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Thursday, July 20

10:05 - 10:50 AM

The China Challenge: Is the U.S. Getting China Right?

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Moderator: Edward Luce, U.S. National Editor and Columnist, *Financial Times*

Edward Luce

Great to be here we've got a very important topic. Arguably the topic is how the US is handling China, whether it's going well or not. And a brilliant panel that Anja has just introduced to discuss this and let me just start by asking, I think most of you are not sure you were here yesterday, but most of the rest of us saw Steve Clemons very memorable interview with the Chinese ambassador, this time yesterday in which the Chinese ambassador said and it's becoming something of a tradition for Chinese ambassadors to give memorable interviews in Aspen, in which he said that we have very different political systems China and America we have very different ways of viewing the world. We have very different traditions, but the world is big enough. For both of us. We can get along. It's not a zero sum game. He didn't use those words, but that's what he meant, essentially a case for peaceful coexistence. So my question starting with you, Joe, is do you believe him?

Joseph Nye

I'm not sure I believe that any ambassador who's a salesman for his country, this doesn't refer to the Chinese ambassador alone. But from an analytical point of view, I think he's right that the US China relationship doesn't have to be zero sum. Let me give you two reasons. One is China and the US don't present existential threats to each other. China is too big for us to invade or change. Us is too big for China to evade or change. The only way we'd be an existential threat to each other was if we blundered into war, which is possible, then, in fact, you would go from non zero sum to zero sum. The second reason I'd give is that when you look at the US China challenge, it's all too simple to say it's a new Cold War. Trouble is that makes it too easy for us. That situation is really like three dimensional chess where you play not only against one board horizontally, you have to play three boards vertically, as well. So on the top board of military competition, it is like cold war we in the Soviets had military competition, which is close to zero

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sum. And in that board, the Americans still the preeminent global military power. China's coming up fast, but it doesn't it can't project military power globally, like we can, but if you go to the second board, which is economic relations, the world is multipolar. It has been for two decades. There you have US China, Europe and Japan, all as the great powers, and that's a different game. And then the bottom board is transnational relations, things that cross borders outside the control of governments. You had examples, of course, climate change pandemics. And there it makes no sense to talk about polarities or zero sum or nonzero sum. There's absolutely no way the world we can solve climate or handle pandemics with simply looking at it as power over others has to be power with others. So in essence, it's intrinsically a large, nonzero sum or positive sum component to it. And if you go back to my metaphor, you say I've got to play this vertically, as well as horizontally. If we just focus on the top board, and pretend we're playing the cold war again, we're going to miss out on the second and third boards. So I think for those two reasons, it is not a zero sum game and to the extent that we call it one we make our job too easy.

Edward Luce

Okay, Naima, I like to sort of pose the same question to you slightly differently around now. You're a Chinese speaker right and you're, you're a former Foreign Service officer. You're based in China for a while. You're now at Princeton specializing amongst other things in Chinese foreign policy. So you've sort of seen a whole arc that sort of kind of bipolar swings of our vision of what China can be at the beginning of this century was very much positive. So It was very much China would enter the WTO it would relax politically more and more as it developed economically much as South Korea had, as Singapore is as Taiwan had and then Xi Jing ping comes along, and you have the 19th Party Congress in 2017. elevates himself to immortal the Mao level abolishes term limits. China turns very hawkish. Our view of China goes from the win win when arguably very naive, when when vision we had a bit at the beginning of the century to a win lose. Maybe not all of our views, but that seems to have been the swing in Washington have we ever correct it?

Naima Green-Riley

It's a great question. So in addition to all those things that you said about me, I also just got back from China on Saturday, and I was part of the first academic delegation for the United States to go to China after the pandemic. I went with an organization called the National Committee on US China relations. So it's an organization has been around since the 60s. But the whole point of the organization is to bring together people who think about China a lot and to facilitate dialogue between the US and Chinese sides. It's interesting because in our conversations with scholars with some officials, both the national and the local level with

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people at think tanksthe terminology of win win games, what they would say, and China is still very much used. And I think we saw that also in the conversation with ambassador here yesterday. But certainly we don't hear that tone, terminology in Washington being used anymore. I actually like the way that Joe broke it down because I think that though the scope of the US relationship with China is much more limited these days. Because of the increasing competition between the two sides. There are still areas where the relationship is zero sum, or is positive sum, actually. So zero sum is on the military side, right? It's hard for you to have a positive sum relationship with a country where you have competition militarily, but if you think about the economic relationship, there's a distinct category that the areas where national security and concern but then there are also a number of areas of trade sectors of trade, where we continue to have very important trade relationship with China. So if you think about consumer electronics to sound like this, you think about agriculture, if you think about household items, toys, things like this still a lot of robust trade and a very, very strong, interconnected economic relationship because there has to be. And so positive sum continues to be the domain in which we should just talk about the economic relationship when we're not talking about the categories of risk. I also would say climate change is an important area where, as Joe said, it's hard to think about it zero sum relationship.

Edward Luce

Interesting, I would say, I mean, you mentioned toys and I guess like so central but the real sort of activity in any economy is in semiconductors. Of course any semiconductor for civilian peaceful economic use can also be dual use to serve metal address and I wanted to ask you about this because again, another memorable line and Ambassador Xie's interview yesterday was that this is like a swimming competition. Is there restrictions that you're imposing on semiconductors and high tech exports to China? It's like asking us to turn around to swimming competition, old fashioned swimming gear and you're wearing Speedos, so I don't wish to sort of focus too much on that visual. But it is a very memorable one. And what he's essentially saying, and I'm posing this to you,

Edward Luce

Kristen, I'm going to get to in a second Mike way, because I know you have a lot to say on this, too, is is that America has switched to same economics and not just military as a zero sum game, that you are attempting to stymie our economic development. Is there any basis in your view from a business perspective to that Chinese interpretation of our actions?

Kristen Silverberg

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Well, before I get to the semiconductor question, I just want to respond quickly to Professor nine nine on that zero sum question because there's another alternative. It's not just zero sum versus when the other alternative and public choice theory and also global economics is a negative sum scenario. You know, zero sum, as you all know, the size of the pie stays the same, and it's just a question of who gets the pieces but there's a scenario where the pie shrinks where the nature of the competition means there's less security, less prosperity. And so to me, that real challenge for the US to kind of weigh waging global economic competition is avoiding that scenario is avoiding bifurcation of the global economy in a way that sort of impacts us negatively across the board. There are some positive some scenarios I think, actually negative Sullivan, who's here somewhere, has a really interesting piece that goes to a point you mentioned about climate change, where she argues in the FT this week, that competition between the US and China for market share over green technologies may spur more progress on climate change and some of the cooperative kind of you know cop and various summits cooperative approached it and that would be example of a positive positive scenario. On semiconductors. I mean, this really goes to the heart of the challenge because what the US has articulated about the Biden ministration and also the select committee is that the US is trying to de risk trying to address key national security risks and our economic relationship without promoting a broader decoupling, so keeping trade and investment relationship on non sensitive issues. But that's extremely hard to do for a lot of reasons. One is it's hard to develop limiting principles on how you articulate those things, to the nature of technology and the nature of the Chinese system. Make that very hard. And three, we're by definition in a tit for tat and so the US could attempt a de risking, but didn't provoke a response that leads to a broader decoupling. And semiconductors is the perfect example of the challenge here. Because on the one hand, the administration you know, Mike Gallagher, for example, the select committee has said one of the principles around de risking is that we shouldn't provide technology and finance that could advance the Chinese military, very, very reasonable principle. But some of the most interesting technologies, advanced semiconductors artificial intelligence, are by definition dual use. And the nature of you know, Chinese civil military fusion means that you have to assume that civil applications have potential military uses. And so I don't think that administration is intending to provoke a kind of broader impact on the Chinese economy. I don't think they're trying to stifle Chinese growth or I don't know, spur more youth unemployment. But the fact is, you can't get up these core technologies without having a broader impact on the kind of future of the technology and I think the core thing you know, one of the core things missing from the ministration strategy is to start to articulate what are the limiting principles that are gonna help us decide this is appropriate for this and so, you know, within our, within our high fence, small yard.

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Edward Luce

We're gonna hear directly tomorrow from James Sullivan about that, but but Mike that very memorable phrase that Jake, outlined that this is limited, this isn't an attempt to limit China's development or growth the small yard high fence Now what Kristen said sort of implies that small yard is just going to you know by the logic of these actions get larger over time, that there are so many things that can be deployed for Chinese military modernization, that we're going to see an expansion of restrictive goods and technologies is that is that a great fear? And if it's, if it is, what do you think that we can do to make this more precise and more transparent?

Mike Froman

Well, first of all, I go to your first question to Joe and build a magazine that links to this, I think, whether it's a zero sum relationship going forward in many ways is in China's hands to the side, because the US approach has been actually quite nuanced to say, we're going to compete in certain areas, there are areas of potential cooperation through areas of potential conflict that we need to manage. We've sort of de late elements of the relationship in a way that we didn't do during the Cold War with the Soviet Union. And linkage was the primary dynamic where every issue related to every other issue. It's the Chinese who've responded by saying, well, we're not really willing to talk about cooperation on climate change, unless you demonstrate you're willing to accept our views of critical interests in Taiwan or South China Sea. And I think so the question will be can we pursue a positive sum relationship that recognizes that there are these three tracks of potential activity the three levels perhaps above Joe's of Joe's chess game, you know, on the on the the the small yard by the way, the small yard lie fence originated with Secretary Gates back during the early Obama administration, we were reforming the export control system and trying to make the the yard smaller and focus on things that truly matter. It may get larger or not, but I think it's it goes too far to say the entire economic relationship with China is dependent on semiconductors and advanced technologies that might have dual use capabilities. It's a much broader relationship than that. Secretary Yellen, I think was quite right when she said there's a lot of uncontroversial trade that can continue and we ought to be able to make that distinction between uncontroversial trade and areas where we really compete or have national security implications. I wasn't there for the speech yesterday, but my response to the speedo would be that when we go to the Olympics, different countries have different equipment, different capabilities. It's not the obligation of one country to enable the other country to be able to compete more aggressively with it. And that's what competition means, in fact, is that each country is going its own way in the green energy area that's having very positive effects. When it comes to semiconductors and other potential use. It's not our obligation to help the Chinese succeed in competing with us in that regard. And that's where I think there's there's potential to manage it in a different way than conflict

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Edward Luce

I want to get more into the negatives and military side in Taiwan in a second but just make to now that I got the on the subject, Jake. is going to be asked tomorrow about the new Washington Consensus, as he calls it, and foreign policy for the middle class. Now one of these things involves not doing old fashioned trade deals such as the one once you've been involved in you were formerly USTR, you negotiated TPP. Clearly they're off the appointment. Remember that? Clearly they're off the agenda. This is bipartisan. My question to you is, if we're evaluating the effectiveness of the Biden administration's approach to China is the lack of appetite for striking trade and investment deals with China's neighbors with others in the Indo Pacific region. Is this a handicap in the Biden administration's ability to pursue that goal?

Mike Froman

So first of all, I think it is healthy for both the people who were sort of instinctually for pro free trade, and the people who were instinctually anti free trade, both to be somewhat self critical and introspective and see what the lessons are over the last decade or so. I'm not sure when speech equals a consensus, by the way I think there's sort of still a variety of views around where what the new paradigm is going. Going forward. There are many ways to achieve I think a middle class, trade policy or a trade policy that works for for American American workers and farmers including by opening other markets to our exports, by using the power of trade agreements to raise labor standards around the world and including by imposing protectionism. So that's the three different ways of of using trade to protect American workers. And we need to be looking I think, at all three, I think the reality is the politics behind tree have shifted dramatically, and we should find ways in within that context of what's permissible to engage with other countries and have them at the table right now. It's the Indo Pacific economic framework that's on offer, and I would spend as much effort as we can fleshing out the the bones of that of that framework that Secretary rimando Ambassador tie and and the White House had been working on to make it as meaningful as possible to be something that other countries wanted to be part of and see value in working with the United States. But I do see that over the last weekend, the United Kingdom joined the TPP follow up organization and follow up with agreement and there's a long list of other countries that are interested in joining, including China and the current members of CP TPP are going to have to figure out whether they like China and or not I think we would be a great disadvantage if the major economic frameworks and infrastructure which by the way have a very significant influence on where you put supply chains. The most powerful tool in it locating supply chains is what you do with tariffs, go through your closet. I've done this with my children. I may say something about my parents saying but if you go through your closet, and show them where their clothes come from, all of

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their clothes come from a trade agreement country, or a country that benefits from some trade arrangement. And that's because when we eliminate tariffs, production goes there and it becomes part of our supply chain. So again, I urge people on both sides of this debate to think about if you care about resilient supply chains, you care about diversification of supply chains, which is very important. Think about all the tools that may be useful in that regard, including trade tools,

Kristen Silverberg

Ed may I just want to disagree with the premise. I'm not sure trade deals are as dead politically as you'd think. I mean, I think there's lots of hostility at USTR to new trade deals. And I think there's hostility among progressive Democrats but otherwise I think there's room actually for for the administration or maybe whoever's President 2025 to think about finding trade deals high standard trade deal deals with IPF countries think about US MCA which passed you know, both houses in 2019 and 2020, with enormous margins my my view is BRTs view is that the failure to push the envelope on this is having an enormous consequences economic consequences, like Mike just mentioned, and it can be more difficult for companies to diversify their supply chains, all of the tariff issues. He mentioned that inability to negotiate binding, Tara tariffs with, with countries some of you maintain very high tariffs on US exports, failure to negotiate investor protections, intellectual property protections, and maybe even more importantly than all those economic impacts. It's having a really devastating geopolitical impact and then it's sending a signal to the region, that we're not in it for the long haul, that we've lost our stomach on these things. And so, so our view is the administration really needs to think about kind of beefing up IPF and and looking to more ambition on their trade agenda

Edward Luce

Very, very briefly that would it be fair to say I'm in the previous when when world that I characterize that idea business in Washington was one voice and it was very in favor of engaging with China and with mixed results, the business as well. It would it be fair to say, particularly with your members, the senior CEOs across America, there is no consensus amongst business now and therefore there is no business voice?

Kristen Silverberg

I hope there's a business voice and a business voice i i would say yes, there are businesses have a lot of different perspectives on how we ought to tackle the tiny China challenge but there's overwhelming consensus that part of the approach to China has to be an ambitious trade agenda for the region, that you really were really handicapping ourselves. One of the reasons why US MCA got such a strong vote, as you'll remember is that President trump threatened to

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withdraw from NAFTA and it served as a real catalyst really focused at the members of Congress on the cost of not passing that trade deal. And I think the China challenge has the opportunity to be the same kind of capitalist represented with with the risk of not pursuing a trade agenda.

Edward Luce

Okay, yeah, very briefly, my kidney would say something and I want to get anywhere.

Mike Froman

Anyway, I was gonna say is I think we've got more of a consensus around the world on China now than we ever have, but pretty with our major trading partners, but these are looking to us to lay out what the ultimate vision is and where we want to take the relationship. And we've yet to lay out what the end state or the new equilibrium should look like. They're worried that they're being caught in the middle of having to choose in a black and white world when it's a much more complex environment, and I think we'll have more success bringing the rest of the world with us. If we lay out with that with that ultimate new equilibrium. Sure. Surely defined by

Edward Luce

Joe, I think you wanted to say something

Joseph Nye

Just to say I agree with Kristin. And I think the if you're back to my metaphor, and you take the top board of military competition, this administration has done some very good things like AUKUS or the working for quad with India. If you take the second board, which is extremely important as we just been saying, both the Trump administration and this administration have made a mistake and refusing the TPP that might be negotiated. And if you look at RCEP, which is a weaker trade relationship. Again, we're staying back from that. The net result is the IPF, which is a pretty poor trade policy, in terms of having a presence in the region. So when you look at the second board, you have to realize that most countries in Asia do not want to be isolated from the China market. But they don't want the US to go home. They want the US essentially, to stay to protect them militarily, which means we're working well on the top board. We're not working well on the second floor. We could do a lot more there.

Edward Luce

Okay, so Naima I mean, given your extensive experience of China and your recent visit, moody picked up the analogy that Joe at the beginning rejected things not useful to compare this to the Cold War, and I apologize, I'm going to or to contrast it actually, is that we seem to be when

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it comes to the Taiwan Strait. And when it comes to these increase, near misses that we keep seeing in the South China Sea. We seem to be in a pre Cuba 1962 situation in the sense that we don't have routinized military to military information exchanges. We don't have these guardrails that were put in place by the USSR and the US after 1962 and therefore the fear is given Xi Jinping's explicit ambition by hook or by crook for Taiwan to come back to the motherland. We seem to be awaiting a Cuba kind of shock. Before we get those safety systems in place, is that a fair or is that too? Is that too alarmist in that characterization of where we are?

Naima Green-Riley

I think that the thing that is the most concerning about our military to military relationships to people at the top can't talk to each other right now. Right. So Secretary Austin in May made a request to meet with his counterpart in China and he's trying to prove who's the Minister of National Defense. That request was rejected. And the story behind this is complicated, but basically, it's because in 2018, the US put sanctions on on him because of purchases of Russian arms when he was in charge of equipment for the Chinese military. Those sanctions persist. China is very upset that they persist. China feels shafted, feels disrespected that a minister would have sanctions on him. And so therefore is not allowing the meeting to take place between Secretary Austin and minister Lee and

Edward Luce

That didn't stop Dr. Kissinger from meeting

Naima Green-Riley

But Dr. Kissinger just this past week did get to meet Minister Lee. So that's a problem because when we have these near misses when airplanes or ships are getting so close to each other and young people sort of were at the helm are potentially going to get hot headed and lead us into a conflict, we don't want, you need to have that kind of communication at the top level. So I think that that's the big issue that we're going to have to deal with at some point. Something else that I've heard many Chinese elites talk about is the fact that they're not convinced that commitments or statements made by President Biden, that the US is not supportive of Taiwan independence are true. So basically, there's a concern that those statements are there. But that really the US is supporting Taiwan independence implicitly through other actions. Interestingly, there's a lot of there's a lot of attention to people who are not in the Biden administration and what they're saying about Taiwan. So there's attention to people who are former US officials, there's attention to what's happening in Congress. And so basically, the claims made by Chinese elites is, look, the US is saying one thing but but we think that the US is doing another thing and so that leads me to two potential interpretations of what kinds of China is saying right now,

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number one, if the Biden administration continues to reiterate the line that does not support Taiwan independence, if potentially some of those other voices are moderated a bit, then we're not at risk of serious confrontation. That's one interpretation. But there's another interpretation that regardless of what President Biden says, given that we are in a in a US system where many people can express their viewpoints about issues all the time and the executive branch doesn't control the world, people say the Chinese elites could interpret what's happening in the US is as a form of belligerence, and a determination to move forward in supporting Taiwan independence. And that's a really dangerous scenario. And I don't think that there is a jury is out yet I don't think that there is a definitive plan by Xi Jinping to take Taiwan by force. I think it's I think that when they say that that plan is not in place, I believe that. But I think that there are many potential possibilities. And what happens in the next few years will determine what happens in the long run.

Naima Green-Riley

So essentially, so forgive me for being an FT person, like you're saying Xi Jinping is a bit like the fact he's going to be data driven. on on on whether Taiwan is going to be taken by force or not. It will depend on his interpretation of what's coming out of Washington on the One China policy

Naima Green-Riley

I was gonna say, it's going to depend on an interpretation of data by Xi Jinping.

Edward Luce

Well, that's what the Fed does. Anyway. Joe, tell me if this is a fair characterization. We have balloon Gate, whatever you call it earlier this year, which blows everything off course after the relatively positive summit between Biden and Xi Jinping in Bali last November. The Chinese then at least good interpretation of what the Chinese how they respond to this is like, well, basically, Biden is a prisoner of hawks in Washington. People like Mike Gallagher, who described this as techno, totalitarian, etc. And we don't really want to engage with them whilst whilst he's a creature of Hawk since then now, beginning with Jake Sullivan's prolonged series of conversations with Wang Yi in Vienna, and then subsequently the secretary blinken visit the secretary Yellen, visit, and more to come. It seems as though at the moment Biden administration has in Chinese eyes regained control of the agenda and isn't so much prone to looking over its own shoulder at the Hawks on Capitol Hill and more generally in the foreign policy community in Washington. Do you think that's a fair description of what has happened and be of how China is interpreting things?

Joseph Nye

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Well, it may be fair, right, but it places too much of the emphasis on the US changes in the Biden administration. I think, as you know, the It takes two to tango. The Chinese basically changed their policy toward the United States. After the financial crisis, they reflect on CRP height by and that then as economic power goes down, growth slows down for legitimization to party control, they switch from economic progress to nationalism and keep up then gives that extra boost. So I think if you look at the at the history of this the the origins of the current Dow really have deeper roots on the Chinese side. And if he talked to the people on the American side of this dance, the first meeting with the Chinese and Anchorage, which was in January 21. They expect the Chinese came on very strong. It wasn't as though the Americans came on strong is the Chinese who came out at the time. I think this is changing, not just because of the Biden administration is trying to manage and I think it has to do with the slowdown in economic growth in China. You know, China has huge economic problems. Its labor force peaked in 2015. productivity, which is the solution to a labor force peaking, pro total factor productivity in China has been going down and it's among the lower tier of the OECD countries. And I think Xi Jinping realizes this, as well as people around him. I think they realized that too high level conflict with the US, whether driven by Taiwan or anything else, is not in their interest. So I think yes, the Biden administration has been managing the probe problem have been differently than it did a couple of years ago. But I would place more of the emphasis of the changes in China.

Edward Luce

So I think I can't remember who it was yesterday. It might have been Frank Fukuyama said that there were two great mistakes by autocrats in the last two, three years, one was Britain's invasion of Ukraine and the other was the zero COVID policy of China, which not just promote, provoked protests, and then led to double COVID overnight. The lifting of all the restrictions, but it also really killed Chinese growth. We're in kind of a double dip recession in China now. And that's what you would attribute as being a more important factor here is that

Joseph Nye

China and the COVID, the zero COVID was a huge mistake. What I was trying to suggest is the Chinese economic problems we're already developing before zero covid.

Edward Luce

okay. So, what happens to the American China relationship if Trump is reelected, Mike

Mike Froman

I don't have a license to practice politics, but representing a nonpartisan organization now. Look I think we're likely to see more continuity than change as we've seen from Trump to Biden, in

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many respects, so I'm not sure it would be as into the China relationship, I'm not sure would be as disruptive or as different going and going forward. You know, I think we look back. One of the things is you made reference to earlier is that we sort of had the assumption that if we engaged China, we pulled them into the international system, they would become more like us. They would third listen to and follow the global rules and perform at least economically, maybe even politically, that obviously proved to be that they have performed a lot but it hasn't been as linear. It hasn't gotten this far and it's been reversed. In some important respects. What's happened in the meantime is actually we become more like them. And so we now engage in industrial policy, we engage in protectionism, we've taken steps that are at odds with sort of global trading, trading rules. And I think that's out of frustration, that having spent years and I see Penny Pritzker here that we spent years warning the Chinese that we didn't make progress on these outstanding economic issues, support for a constructive relationship in the US would disappear. And that's exactly what has happened and so out of frustration that they did become more like us, that there's a little bit of if we can't beat them, join them, and let's play their game and try and play it better than they do in this new form of competition. I would expect that to continue to be the way going forward. Under Trump. What concerns me of course is the rest of the world who is on pins and needles about whether the first Trump administration was an aberration in American political history, or the sign of what is to come and their willingness to cooperate with us. Because which is where a lot of our string comes from, I think will turn in a very significant way. On the outcome of that election.

Edward Luce

I guess you don't want to talk politics either.

Kristen Silverberg

I'm happy. I'm happy to talk about it. I mean, to me that one of the biggest impacts of the Trump election would be a return to strategic ambiguity on Taiwan and not the kind of half hearted attempt at ambiguity the Biden administration has attempted but genuine ambiguity in the sense that it might not be clear in the President's mind what an appropriate US response would be to Chinese military action on Taiwan. And I think that, you know, I think that's pretty consequential whether that election has implications in terms of the United States credible deterrence, first, and I would have better thoughts about that. And then, of course, the impact on our ability to work with allies in terms of in terms of generating you know, support for a conservative strategy on China. To me, one of the things for a non Trump Republican election is continuity. Actually, I think you'd see lots of continuity between the Biden administration and the non Trump Republicans in terms of aggressive use of our export controls and national security tools and also some willingness to consider parts of industrial policy.

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Edward Luce

Okay, before we go to audience questions, I want to ask one sort of bigger question to each of you about what America's ultimate goal regardless of which presidents in power, but keeping Biden in mind, I guess the forefront of mine, what America's ultimate goal is here, because if we, if we're going to contrast rather than than compare with the Cold War, the Cold War, it was always imaginable It would end because the Soviet system was an ideological system. It wasn't in our minds what a Cold War with Russia It was a cold war with an ideology, and one ideology or the other would prevail. Is this a contest with the Chinese Communist system? Or does it go beyond is this great power rivalry between China and the US in perpetuity? What our strategic endgame here, Joe, and then Naima.

Joseph Nye

I think the end game is different from the cold war after the Cold War, when George Kennan elucidated the doctrine of containment in the 40s. He said we have to contain the Soviet Union, and then eventually because its own internal contradictions, it will collapse. Kennan who is correct but took 40 years. I think with the relationship with China. We don't know what kind of internal system they're going to have. But we have to do is manage the competition, which is going to go on for a long time. And part of our objective is to make sure the competition goes on. It's not clear that a collapse inside China wouldn't necessarily make the world safer for us. It's also true that if we blunder into an over exaggeration of Chinese strength, and wind up with a situation like August 1914, where everybody thinks that short sharp war will clarify the balance of power, and wind up with four years which killed 10 million people destroy for regimes, that would be a terrible outcome for us, for China and for the world. So I have argued that the goal we should have is similar to what an Australian Ambassador Kevin Rudd has called managed competition, or sometimes people are wondering competition, but to think that our goal should be ultimately prevailing as we did with the Soviets at Sunridge confined.

Edward Luce

Do you agree with that?

Naima Green-Riley

I like where you ended up. I think a lot of people say that there is now a consensus on China that the left and the right, both have the same idea about China. I tend to disagree. I think the left and the right. I agree that there are things that are threatening and concerning about China that needs to be handled. But increasingly we're starting to see differences and how Republicans the Democrats view the China challenge. But even within the Democrats, and even

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within the Biden administration, I think that there are differences and so you asked what the US goal is and I think that the goal is different within the administration. I think some has a very broad goal and it has to do with ideology. It has to do with fighting back against authoritarian influence on other parts of the world. And some have a more narrow view, protecting us interests, both from bolstering US industry and the economy against a China that has a very different value setting and also a very different ability to compete in the world. Right. And so I don't think we're all on board.

Edward Luce

So very well made point. We've got time for a couple of very quick questions. And the lady here in the front and then the gentleman, but please shortish questions.

Audience question

My name is Esther and the foreign policy for America because on the rising leaders program, question I wanted to raise the question about the assumption that the military relationship is all zero sum. It strikes me that if we can get to some kind of nuclear arms control discussions or agreements, that can be a positive sum relationship, and then if we have time, and how can we ensure that the political rhetoric received especially in Congress is not reduced this place for diplomacy, flexibility and the space to reduce tension?

Naima Green-Riley

So at first when I accept that I think that making some sort of a nuclear agreement would be an interesting side so I'm gonna argue against it if you're right. I want to talk about diplomacy because what's astounding to me is that I'm a former diplomat, I'm pro diplomacy and I started to see people on both sides, the US on the Chinese side, talk about diplomacy as if it's something that is a reward for the behavior. But I think diplomacy is important no matter what, you've got to talk to each other, regardless of whether you're getting along or not. People think of diplomacy as something that's always conciliatory and always sort of like being fairly good, the other side of it, you can count him and be diplomatic, you can sanction, you can you can talk, you know, in an aggressive manner, but you still need to talk. And so I do worry that the increasingly negative rhetoric in Congress will sign your ability to have diplomatic.

Joseph Nye

Can I just take two seconds to save the military relationship is often zero sum when it's competing for influence and balance of power. But let's not forget what KRisten said properly. It can also be negative sum. If we blunder into a war with China. a la 1914 the metaphor I use. We both the worse off

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Edward Luce

and then finally, final question from the gentleman.

Audience question

David, Lichtenger, concerned citizen, Naima I was a little confused by what you were saying about how you perceive Xi's view and the elites view but related to that is a yes or no question. Do you believe that By the US, ramping up its efforts to turn Taiwan into a porcupine will deter Xi or not.

Naima Green-Riley

Classic security dominant. So everything that the US is doing right now is being interpreted as a ramping up in a way that is belligerent. However, I think that this is something that political scientists have to deal with all the time. So my answer to you is maybe.

Edward Luce

thank you to the panel. Wonderful discussion.