant scientists, including the Nobel Prize winning plant scientist Dr. Norman Borlaug, who toured China to study its communes and agricultural practices in 1974.

Agriculture in China

The most populous nation appears to have achieved the objective of producing enough food for all its people. It has done so largely by the adoption of improved strains of rice and wheat

By Sterling Wortman

Visitors to China in recent years consistently report that the population appears to be healthy and adequately nourished. In the light of China's reputation as a country where hunger has been an scourge for centuries and catastrophic regional famines used to be almost annual events, many Western agriculturalists have wanted to know exactly what happened. Last year I served as chairman of a group of 11 scientists from the U.S., including some of the foremost agricultural scientists, who were able to judge for themselves how successful it was.

We traveled in China for 28 days in August and September. Our major purpose of the visit was to arrange an exchange of gene plasmids of Western and Chinese strains of plants. At the same time the group looked forward to having what is widely about contemporary Chinese agricultural practices and to having for observation the official government position that agricultural production in China is now adequate to the task of feeding the nation's growing population.

In the course of its travels the group met with a number of Chinese agricultural scientists and technicians operating various government agricultural organizations. It visited agricultural communes in the provinces of Kiangsu, Shensi and Kainan and also on the southern coast of China. We first traveled to Kainan in China's most wheat-growing northwest (where we

glues, urethane, sulfur and zinc are also important crops). We flew from there to Yuen, the capital of Shensi province in China's eastern wheat belt, and then traveled by train to Nanking in Kiangsu province, passing through some 600 miles of agricultural land devoted to wheat and rice farming. We ended our visit touring the vicinity of Canton, in the heart of China's multi-crop-growing rice country. Whenever we went we found that our group's work learning to raise developing nations. Chinese farmers generally was going well.

An appreciation of agricultural production in China is enhanced by the comparison of some significant Chinese and U.S. statistical data. The total land area of China is some 973 million hectares, or roughly 2.3 billion acres, is larger than that of the 49 states of the continental U.S. Much of China, however, is too mountainous or too dry for agriculture. Arable land represents only a little more than 18 percent of China's territory, whereas the arable land in the 49 states makes up more than 20 percent of the U.S. total.

When the comparison between the two nations is put in terms of arable land actually under cultivation, it is quite another matter. For example, the estimate of arable hectares available in the U.S. in 1964 is 118 million out of a total of 208 million. That same year China, with a total of only 107 million hectares of arable land, used crops on 120 million hectares. This seemingly impossible statistic reflects the traditional Chinese practice of multiple cropping, raising two or more crops per year on the same land.

Another significant comparison is the proportion of the total population of China and of the U.S. that engages in agriculture. The population of China is roughly equivalent to between 100 and 160 million. The number of Chinese engaged in one or another kind of agricultural activity is generally agreed to be from 60 to 65 percent of the total population. That percentage of the agricultural labor force in China ranges from a maximum of 600 million to a maximum of 700 million. (The difference between the high estimate and the low one is greater than the population of France, Holland and Belgium combined.) In comparison the U.S. agricultural labor force is quite small. It consists of only 5 percent of the total U.S. population of 210 million, or 12 million workers.

China's agricultural activities are not distributed evenly across the nation. A substantial part of all farming is done in the plains and hillsides of three great river systems: the Yellow River in the northwest, the Yangtze in eastern and central China, and the Pearl River in the south. The Manchurian plain in the northeast, which includes the great provinces of Kainan, Liaoning and Jilin, produces, in other words, production area. Refined, most food and fiber production would fall within the region.



In 1975, 10 entomologists from eight different U.S. universities and two USDA research stations, headed by Gordon Guyer, traveled around China to learn more about insect pests.

Regardless of the conflict, President Carter recognized the importance of bilateral agricultural collaboration and sent Bergland to China in November 1978 where they developed a memorandum on US-China Agricultural Understanding. I found the memorandum between Secretary Bergland and Minister Yang while digging through boxes of documents in the National Archives. The memorandum outlines how the agricultural exchange groups would be organized and the topics for the first two years of exchanges. The Chinese wanted to learn more about the U.S. system of research and technology transfer to the countryside. The U.S. scientists were interested in a range of crops and production techniques.

Now more than 35 years later, over 2,100 U.S. agricultural scientists have traveled to China and a near equal number of Chinese have visited farms and laboratories in the United States.

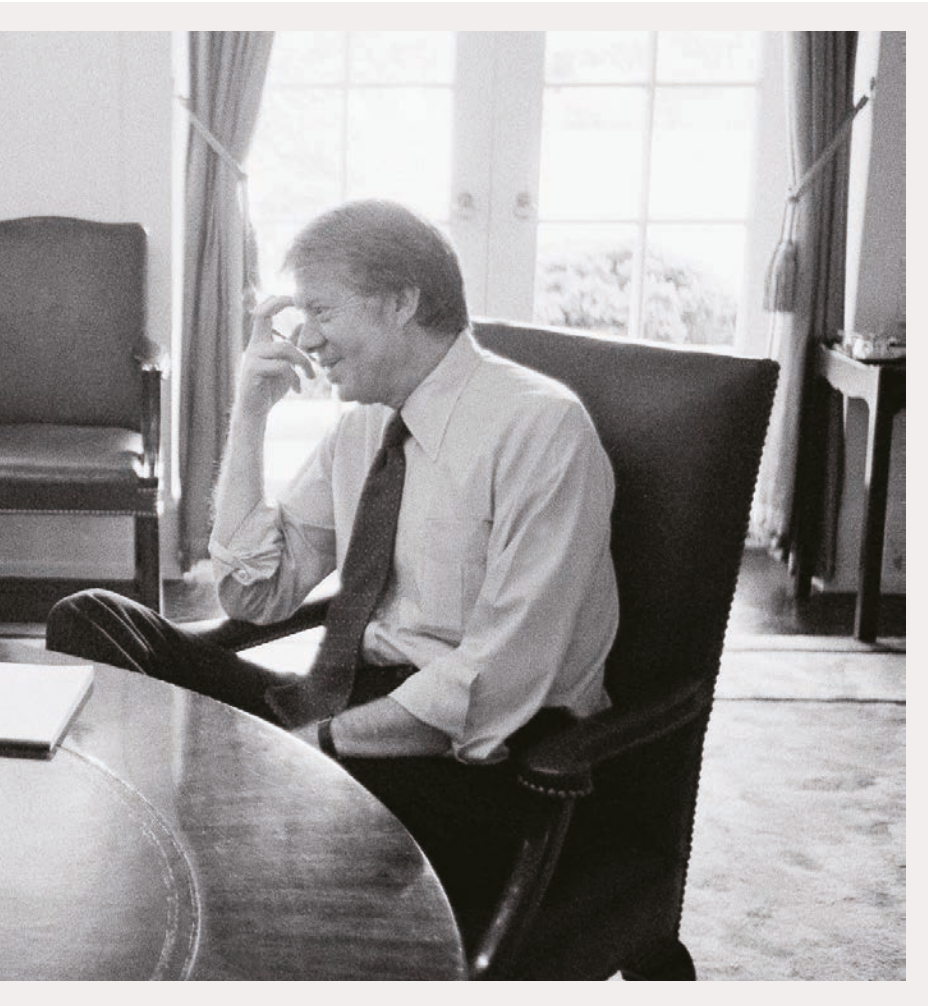
Agriculture Set the Stage for the Science and Technology Agreement

After the memorandum was signed, the U.S. Department of Agriculture and the Chinese Ministry of Agriculture hit the ground running. Right away, Secretary Bergland formally gained the support of the Land-Grant University system for the exchange program. Agricultural exchanges were set for 1979 on pest control and collecting seeds and plant material. U.S. agricultural scientists from USDA and eight land grant universities were the first to travel to China under the new understanding. Now more than 35 years later, over 2,100 U.S. agricultural scientists have traveled to China and a near equal number of Chinese



se have visited farms and laboratories in the United States. This exchange of expertise has helped both countries rise to global food superpowers.

New issues in agriculture, and the intellectual capacity of both the United States and China are needed to address food safety and security, climate resilience, and environmental issues in agriculture.



◀ Former U.S. President Carter recognized the importance of bilateral agricultural collaboration and sent Secretary Robert Bergland to China in November 1978 where they developed a memorandum on U.S.-China Agricultural Understanding.

However, the work is not done. New issues in agriculture, and the intellectual capacity of both the United States and China are needed to address food safety and security, climate resilience, and environmental issues in agriculture. On January 18, 2024 U.S. Secretary of Agriculture Vilsack met with Tang Renjian, China's Minister of Agricultural and Rural Affairs. They discussed the importance of working together to tackle climate and food security issues. To avoid losing the future scientific and agricultural diplomacy benefits that were made possible by the Science and Technology Agreement, the two country's representatives may want to take a breath, step back, and look to build on the success of the Agricultural Understanding to launch a new Science and Technology Agreement with a focus on shared needs rather than conflict and competition.



Navigating U.S.-China Maritime Relations



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In 2024 and beyond, the two nations must strive to understand the other's mindset. Concerted efforts will be needed to mitigate risks and enhance stability; therefore, both should refrain from taking unilateral actions against the other worldwide based on their own perceptions of maritime security.

At the start of 2024, the outlook for U.S.-China maritime relations continued to be marked by complex dynamics and ongoing tensions, particularly within the Indo-Pacific region. Several key factors are shaping the relationship.

The South China Sea has been a continual focal point of contention. U.S.-China relations in and over the South China Sea are only getting more tense at a time of general breakdown in overall relations. Also, the essence of South China Sea disputes has evolved from the territorial and maritime issues of various claimant states to a strategic competition that is now between China as a coastal state and the United States as a visiting user. Both countries have increased their naval presence and conducted military exercises in the region, heightening tensions. The U.S. has continued to assert its presence through so-called freedom of navigation operations (FONOPs), challenging what it considers to be excessive maritime claims by China. China, in turn, has expanded its naval capabilities and conducted exercises to assert control in the region.

The Taiwan Strait continues to be an area of heightened sensitivity, with the U.S. maintaining an ambiguous policy toward Taiwan, even as Beijing has reiterated its territorial claims over the island. U.S. naval activities in the region, along with American arms sales to Taiwan, have faced robust opposition from China, intensifying the complexities in relations.

Beyond the military realm, the United States and China have engaged in diplomatic and economic competition around the globe. The U.S. seeks to strengthen alliances in the Indo-Pacific region through initiatives such as the

Quad (an alignment of the U.S., Japan, India and Australia), while China has pursued its Belt and Road Initiative, expanding its economic influence in various countries, sometimes through port development and infrastructure projects with strategic maritime implications.

Also, the essence of South China Sea disputes has evolved from the territorial and maritime issues of various claimant states to a strategic competition that is now between China as a coastal state and the United States as a visiting user.

Continued disagreements persist regarding the interpretation of international maritime laws and norms, as well as compliance. While the U.S. has stressed the significance of the United Nations Convention on the Law of the Sea, China has frequently advocated its own interpretations and historical rights, underscoring the importance of customary international law.

The upcoming course of the maritime relationship between the U.S. and China could be shaped by changes in leadership, global events or shifts in policy approaches. Consequently, a thorough analysis of the evolution of both nations' maritime strategies and broader bilateral relations is essential to understanding whether future developments will entail sustained tensions or offer prospects for various forms of cooperation.

Understanding maritime strategy

The United States has passed through various phases in its maritime strategy. Establishing and upholding global maritime supremacy became a pivotal objective for the U.S. after World War II, as it aimed to secure global hegemony. During the Barack Obama administration (2009-17), concerns regarding major power competition at sea led to the adoption of a “rebalancing” strategy in the Asia-Pacific region, with a primary emphasis on maritime affairs. Subsequently, the Donald Trump Administration (2017-21) also focused on the Indo-Pacific.

It is noteworthy that the resurgence of U.S. maritime dominance began under President Barack Obama, while the Trump administration delineated a separate course for ocean-centered competition. But it wasn't until Joe Biden assumed office that a comprehensive strategy for engaging in sea-based competition with China was fully implemented. Consequently, China and the United States have found themselves entangled in intense naval standoffs, with control and counter-control of maritime territories emerging as the central facets of their strategic rivalry.

China has undergone distinct developmental phases in shaping its maritime strategy. During the early years of the People's Republic of China, the nation's primary focus was on safeguarding its survival; and so it was extremely sensitive to perceived external threats. However, a pivotal turning point came in 1978, when it embarked on its historic reform and opening-up policy. This heralded the adoption of an open ocean strategy by the Communist Party of China, which emphasized both offshore defense and oceanic development. This strategic shift marked a significant departure from China's earlier narrow emphasis on maritime security alone. It embraced a more comprehensive perspective, pivoting

away from zero-sum games and toward fostering cooperative relationships in the maritime domain.

As nations embraced the consensus that the 21st century would be the “ocean century”, competition over oceanic resources intensified. Against this backdrop, a new generation of Chinese leadership adopted a strategy of fostering robust maritime power. China's maritime power strategy has



evolved into a central and pivotal component of the country's pursuit of its oceanic interests, underscoring the importance of adhering to a holistic land-sea plan, fostering the marine economy and cultivating maritime strength.

Reading the other mindset

In their broader bilateral relationship, China and the United States appear to be



▲ Australian Prime Minister Anthony Albanese, U.S. President Joe Biden, Japanese Prime Minister Fumio Kishida, and Indian Prime Minister Narendra Modi at the Quad Leaders' Meeting in Tokyo, Japan, May 24, 2022. (Photo: Official Website of the Prime Minister of Japan)

approaching a new equilibrium of power, foreshadowing an extended period of strategic impasse. The comprehensive maritime domain awareness initiative of the United States encompasses the entirety of the Indo-Pacific region, extending from the Indian Ocean across Southeast Asia and into the South Pacific. As the U.S. persists in implementing this new strategic blueprint, and with China's maritime endeavors expanding into the Indian Ocean and the South Pacific as well, competition between their respective naval capabilities will inevitably extend into these waters.

In the expansive global maritime arena, it remains both politically unfeasible and technically implausible for China and the United States to resolve their conflicts through warfare. Within this consensus, comprehending the mindset of each party becomes the key to alleviating tensions, surmounting obstacles and moving toward a less confrontational approach. This can pave the way to potential avenues of cooperation.

From China's standpoint, the formation of the U.S. maritime alliance and the execution of its Indo-Pacific Strategy pose substantial challenges to China's national security. As a result, a critical strategic imperative for China involves formulating strategies to protect its maritime rights and interests while concurrently establishing a network of strategic maritime partnerships. By fostering collaboration within this network, China aims to fortify its maritime standing and guarantee the sustainable advancement of its maritime interests. Its advocacy of the concept of "building a maritime community with a shared future" carries considerable weight since its formal introduction by President Xi Jinping in 2019. This concept underscores the value of nurturing cooperation, mutual trust and shared development among nations with overlapping maritime interests.

From the viewpoint of the United States, China's escalating naval military capabilities represent a potential challenge to U.S. global maritime dominance and security. Consequently, it has enacted a series of measures aimed at restraining the growth of China's maritime strength. For instance, in March 2021, Philip Davidson, the 25th commander of the U.S. Indo-Pacific Command, highlighted the pivotal importance of the Pacific Deterrence Initiative, which seeks to counter potential threats from regional competitors, particularly China, by reinforcing the U.S. military presence, capabilities and deterrence in the Indo-Pacific region.

Conversely, China might underestimate the broader strategic ramifications of its own power expansion within the region and globally.

Recognizing disparities

It's intriguing to note the dynamics characterizing the current U.S.-China maritime competition, which, compared with historical land-sea power struggles, has swiftly evolved with significant changes. First of all, the underlying purposes driving the rivalry between the two nations differ starkly. China's strategic focus on its maritime advancement and pursuit of maritime interests aims to foster a global community united in shared prosperity. It wants to establish an equitable maritime order. Conversely, the United States is pursuing conventional maritime hegemony and control, historically emphasizing dominance over key waterways worldwide and establishing a network of military bases to safeguard its maritime interests.

Additionally, conventional differentiation between land and sea power is gradually ero-

ding, owing to technological advancements, leading to an expansion and fusion of their meanings and extensions. Consequently, the traditional advantages and drawbacks linked to land and sea power are becoming less evident. Moving forward, the competition between the United States and China in the maritime realm is expected to broaden, surpassing conventional military capabilities. These contrasting ambitions highlight the divergent strategies each nation employs when navigating the maritime sphere.

Amid this competitive seascape, it is imperative for both China and the United States to acknowledge and navigate the differences in their respective mindsets. The rapid ascension of China's maritime prowess has fueled apprehensions within the United States. Drawing from historical experience, the U.S. often gauges intentions based on capabilities and may inadvertently exaggerate China's strategic motives. Conversely, China might underestimate the broader strategic ramifications of its own power expansion within the region and globally. Both countries require time for strategic readjustments to foster a deeper understanding of each other's perspectives.

It is crucial to recognize that at the heart of the U.S.-China maritime rivalry is distribution of power, not disputes over sovereignty or freedom of navigation.

The current setback

At present, China and the United States often find themselves in disputes, blaming each other for provocative actions and showcasing reactionary conduct. To alleviate the impact of politics and nationalism, it is crucial to institute prompt and transparent communication channels on pivotal maritime matters across global regions. This involves engaging in extensive consultations on strategic concepts, facilitating discussions on arms control and fostering exchanges regarding the development of maritime armaments.

China and the United States both have a vested interest in upholding an open and harmonious regional maritime order.

It is crucial to recognize that at the heart of the U.S.-China maritime rivalry is distribution of power, not disputes over sovereignty or freedom of navigation. Should China and the United States fail to effectively address each other's reasonable concerns — abstaining from meaningful discussions while solely emphasizing their own respective principles and stances — the inevitable consequence over time will be an escalating intensity in maritime conflicts and confrontations between the two countries.

Given the existing competition, potential avenues are yet available for collaboration between China and the United States with respect to ocean-related challenges globally. Both nations should proactively participate in establishing

an international maritime public service system and contribute to providing public goods for the global community. This encompasses engagement in marine science research, furnishing early warning systems for natural disasters, aiding in search and rescue operations, advocating environmental protection, extending support for disaster relief, combating piracy, countering terrorism and addressing various other critical domains.

China and the United States both have a vested interest in upholding an open and harmonious regional maritime order. The contemporary rivalry between these nations predominantly centers on disputes concerning order and regulation. To ensure a stable maritime relationship, it's imperative to establish a mutually recognized set of rules or order embraced by both countries and the broader international community. Such an order, grounded in shared principles, respect for international law, and the interests of all stakeholders, can only be realized through extensive negotiations and dialogue.

Concerted efforts are essential to shape enduring sea-based interactions that mitigate risks and foster stability. Both China and the United States should refrain from unilateral actions geared toward establishing maritime security mechanisms against each other, be it in the Western Pacific, the Indo-Pacific region or any other maritime zone. Instead, the primary focus should be on cultivating mutual understanding and trust, and on fostering cooperative endeavors.



China-U.S. Rivalry Through a Tech Lens

The United States seeks to widen the technology gap with China as much as possible and thus will create more barriers for Chinese research and development. It may even try to push back some of the technological advancements China has made. China needs to prepare for greater pressure.



Geopolitics is a classic proposition in international relations studies. In step with post-Cold War globalization, in-depth interaction between economies and geopolitics has turned geo-economics into an important framework of analysis. With “anti-globalization” emerging in the U.S. and other Western nations, against the backdrop of major-power competition, the impacts of such factors as weaponization of economic interdependencies, checks and balances between international economic and trade mechanisms, friend-shoring and supply chain reshuffles in major-power geopolitical games have grown ever more obvious.

As Robert Atkinson, President of the U.S. Information Technology and Innovation Foundation, and others have observed, the United States and Soviet Union engaged in the Cold War mainly with military strength. But the core of the new geopolitical competition between China and the U.S. is a competition of economic strength based on technological leadership.

The geotechnology perspective, however, focuses on the interactive relationship between technological factors and geopolitics and major-power competition, which offers a fresh angle for understanding international relations — especially the China-U.S. rivalry. The Biden administration in the United States has stated on multiple occasions that technological competition is the core of U.S.-China strategic competition. U.S. Commerce Secretary Gina Raimondo said that China creates increasing challenges for U.S. national security with its technological capacity, and so the U.S. must ensure it remains at the forefront of global innovation at a time of unprecedented technological transformation and competition.



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Geotechnology generally includes three dimensions. First, the technological level is a key variable affecting countries' comparative strengths, and technological factors are assuming increasing importance in countries' national security strategies.

Meanwhile, major-power competition has often been a catalyst driving major technological transformations.

Technological level has a decisive influence on a country's economic and military strengths and reflects its soft power development model and innovation ecosystem. From the long perspective of world history, technological progress has provided strong impetus for the rise of major powers, as well as changes in military and war models, thus profoundly promoting the evolution of the international political order. Meanwhile, major-power competition has often been a catalyst driving major technological transformations.

Global technological innovation is intensive and robust at present in an unprecedented way. A new technological revolution and industrial changes are redrawing the global landscape of innovation and reshaping global economic structure. Against such a background, countries are focusing more on the impacts of technological factors on national security strategy. Competition between major countries surrounding "innovation power" is growing ever more fierce. Based on major-power competition considerations, many countries are trying to reduce their technological dependency on competitors.

In order to enhance U.S. control over technological factors in national security, the Biden administration has added a position of deputy national security adviser in charge of cyberspace and emerging technologies to the White House

National Security Council, and it established the Office of the Special Envoy for Critical and Emerging Technology at the State Department, in response to the increasing importance of technological factors in major-power competition.

Second, as such factors as high-tech firms' influence on major-power games increases, in-depth integration of government and non-government forces becomes even more conspicuous in technological competition between major countries. In the era of digital economy, many outstanding transnational companies in high-tech industries have "superpowers" that profoundly affect the global political and economic order. Eurasia Group founder Ian Bremmer believes that tech firms are "core players" in 21st century world geopolitics. Compared with the unipolar, bipolar or multipolar regimes of traditional international politics, the technopolar regime is showing growing significance. Tech firms may determine how countries project economic and military strength, formulate future employment and redefine social contracts, structuring the global environment for major-power games.

Competition between major countries surrounding "innovation power" is growing ever more fierce.

For the making and implementing of U.S. diplomatic and national security policies, such high-tech firms as Google, Intel and Tesla, along with related sci-tech industry associations, colleges and research institutions, are indispensable forces. By way of such mechanisms as the President's Council of Advisors on Science and Technology and the National Security Commission on Artificial Intelligence in Congress, technological experts and high-tech company executives offer policy advice and actual support for improving U.S. national se-



- ◀ Member of Special Ukrainian army unit operating reconnaissance drones monitors on screen views of positions of Russian forces using Starlink in undisclosed location in Donbas of Ukraine on May 26, 2023.

curity strategies. During the Ukraine crisis, for example, StarLink services provided by SpaceX and satellite image intelligence from Planet Labs were critical factors affecting the course of combat. These high-tech firms are driving the world's military sector into a new phase of intelligent warfare.

In the era of digital economy, many outstanding transnational companies in high-tech industries have “superpowers” that profoundly affect the global political and economic order.

To ensure long-standing and strong technological advantages, such Western countries as the U.S. are implementing a “modern industry strategy” that involves increased government input in research and development, restructuring of high-tech product supply chains, enhancing collaboration of governmental and non-governmental actors and striving to build a position of strength against competitors.

Third, the building of alliances, or camps, that are highly correlated to high-tech has become a focus of major-power games, and technological competition is closely connected with competition in such realms as economy, security and ideology. To enhance technological advantages against competitors, the United States and other Western countries attach great significance to forming multilayered, modularized technological alliances to strengthen intelligence sharing and increase policy coordination in industrial policy, export control, investment oversight, scientific and technological exchanges and people-to-people exchanges in a bid to build so-called small yards with high walls. Such technological alliances also play a role in facilitating joint fund-raising, research and development, with the goal of providing “alternative options” for high-tech products and reducing competitors’ market share and influence in global high-tech industries.

Moreover, the technological allies pay considerable attention to major power competition surrounding such concerns as international tech standards, emerging tech governance and scien-

tific and technological research ethics — such as consolidating Western countries’ control over such international organizations as the IEC — to make sure the rules of AI governance conform to so-called democratic values.

No doubt China needs to prepare for greater pressure from the U.S. as it attempts to strangle Chinese tech progress.

Pushed by U.S.-led Western countries, technological competition is increasingly showing characteristics of “cross-domain competition” in which factors such as supply chains, military security and ideology are bound deeply to technological competition. An example is the Export Controls and Human Rights Initiative, which the Biden administration put forward under the framework of the Summit of Democracies.

It is worth noting that such geopolitical mechanisms as the Quad and AUKUS are increasingly embedded with functions of technological competition. The U.S. is attempting to use technological factors — especially emerging technologies with potential military applications — for cohesion as it builds geopolitical camps and responds to “digital authoritarianism,” “economic coercion” and “AI governance risks” in the formation of a “technology alliance of democracies.”

In recent years, the U.S. has clearly taken China as its most serious geopolitical challenge. It has forcefully implemented a competitive China strategy and claimed that its rivalry with China has entered a “decisive decade.” U.S. State Secretary Antony Blinken said that ensuring U.S.

technological leadership is one of the Biden administration’s diplomatic priorities. Former U.S. Deputy Assistant Secretary of State Susan Shirk, now a professor at UC San Diego, and some other strategists believe technological issues — which encompass security, economic competition and human rights challenges — have become the focus of America’s strategic competition against China.

The U.S. is feeling an ever-stronger sense of urgency in deepening technological competition with China. As President Joe Biden’s National Security Advisor Jake Sullivan said, it won’t be enough for the U.S. to simply retain technological leadership. Rather, it needs to widen the technology gap with competitors as much as possible. This reflects a significant change in U.S. strategic thinking about technological competition with China and indicates that the U.S. will create more barricades for Chinese research and development — or even to push back some of the technological advancements China has made. No doubt China needs to prepare for greater pressure from the U.S. as it attempts to strangle Chinese tech progress. China must do its best to guarantee the sustainability of its own development.

Technological competition is increasingly showing characteristics of “cross-domain competition” in which factors such as supply chains, military security and ideology are bound deeply to technological competition.



Graphic: Cover of *Dark Clouds and Silver Linings*, Munich Security Debrief 1/2024

Will Technology Make a Safer World?



Xiao Qian

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The Munich Security Conference generated a lot of heat but little progress on problems posed by artificial intelligence and how it should be regulated. Countries everywhere need to delicately balance tech development with regulation and navigate the fine line between inevitable competition and indispensable cooperation.

The annual Munich Security Conference, the premier security forum in Europe, offers an important platform for transatlantic countries to discuss international security issues and align their security and defense policies. Its agenda often provides comprehensive insights into the security concerns of transatlantic nations, especially European elites.

Since 2023, the boom of large language models and the rise of ChatGPT have left the international community deeply anxious about security challenges that artificial intelligence may bring. In fact, AI-related concerns were high on the agenda of the recently concluded Munich conference. There were three main-stage events directly related to emerging technologies, with more than 20 side events and dinner parties dedicated to AI, which accounted for one-fifth of all discussions. Indeed, AI has emerged as one of the most talked-about issues, alongside the Russia-Ukraine conflict, the Palestinian-Israeli conflict and supply chain security.

Amid increasing global geopolitical tensions and economic uncertainty, the security conference was marked by an overwhelming emphasis on issues such as supply chain and food security to climate change and the refugee crisis. Even discussions on education, culture and scientific research were frequently colored by security considerations. Discussions about emerging technologies, an important driving force for global prosperity, also fell victim to the security obsession.

The participants were highly concerned about the risks arising from the misuse of AI. Their biggest concern was what false information could bring to democratic systems. Interestingly, on the very day the conference commenced, OpenAI released Sora, a new model that can create a 60-second video from text instructions that triggered heated discussions among the participants. While impressed by the rapid technological development, they focused on the potential amplification of false information as digital image generation models come on the scene. Many speakers noted that

the foundation of Western democratic systems could be shaken if false information generated by AI technologies were to be exploited for political purposes — for example, to disrupt elections in 2024, an election year in which more than 4 billion people in more than 40 countries and regions will cast votes.

On the same day, 20 leading tech and AI companies signed a voluntary agreement committing to combat AI misinformation intended to disrupt global elections. Among them were OpenAI, Anthropic, Google, Microsoft, Amazon and social platforms such as TikTok, X and Facebook. Together they announced they would jointly develop open-source tools to counter deceptive AI-generated content that is produced to mislead voters, monitor the dissemination of such content in the cyberworld, bolster the public's awareness and media literacy and foster cross-industry capabilities to counter such content.

Despite efforts to align their approaches to AI governance, the United States and Europe are still divided on some key issues.

The announcement of the agreement, however, did not seem to inject confidence into the discussion in Munich. Instead, the commitments outlined in the agreement were criticized for lack of clarity and mandatory binding force. Some European participants even openly questioned the professional ethics of large AI companies, asking whether the AI companies, which are not elected by the people but have huge technical power, can be trusted.

Second, despite efforts to align their approaches to AI governance, the United States and Europe are still divided on some key issues. In the past few years, the two sides have increased their coordination in the field of digital technology by establishing the U.S.-EU Trade and

Technology Council and signing OECD agreements on digital services taxes. But major divisions persist in AI regulatory models. At the security conference, differences between the American model and European model were repeatedly mentioned. The EU is worried that unregulated digital technology will expose European citizens to data security breaches and harmful content, while the United States is concerned about the impact of possible regulations on its tech industry. Finding mutually beneficial solutions across the Atlantic then became one of the most prominent topics in the many closed-door discussions and corridor conversations.

I asked the panelists: “How do you view China’s role in global AI governance, and are you willing to strengthen cooperation with China in this field?”

During discussions on AI and emerging technologies, U.S. representatives tried their best to win over their European counterparts by emphasizing the need for enhanced security of technology. However, they confused com-

petition between systems with competition in technology, arguing that they must unite to deal with competition and the challenges posed by China. Yet divergent views existed on this proposition. In a panel discussion — Net(work) Gains: Aligning Transatlantic Tech Governance — I asked the panelists: “How do you view China’s role in global AI governance, and are you willing to strengthen cooperation with China in this field?”

Margrethe Vestager, executive vice-president for Europe Fit for the Digital Age at the European Commission, advocated dialogue and cooperation with China, despite differences on certain issues. Alex Karp, co-founder and chief executive officer of Palantir Technologies Inc. in the United States, claimed that there should be no cooperation in any form with China, nor should any technology be transferred to China.

As for that latter point, panelists engaged in a heated debate. Kurt Siever, chairman and CEO of NXP Semiconductors, headquartered in the Netherlands, believed that it is still necessary to make a distinction between civilian technology and military technology. It is advisable to strengthen cooperation with China in civilian technology, he argued, because China has a huge market and many leading tech companies.

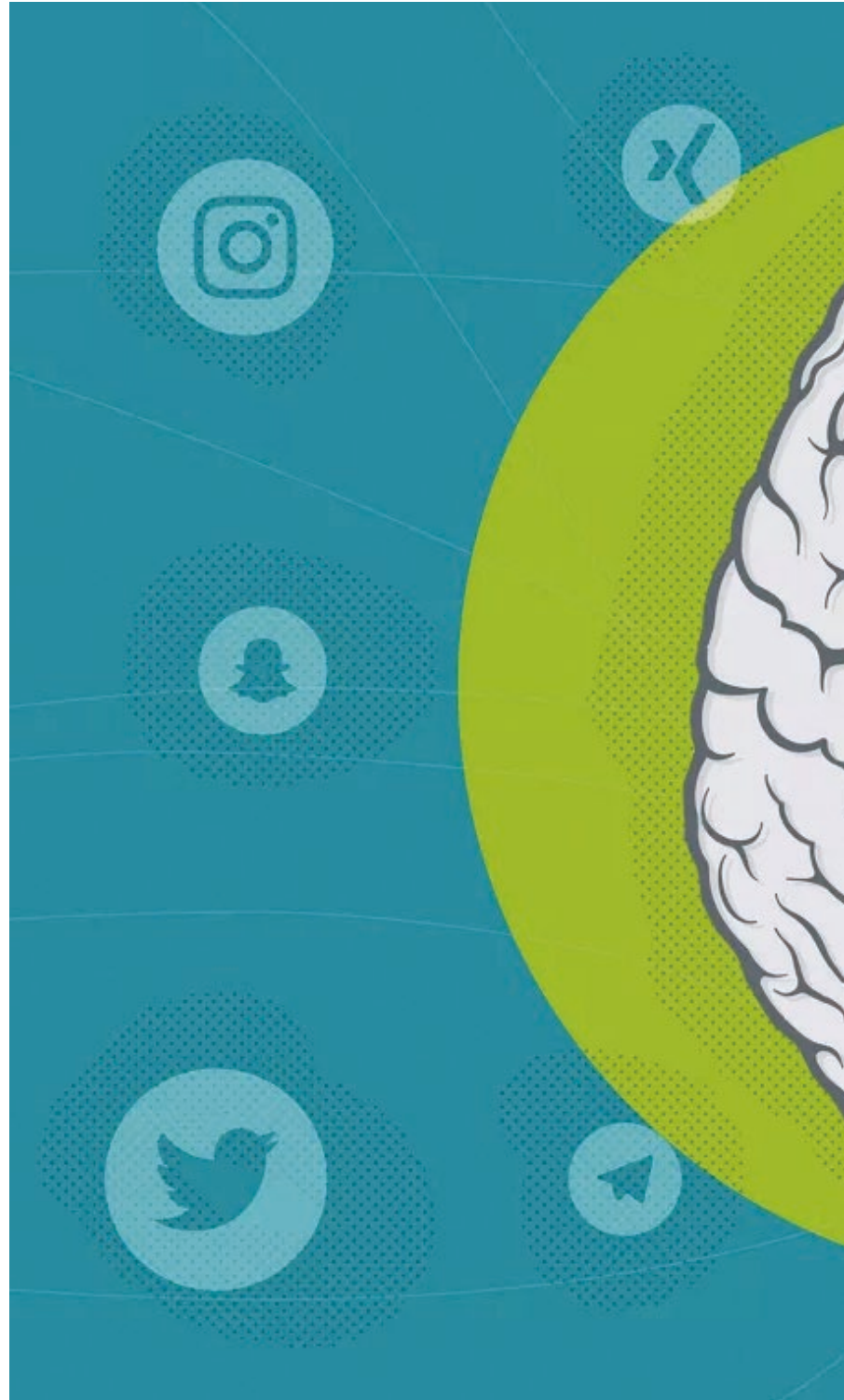


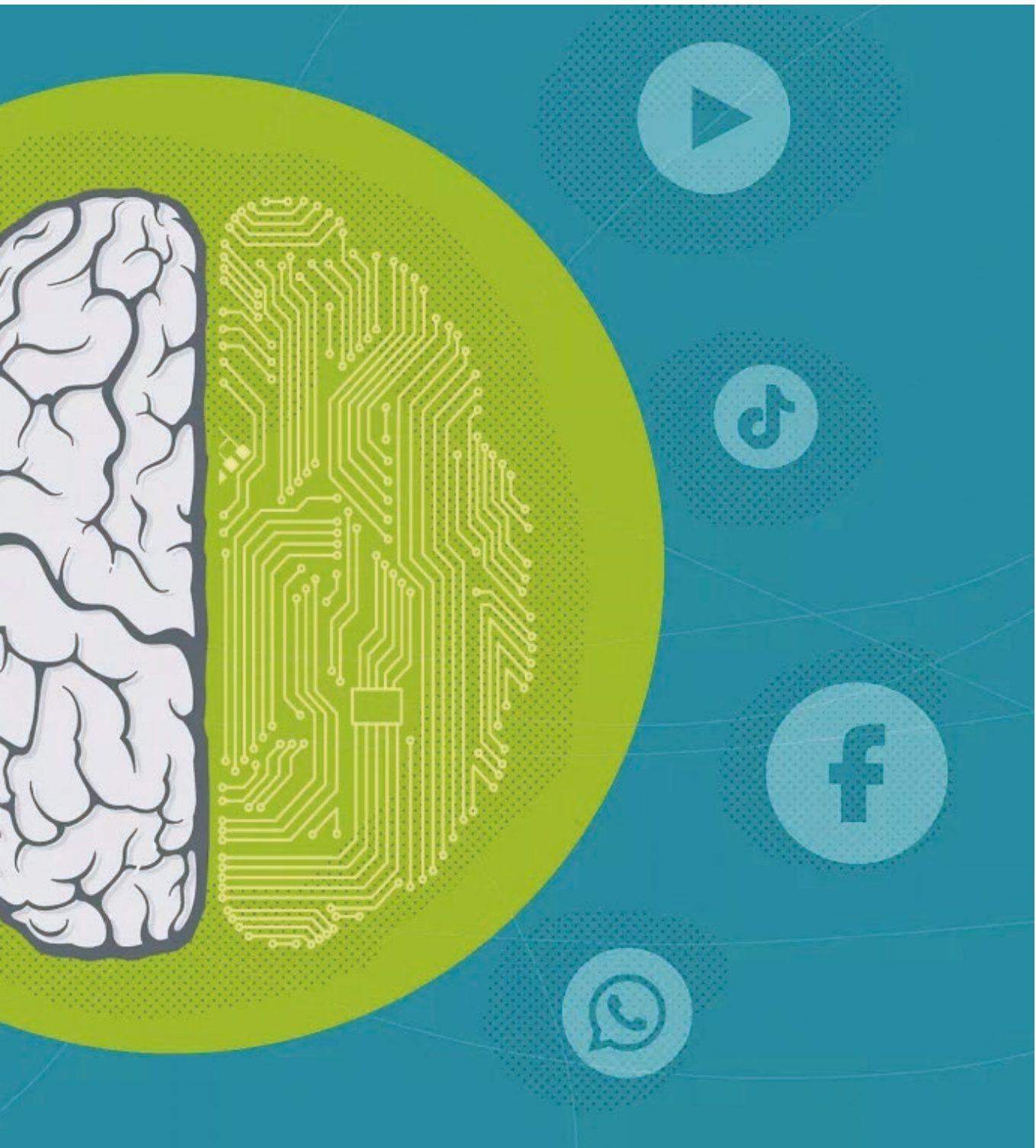
◀ On February 16, 2024, the Center for the Governance of Change at IE University hosted at the Munich Security Conference a roundtable discussion on cognitive warfare (CW) and artificial intelligence moderated by Florence Gaub, Director of the Research Division at NATO Defence College.

“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

On the other hand, Karp emphasized that it is naive to believe that military and civilian technology can be clearly distinguished, and that all cooperation with China should be strictly restricted to ensure security.

This scene seemed familiar and reminded me of a similar episode at MSC 2021. Back then, Nancy Pelosi, speaker of the U.S. House of Representatives, went to great lengths to persuade the Europeans to steer clear of Huawei 5G equipment in order to maintain Europe's values and security. In the following years, Washington has successfully persuaded Europeans not to use Chinese 5G equipment, but it does not seem to have provided the Europeans with better technical alternatives.

Third, the recent conference placed a significant emphasis on addressing risks brought by artificial intelligence technology from the perspective of geopolitical competition. The pre-conference MSC Report played an important role of shaping the direction of discussions and setting the tone of the conference. In its technology section, the report underscored that AI technology will be a key determinant of geopolitical power in the coming decades and that throughout the tech sector, global cooperation has given way to geopolitical competition. According to the report, China and the U.S. are vying for dominance in AI, and as nations increasingly use technology to gain dominance over their geopolitical rivals, the new trends of tech weaponization and de-integration have repercussions for international security.

Many discussions on AI and emerging technologies were exclusive and held behind closed doors, few, if any, Chinese participants were invited. Based on my observation of several discussions and my interactions with U.S. and European experts on different occasions, it became evident that the logic of geopolitical competition dominated these tech discussions, and some participants even tried to deal with technological risks through political means. For example, tech competition was framed within the context of autocracy vs. democracy; the global technology landscape was divided into

competing factions; and there were proposals to maintain the security of small groups by outmaneuvering rivals. Consequently, MSC 2024 failed to present positive suggestions for global cooperation to tackle technological risks, nor did it provide any effective plan for promoting global supervision of such risks.

The report underscored that AI technology will be a key determinant of geopolitical power in the coming decades and that throughout the tech sector, global cooperation has given way to geopolitical competition.

I also noticed that discussions on AI and emerging technologies usually included a representative from the Global South, a move seemingly designed to swing his or her representative toward Western values. The representatives took a cautious approach, however, refusing to take an explicit position in the debate on digital autocracy versus democracy. Instead, they emphasized national and regional development over values-based considerations.

Kenya's former Foreign Minister Raychelle Omamo, for example, said that the Global South places greater emphasis on development and posed a question: Who can better support their countries in areas such as infrastructure development, personnel training and public health, instead of applying labels to certain countries. Obviously, many countries in the Global South still prioritize digital development over geopolitical coordination.

It is also worth noting that this year the conference, which traditionally focuses on defense issues, featured many sub-forums on AI's potential military applications. The discussions demonstrated AI applications in the Russia-Ukraine conflict and explored ways to increase the efficiency and accuracy of intelligence through AI technology. In addition, the MSC Report said that AI weapon systems with

limited (or zero) human oversight also raise questions regarding accountability for the potential war crimes such systems could commit. But effective discussions on these questions were notably absent from the conference.

The report also pointed out that the limited logic of geopolitical competition was obvious in the technological field. There is a moral imperative for international cooperation on AI regulation, it said, adding that states worldwide must look for areas where positive-sum tech cooperation may still be possible. Unfortunately, as an important platform for communication between transatlantic and “like-minded” countries, the MSC failed to break away from the bloc-based (or alliance-oriented) mindset, placing the security of small groups before the common interests of mankind. It tended to politicize and weaponize tech issues, attempting to define friends and foes and fragment the world. This approach threatens to cause disruptions to global industrial and supply chains, ultimately leaving the world on a more unstable footing.

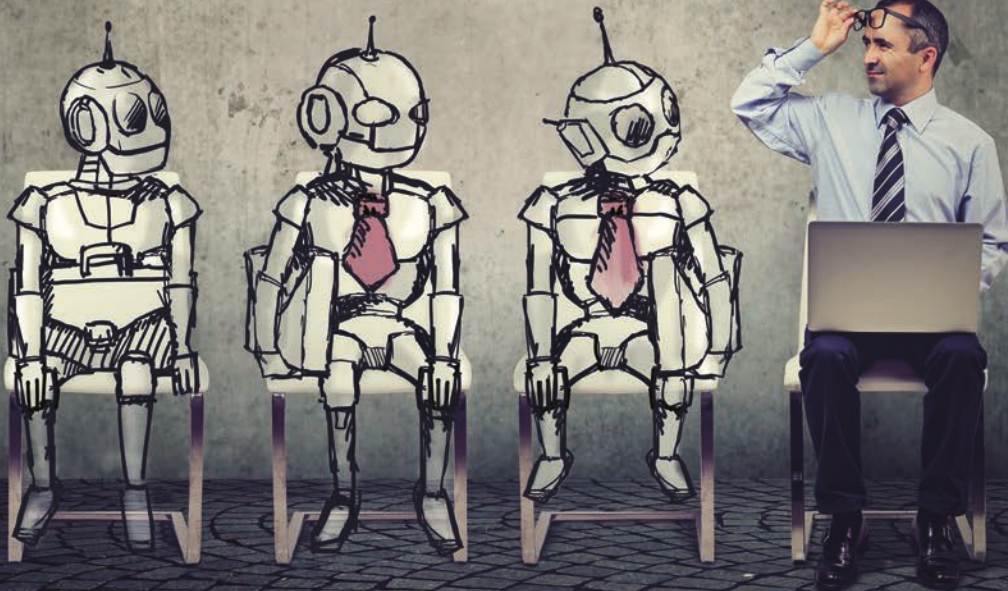
In a main-stage event titled “Augmented Rivalry: Geopolitics and the Race for AI,” moderator Ian Bremmer, chairman of Eurasia Group, talked about uncertainties brought by technology.

“Technology flows freely. Scientific research needs to be shared and open-sourced,” he said.

Indeed, knowledge knows no boundaries. Attempts to build walls, engineer confrontations and impose sanctions to prevent technological exchanges and cooperation will only increase barriers and chances of miscalculations, adding more destabilizing factors to the world. Moreover, such moves cannot address risks and challenges that emerging technologies bring to the world. In this context, with the continuous development and rapid iteration of AI technology, countries everywhere need not only to delicately balance tech development and tech regulation but also navigate the fine line between inevitable competition and indispensable cooperation. In dealing with these issues, dialogue always proves more fruitful than confrontation, and cooperation definitely trumps competition.

Attempts to build walls, engineer confrontations and impose sanctions to prevent technological exchanges and cooperation will only increase barriers and chances of miscalculations, adding more destabilizing factors to the world.

Working Toward Ethical AI Governance



Peter Bittner
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The new frontier of AI may be the most exciting technology in the world, and the most controversial. The need for regulations across cultures and countries could provide an opening for the U.S. and China to cooperate for the greater good.

Recent developments in artificial intelligence have catalyzed a paradigm shift, particularly in the context of U.S.-China relations. The international AI safety agreement and the bilateral discussions between U.S. President Joe Biden and Chinese President Xi Jinping have ushered in a new era of opportunity in

global AI governance. Despite the challenges of aligning the two countries' divergent policies, there lies an important opportunity to establish unified safety and ethical standards in AI development. Though difficult to enforce, these are nonetheless critical.

At the AI safety summit hosted by Britain in November, the respective roles of China and the United States were significant but distinct. This pact, emphasizing that AI systems be “secure by design,” is a collective recognition of the importance of preemptive safety measures in AI development. The United States, represented by Secretary of Commerce Gina Raimondo, played a key role in the discussions, highlighting its position as a global leader in AI technology and its interest in shaping AI governance. America’s participation underscored its commitment to developing AI technologies that are secure and ethically sound. China’s participation in the summit was crucial, considering its significant role in global AI development. The presence of Chinese representatives demonstrated a willingness to foster multilateral engagement on AI safety. However, it also highlighted the complexities and sensitivities in international AI governance, given the varying levels of trust and differing approaches to technology between China, the United States and Europe.

Their cooperation is essential for establishing global standards in AI safety and ethics, transcending the traditional competitive dynamics often seen in U.S.-China relations.

Similarly, the dialogue between Biden and Xi in San Francisco signifies the pivotal roles of the U.S. and China in the AI domain. As the world’s leading economies and technological innovators, their cooperative approach to AI could set the tone for global standards in AI governance. This interacti-

on highlights a mutual understanding of the strategic importance of AI and the necessity for collaboration in its safe and ethical development. The agreement on AI safety and the Biden-Xi dialogues represents a convergence of interests and responsibilities between the two nations. Their cooperation is essential for establishing global standards in AI safety and ethics, transcending the traditional competitive dynamics often seen in U.S.-China relations.

The U.S. approach

The Biden administration’s approach aims to address ethical concerns in AI development, emphasizing consumer protection, workers’ rights and safeguarding minority groups. Biden’s executive order on AI focuses on ethical guidelines and standards to ensure that AI technologies are used responsibly and in ways that respect privacy and civil liberties. This reflects a commitment to managing the societal impacts of AI, acknowledging its potential to transform industries and affect workforces. The administration’s focus on ethics in AI is a response to growing concerns about AI’s societal implications, particularly in such areas as surveillance, bias and data privacy.

Furthermore, the U.S. approach to AI regulation involves significant investments in AI research and development, as outlined by the White House. These investments aim to bolster the country’s technological prowess in AI while ensuring that innovation is aligned with ethical standards. The emphasis on R&D is part of a broader strategy to maintain the America’s competitive edge in AI globally. However, the strategy also acknowledges the need to balance innovation with responsible development. The approach contrasts with the more centralized strategies in the European Union, highlighting America’s flexible and adap-

tive stance toward AI governance. This is best demonstrated by California Governor Gavin Newsom's own executive order on AI.

China's approach

China's approach to AI regulation, in contrast to that of the United States, reflects its unique governance style and political imperatives. The Chinese government is increasingly aligning AI governance with public attitudes and societal benefits, while also maintaining a focus on stability and the promotion of core socialist values. This evolving stance sees China balancing innovation with pragmatic oversight, often favoring pragmatism over hard limits on innovation. The government's approach is notably characterized by its efforts to maintain social and political stability, a priority that has led to the development of AI-enabled systems, such as the social credit system, which leverages exhaustive data gathering to incentivize compliance.

The Chinese government is increasingly aligning AI governance with public attitudes and societal benefits, while also maintaining a focus on stability and the promotion of core socialist values.

Recent regulations in China, particularly concerning generative AI, set out specific requirements and prohibitions. On July 13 last year, the Interim Measures for the Management of Generative Artificial Intelligence Services came into effect. These interim measures were among the first to specifically target generative AI. They

include upholding social morality and ethics, preventing discrimination, respecting intellectual property rights and ensuring the physical and psychological well-being of individuals. Operational requirements are also in place that focus on aspects such as training data, privacy rights, content moderation and user engagement. These regulations reflect China's nuanced approach to AI governance, balancing the need for control with the promotion of innovation.

Unlike the relatively clear-cut dangers of nuclear proliferation, the ethical considerations in AI are more nuanced and open to interpretation.

Moreover, China is expected to introduce a comprehensive AI law, reflecting the urgency to create a robust legal infrastructure for AI amid its rapid development. This legislation is part of a broader plan by the Chinese government to lead in the establishment of regulatory frameworks for technologies such as AI. The draft law is under review by China's National People's Congress and is indicative of ongoing efforts to strengthen China's AI governance framework.

Navigating challenges

Enforcing AI safety agreements, such as the recent international accord, presents a unique set of challenges and mirrors some aspects of the complexities faced in nuclear control agreements. The primary hurdle lies in the non-binding nature of these AI agreements, which, unlike nuclear treaties, do not have the same le-

vel of physical tangibility for monitoring and verification. This intangible aspect of AI, combined with rapid technological advancements, make it difficult for regulatory frameworks to effectively monitor and enforce compliance. The enforcement is further complicated by the decentralized nature of AI development, where myriad entities contribute to advancements, often without coordinated oversight.

Furthermore, the standards for AI ethics and safety are often subjective and can vary across cultures, making it challenging to reach a consensus on what constitutes a violation of agreements. Unlike the relatively clear-cut dangers of nuclear proliferation, the ethical considerations in AI are more nuanced and open to interpretation. The current landscape of AI governance also lacks a dedicated global body for oversight, although the UN's

formation of an AI working group provides hope that consistent application and enforcement of AI safety standards is possible. Therefore, while the establishment of AI safety agreements marks a significant step in global governance, the path to effective and consistent enforcement requires innovative monitoring strategies, a shared understanding of ethical standards, and potentially the creation of a new international regulatory body.

Harnessing opportunities

While the alignment of AI policies by the U.S. and China presents significant challenges arising from contrasting governance styles and political ideologies, it also opens doors to numerous opportunities. Collaborative efforts can lead to robust global AI governance frameworks, combining the technological strengths



▲ Visitors take pictures of robot arms at the 2023 World Robot Conference in Beijing.

The path to effective and consistent enforcement requires innovative monitoring strategies, a shared understanding of ethical standards, and potentially the creation of a new international regulatory body.

and policy insights of both nations. This synergy can foster innovation in AI safety measures, ethical AI development and the setting of global standards. Moreover, it can catalyze joint initiatives in AI research and development, benefiting not just the two countries but the international community at large.

Expanding on the potential for collaboration between the U.S. and China in AI governance, one significant opportunity lies in establishing a unified approach to AI ethics. Both nations, which are at the forefront of AI research and development, have the capacity to significantly influence global norms and practices. A collaborative effort in this area could lead to the development of a shared set of ethical guidelines, addressing issues such as AI bias, privacy and transparency. These guidelines could serve as a benchmark for AI development globally, ensuring that AI systems are not only technologically advanced but also ethically sound and socially responsible. Furthermore, such collaboration could help bridge the gap between different cultural and societal values, leading to a more globally inclusive approach to AI ethics.

Envisioning the future

The cooperative approach adopted by the U.S. and China can significantly influence the future of global AI governance. By leading the establishment of global safety and ethical standards, they can ensure the responsible development and deployment of AI technologies. This leadership is crucial in shaping a future in which AI is a force for good, advancing societal interests and guarding against potential abuse. The evolving AI landscape, therefore, is not just about technological advancement but about shaping a future that aligns with human values and global security



Munich Security Report Special Edition

Zeitenwende Wendezeiten

Scene at the German Historical Museum before the 2020 MSC special report “Zeitenwende | Wendezeiten” presentation on the current situation of German foreign and security policy.

The concept of Zeitenwende, or “turning point,” in Germany refers to the significant shift in German foreign and security policies following the breakout of Ukraine War in February 2022. This term was coined by Chancellor Olaf Scholz during his speech to the Bundestag on February 27, 2022, where he outlined measures to enhance Germany’s defense spending and military readiness.

“Zeitenwende” and Germany’s New China Policy



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What choices should a country make as humanity faces a historical transformation? For China, the answer lies in dismantling the pervasive zero-sum mindset and maintaining an unwavering commitment to win-win cooperation. China and Germany, despite their distinct ideologies and security interests, have the potential to shape a better future.

As China-U.S. relations remain strained and multi-directional diplomacy gains momentum, the importance of positive relations with Germany and Europe has grown in China’s broader diplomatic landscape.

This economic partnership was a cornerstone of China-Germany relations during the Merkel era. In the post-Merkel era, relations are undergoing a shift in perceptions and interests. Germany’s policy on China has undergone reconstruction within what it calls a “Zeitenwende” or historic turning point.

After the outbreak of the Ukraine war early last year, Chancellor Olaf Scholz, Merkel’s successor, cited it as a watershed moment in Europe’s history. He emphasized in a speech

that Feb. 24, 2022, “marks a watershed in the history of our continent.” Since then, “Zeitenwende” has become a guiding term across various policy domains.

Two years later, as interpreted by the German government, “Zeitenwende” carries several connotations:

- First, the post-Cold War era that blessed Germany and Europe is ending in a turbulent transition before the dawn of a new era.
- Second, Germany was too naive in its prediction of threats from Russia and overestimated its malleability. Now that geopolitics in Europe has deteriorated across the board, Germany once again stands at the forefront of

the strategic game where it must balance security against economic growth.

- Third, the world is shifting toward a multi-polar reality as the U.S. loses global control. A Europe that fails to strengthen itself risks marginalization.
- Fourth, Germany rejects the idea of a return to a two-camp world.
- Fifth, Germany faces challenges in generating economic growth, necessitating reforms across the country and in the European Union.

However, Germany still lacks faith and confidence in China's policy direction and value system.

Under the notion of “Zeitenwende,” Germany is readjusting in all aspects at home and abroad. It has strengthened its national security policies to compensate for insufficient investment during the Merkel that weakened its defense capabilities. It openly supported Ukraine in resisting Russia with “no hesitation,” believing it had no choice. And it actively lobbied Europe and the U.S. to unite and do more.

Economically, Germany broke the balanced budget rule as it invested in renewable energy, and increased its investment in information technology, business development and infrastructure. Socially, Germany implemented new immigration policies and further relaxed restrictions on immigrant professionals.

In fiscal 2024, Germany's defense budget reached a historic \$73.41 billion, a notable surge from the 1.57 percent level recorded in 2023.

This increase aligns Germany with the NATO benchmark, which mandates that member states allocate a minimum of 2 percent of their GDP for defense expenditures. During the 60th Munich Security Conference, Boris Pistorius, the German defense minister, announced the potential for further escalation, with the country considering ramping up its military spending to as much as 3.5 percent of its GDP.

Driven by security and economic factors, Germany has embraced a “de-risking” strategy, committing itself to activating the EU's internal development and cooperation potential. The change in diplomacy also aims to strengthen its engagement in the Indo-Pacific Region and focus on winning support from the Global South.

Despite the “Zeitenwende,” Germany's policy adjustments lack a distinctive new international image. Everything is still under development and needs deeper exploration.

The Munich Security Report 2024, which guided the annual conference, rarely reflected on the harm of the zero-sum mentality — a posture in which states' increasing focus on relative gains instead of absolute gains could bring about a zero-sum world. The German strategic community has proposed how human society can break the “vicious circle,” reflecting that its thinking on the “Zeitenwende” keeps going deep and is now shifting from observing phenomena to exploring solutions.

In Germany's “Zeitenwende,” China is an important, complex presence. In response to the rapid rise of China, Germany has aligned its foreign policy with the EU and positioned China as a “partner, competitor, and institutional rival.” The Munich Security Report 2024 identified China and Russia as the “main challenges” facing Europe and presented five categories of issues that concern Europe — geopolitical friction, economic uncertainty, climate change,

technological competition and international cooperation — with some elaborations related to China taking up a substantial part and some chapters even directly beginning with the impact brought by China.

In proposing the concept of “Zeitenwende,” Germany suggests it has seen the importance of China’s rise. Berlin believes that in an increasingly multipolar world, the U.S. and China are its two most important poles, and their fledging strategic rivalry is an integral part of “Zeitenwende.”

In the process, they also capitulated to Berlin’s value concerns.

Germany cannot afford to take sides — to choose between China and the U.S. It must remain on good terms with both. However, Germany still lacks faith and confidence in China’s policy direction and value system. It regards China as a corrector and challenger of the international order and flinches in the face of China’s traditional manufacturing industry, its new-energy industry and its technological innovation competitiveness. Hence the hype of supply chain, infrastructure and cross-border data security issues and the pivot to China in implementing the strategy of reducing dependence and “de-risking.”

The German policy toward China in the context of “Zeitenwende” exhibits a lack of clear guiding principles, as well as inconsistency across various fields, underscoring the intricate nature of Germany’s response to the complex implications of China’s ascendancy.

This policy orientation appears to be significantly influenced by U.S.-led Western public opinion, preventing a swift departure from its fundamental framework and establishing a distinct pattern.

In the Merkel era, Germany emphasized pragmatism over idealism. While aligning with the U.S. and NATO on security matters, Germany has simultaneously endeavored to reduce economic dependence on China and “de-risk.” This dual-track approach involves expanding business in China while fostering bilateral cooperation on global issues. However, practical implementation has proved challenging because of the impact of fragmented party politics inside Germany, resulting in local confusion and inherent contradictions.

Large German multinationals have responded whimsically to the government-proposed concept of “Zeitenwende.” They still aspire to increase market revenue and promote structural transformation amid economic globalization. They generally value the potential of the Chinese market and disagree with the excessive use of security implications when it comes to economic and trade issues. They do not view forced decoupling as wise or feasible. Nor do they exhibit optimism about reducing dependence, or “de-risking.” They hope that Berlin can maintain the fundamentals of economic and trade cooperation with Beijing.

Several German companies, such as BMW, Volkswagen, BASF and Siemens, reprogrammed their Chinese markets according to their respective global development strategies. In the process, they also capitulated to Berlin’s value concerns. Large German multinationals are also deeply concerned about China-U.S. tensions. They believe an increase in regulatory thresholds on both sides of the Pacific will pose challenges to normal business activities,

and the increased costs will eventually be borne by consumers and thus inhibit corporate vitality.

Official statistics from Germany show that, despite a bilateral trade volume of 253 billion euros between Germany and China (Germany's largest trading partner for the eighth consecutive year in 2023), the U.S. is catching up, with a record of 252.3 billion euros in trade with Germany. In 2023, the value of German imports from China fell by 19.2 percent to 155.7 billion euros, while the value of its exports to China fell by 8.8 percent to 97.3 billion euros. According to the German Macroeconomic Policy Institute, German companies have diversified their supply chains and reduced purchases from China; meanwhile, China has stepped up domestic production of strategic products and reduced German imports.

The latest report from the German Economic Institute, based on an analysis of data from Bundesbank, stated that Germany's overall foreign direct investment in 2023 dropped from 170 billion euros in 2022 to 116 billion euros in 2023. However, direct investment in China maintained momentum, with an increase of 4.3 percent from the previous year in 2023 to 11.9 billion euros. It hit a new high, accounting for 10.3 percent of German foreign investment, the highest since 2014.

German companies' investment in China in the past three years is equivalent to that of the previous six years combined. However, in the past four years, all German investments in China have been reinvestments after profits, with some withdrawals. A survey by AHK Greater China in January 2024 showed that the number of German companies that have withdrawn or are considering withdrawing from China account for 9 percent of the total, more than doubling the figure in the past four years.

China and Germany are both nation-states with profound traditions of philosophical speculation and a shared practice of outlining overarching strategic plans for the future. Talks about the German "Zeitenwende" in China inevitably remind people of the assessment of "changes unseen in a century," which have dominated China's domestic and foreign policy adjustments over the past decade. The assessment of it is made with a global view, rather than being based on regionalism and localism, as with "Zeitenwende."

However undeniably, there are some similarities, such as in the view of a multipolar world, insights into America's weakening hegemonic control, support for the continuity of economic globalization and global supply chain integrity, calls for revitalizing multilateralism and strengthening global governance and advocacy for redefining the relationship between security and development. These shared opinions form the foundation for transcending differences and promoting cooperation.

The biggest difference between China and Germany as to viewing changes in the world is whether to pursue common security or collective security in protecting the world from camp antagonism, dealing with the vulnerability of the global supply chain by deepening cooperation and interdependence, pursuing reduced dependence and "de-risking," handling value differences by calmly exploring the path to mutual respect and inclusiveness or attaching substantive sanctions for moral intervention. These differences can be bridged through candid and in-depth communication and, thus, through mutual understanding without profoundly affecting pragmatic cooperation between the two sides at the bilateral and global levels.

In the eyes of Beijing, Europe is an important pole in the future multipolar world, and Ger-

A significant hurdle facing the China-Germany relationship is whether they can separate policy practices from their relations with third parties (or third-party policies) and achieve relatively independent development en route to securing freedom and enough room for a China-German partnership.

many will always be the keystone underpinning Europe. How China and Germany reposition each other in a world undergoing tremendous change and establish a policy framework toward each other that adapts to the characteristics and requirements of the new era is a vision and wisdom test for leaders of the two countries and their citizens from all walks of life. A significant hurdle facing the China-Germany relationship is whether they can separate policy practices from their relations with third parties (or third-party policies) and achieve relatively independent development en route to securing freedom and enough room for a China-German partnership. It is the same case with China-EU relations.

The dichotomy of “changes unseen in a century” and “Zeitenwende” boils down to a critical question: What choices should a country make as humanity faces a historical transformation? The Chinese believe the answer lies in dismantling the pervasive zero-sum mindset through an unwavering commitment to win-win cooperation — hence, the proposal to build a community with a shared future for mankind.

This direction is what China expects in response to “changes unseen in a century.” In this shared vision, China and Germany, despite their distinct ideologies and security interests, have the potential to shape a future in which nations operate in harmony and foster a global environment characterized by cooperation, understanding and prosperity.



Conversations by James Chau of hope and purpose
with Tung Chee-hwa, Thomas Bach, Margaret Chan, Helen Clark,
Filippo Grandi, He Yafei, Vanessa Kerry, Kishore Mahbubani,
Peter Piot, Mary Robinson, Jeffrey Sachs, Erna Solberg, Rajiv Shah,
Tedros Adhanom Ghebreyesus, Muhammad Yunus, *and more.*

War in Ukraine, Year III:

Geopolitical Equ

The ongoing war in Ukraine stands as the paramount geopolitical clash of the 21st century, heralding a definitive return to re-politik in global governance.

Perhaps the most dramatic development amidst Russia's invasion of Ukraine has been the U.S.' departure from a traditional global policing role to a new paradigm wherein America diminishes its interventionist posture within an increasingly multipolar and potentially fragmented world order.

Each significant phase of the war has unleashed seismic ramifications, even impacting the complex triangle of relations between the United States, China, and the European Union. Russia's invasion has also unmasked their hidden agendas and covert strategies, leading to several unforeseen consequences that have unfolded on the battlefield.

1. The Decline of Pax Americana

Perhaps the most dramatic development amidst Russia's invasion of Ukraine has been the U.S.' departure from a traditional global policing role to a new paradigm wherein America diminishes its interventionist posture within an increasingly multipolar and potentially fragmented world order, inaugurated by the histrionic 2021 Afghani-



ations Resolved

stan withdrawal. This abrupt shift enabled a Taliban resurgence, undoing two decades of counterterrorism efforts. Putin interpreted this weakness as a green light to invade Ukraine. Indeed, Washington failed to deter Russia, opting to broadcast the invasion rather than take action.

Afghanistan left the European coalition partners in the dark, dealing another blow to NATO. Behind this decision was Washington's chief concern: the geopolitical rivalry with China, which continues to consume all efforts as it could determine the next global hegemon and reshape the world order. This competition has fostered stronger political and security alliances; BRICS+ has expanded and there have been increased U.S.-led partnerships in the Indo-Pacific.

Subsequently, the U.S. became more unreliable as Ukraine witnessed Biden's initial commitment to endorse the war effort until "whatever it takes," shifting afterward to a somewhat tempered position of "as long as we can," reflecting evident "war fatigue" and diminished support. This underscores the rejection of a prolonged Pax Americana. Additionally, Biden's aid initiatives face obstacles from partisan and polarized politics, and the looming possibility of Trump's return adding anxiety.

Ukraine has received enough means to avoid defeat but insufficient to secure victory, with U.S. military aid dwindling, and likely ending if Trump wins. Trump's past statements on terminating NATO and pro-Putin stances could drastically alter



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American policy. Currently, he claims Washington provided “\$200 billion” support while Europe “\$20 billion.” As of September 2023, European aid surpasses American, totaling €156 billion compared to €70 billion—without factoring the costs of hosting and providing free services to over 4 million Ukrainian refugees. This disparity is expected to widen even further.

2. China’s Calculated Neutrality

While the U.S. spearheaded sanctions and aid to Ukraine, China seized the opportunity to exacerbate the division between two opposing camps.

As of September 2023, European aid surpasses American, totaling €156 billion compared to €70 billion—without factoring the costs of hosting and providing free services to over 4 million Ukrainian refugees.

Beijing swiftly embraced the Kremlin’s narrative portraying Washington as the instigator, disregarding any substantiation. Echoing Russian state-controlled media, it propagated the justification of alleged “legitimate security concerns.” However, the prospect of Ukraine joining NATO, akin to Georgia’s situation, was never realistic. Even if valid, could such concerns justify violence and invasion? This crucial question remains unaddressed in China.

China’s alignment with Russia largely stems from a shared fear of Western interference in their political systems, threatening their internal control me-

chanisms. China strategically interprets Moscow’s offensive as an opening of hostilities against the West—serving its geopolitical interests—rather than upholding the territorial sovereignty principle, blatantly violated in Ukraine. Despite depicting the war as a complex “crisis,” the reality seems more straightforward; Beijing prefers U.S. engagement in Europe rather than the Indo-Pacific, where it pursues assertive policies in the South China Sea.

A year ago, China’s stance sparked optimism with agreements between Saudi Arabia and Iran and a peace plan for Ukraine. Nevertheless, it has since declined to further mediate between Ukraine and Russia. Throughout 2023, this Security Council-permanent member has grappled to assert itself as a reliable peacebuilder. In October, Putin vowed to “fight for five years” in Ukraine; not long after this, Xi hailed their “deep friendship.” Then, the BRI summit favored Putin over other leaders. By January 2024, Beijing’s reluctance was definitive in Davos, rejecting Kyiv’s meeting request in a stance framed by Zelenskyy as “pro-Russian neutrality.”

Despite the potential economic gains from promoting peace and future reconstruction, including agreements on trade, investment, access to resources and infrastructure development, advancing a vital corridor for the BRI to expand on the region, China opts solely for geopolitics and skyrocketed business with Russia, accounting for half of their imports, doubling from pre-war levels.

In sum, Xuetong’s subtle plea to Chinese leaders has gone unheard: “we need to prevent from using history to incite antagonistic sentiments,” and “focus on the motivations of those responsible.”

3. Sino-European Relations, the War's Main Impact

The war is a wake-up call to Europe, hindering growth, stalling development goals, and impeding geopolitical ambitions. It has revealed the continent's insecurity and a recognition of military unpreparedness beyond NATO's umbrella—an organization paradoxically resurrected by Putin's war.

Russia's persistent intimidation of neighboring states within the range of its missiles—including the Baltic states, Czech Republic, Finland, Germany, Norway, Poland, Romania, Slovakia, and Sweden—has fostered a heightened sense of unity among nations as they collectively confront the aggression.

Pro-Kremlin Orbán's recent antics underscore the EU's resolve in addressing the war. Finland and Sweden's NATO accession, along with the UK's closer ties to Europe post-Brexit, reinforce this reality. Decisions about seizing Russia's frozen assets are pending, deemed crucial by Stiglitz for “detering other bad actors from violating international law.”

Still, grave concerns rise over the specter of intensified war in Europe, prompting the imperative to enhance security and recalibrate strategic approaches. Despite the EU boasting the world's third-largest military budget, inefficiencies arise from 27 separate armies, incurring needless expenses. While increased defense spending and collaboration improve geopolitical cohesion, achieving military superpower status eludes the EU, requiring additional spending—potentially jeopardizing the sacrosanct welfare state.

In recent weeks, prominent figures have sounded alarms about potential clashes with Russia. While the UK and Sweden recommend national mobilization to “prepare for war,” Estonia, Norway and Poland envision a timeframe of about three years. A German

military planning scenario anticipates the year 2025. Consequently, the June 2024 European Parliament elections will unlikely alter the current trajectory, reinforcing efforts towards an autonomous EU common defense and further “strategic autonomy.”

The war has significantly impacted Sino-European relations. Remarkably, U.S.-Europe ties have strengthened while distancing Brussels from Beijing, though initial hopes for improved bonds following China's peace initiative have vanished. Europe has designed more economic security measures targeting Beijing, emphasizing the EU's characterization of China as a “systemic rival.”

Europe finds China's inaction inexplicable for several reasons. Firstly, the war in Ukraine remains Europe's top concern, with repeated requests for China's assistance. Secondly, China is the best-positioned to promote peace, buttressed by Putin's friendship and Russia's dependencies on Beijing. Thirdly, China has proved their knack for diplomatic breakthroughs when they wish, as seen with Saudi-Iran and Myanmar. While there was abundant potential to reshape EU-China relations, efforts to end the war continue stalled.

Geopolitical Realities

Geopolitical interests overshadow diplomatic peace efforts. As the U.S. abdicates its leadership role and China refrains from filling the void, coupled with the EU's limitations, multilateral associations (United Nations, G7, G20) prove ineffective in addressing geopolitical challenges. The global order needs reconfiguration, with major powers assuming their rightful responsibilities.

Emerging powers and developing countries, including ASEAN, Middle East, and India, may view Ukraine with indifference. For the so-called global South, Western affairs seem distant, as they grapple with their own his-

Geopolitical interests overshadow diplomatic peace efforts. As the U.S. abdicates its leadership role and China refrains from filling the void, coupled with the EU's limitations, multilateral associations (United Nations, G7, G20) prove ineffective in addressing geopolitical challenges.

torical challenges. Conflicts in diverse regions persist, fueled by ambitions for territory and resources. New spheres of influence, like Putin's expansion into Africa, presents paradoxes as local leaders transition from liberation to a new dependency on Russia.

The war is a wake-up call to Europe. It has revealed the continent's insecurity and a recognition of military unpreparedness beyond NATO's umbrella.

Putin surfaces, therefore, as the primary beneficiary of his war of attrition, partially achieving goals. He has quashed potential alternative leadership, using expansionist ambitions rooted in past imperial glory to obscure domestic political defies. With nuclear capabilities and vast territory, he aims to reintegrate roughly 20% of Ukrainian land into the post-Soviet sphere, diverging significantly from initial projections.

For Ukraine, addressing the unjust, unjustified, and horrendous human tragedy is existential. However, without Washington and Beijing's support, Ukraine faces the tumultuous tempest precariously. Furthermore, empty promises offer no solace; corruption, governance issues, economic inconsistencies and territorial disputes present formidable barriers to EU integration. How could any country facing such challenges realistically join the EU, meeting stringent entry requirements?

Though justice may be delayed, its denial is unacceptable. In the meanwhile, history reminds conquerors that today's victories always turn to dust in tomorrow's winds.

About China-US Focus

China-US Focus is a platform where Chinese and American thought leaders can openly express their views on the myriad issues that face the two nations.

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James has earned a special reputation for his interviews with world leaders in politics, science and health. Amongst them, Nobel Peace Prize winners Jimmy Carter, Kofi Annan, Muhammad Yunus and Aung Sang Suu Kyi, and also Winnie Mandela, Arianna Huffington and Christine Lagarde. He serves as World Health Organization Goodwill Ambassador and UNAIDS Goodwill Ambassador.

