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FALK AUDITORIUM

OTHER PERCEPTIONS OF CHINA:
VIEWS FROM AFRICA, EUROPE, AND LATIN AMERICA

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Introduction:

CHENG LI
Senior Fellow and Director, John L. Thornton China Center
The Brookings Institution

Keynote Address:

RICHARD WIKE
Director, Global Attitudes Research
Pew Research Center

Moderators:

PHILIPPE LE CORRE
Visiting Fellow, Center for the United States and Europe
The Brookings Institution

YUN SUN
Nonresident Fellow, Africa Growth Initiative
The Brookings Institution

Panelists:

PHILIPPE LE CORRE
Visiting Fellow, Center for the United States and Europe
The Brookings Institution

AMADOU SY
Senior Fellow and Director, Africa Growth Initiative
The Brookings Institution

HAROLD TRINKUNAS
Charles W. Robinson Chair and Director, Latin America Initiative
The Brookings Institution

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P R O C E E D I N G S

DR. LI: I think we probably should start. Good morning.

SPEAKER: Good morning.

DR. LI: I'm Cheng Li, senior fellow and director of the John L. Thornton China Center here at Brookings. Welcome to our event, other perceptions or other perspectives of China, views from Europe, Africa and Latin America, which will explore how other regions of the world view China.

Now, we have a lot of events in Washington, D.C. regarding how the United States and the Asian countries view China, and the important status of China's relationship with the United States and the China's Asian neighbor. But the other continents are also crucial to China, and they are often overlooked in the American understanding of China's role in the world.

With today's event, we hope to help policymakers and the general public understand the vast complicity of global view of China, and the fact that not all people around the world view China as an economic and a strategy of threat. On a personal level, having traveled to various Latin American and African countries, I have observed how the reactions of locals differ depending on whether I identify myself in terms of my country of origin or my citizenship.

If I describe myself as Chinese, locals, especially taxi drivers are always excited to talk with me, saying that China represents the future of the world, and also, asking me whether I can introduce some business deals, business partners in China to them. If I say I'm Chinese American, live and work in the United States, they usually respond with silence.

Now, my personal experience, of course, not based on a scientific sampling,

but our keynote speaker today, Richard Wike, director of Global Attitudes Research at the Pew Research Center, will help provide a far more reliable and representative finding based on their really very famous survey research. I think that today you are here with us -- a preview of your latest survey on global views of China. Richard, we are so honored and privileged to have you speak at our event.

Now, before Richard's presentation, we will hear from an all Brookings panel featuring my very distinctive colleagues on other continents. And particularly, I would like to recognize Phillipe Le Corre, visiting fellow in the Center on United States and Europe, who has been instrumental in organizing this event.

He will both moderate the keynote session and participate in the panel discussion. Now, I also want to invite you to follow all of today's actions on social media at our Twitter handle @BrookingsChina. The hash tag for today's event is #Chinaimage. One word. And now, please join me in welcoming Phillipe Le Corre, who will introduce our keynote speaker. (Applause)

MR. LE CORRE: Thank you very much, Cheng Li, and welcome everyone, to this morning's events. And I thank Cheng Li, for -- my turn to thank him for having this roundtable discussion, and to invite Richard Wike. I think he's one of the best experts on this issue.

And Pew Research is a quite extraordinary organization, independent research center that does country branding and analysis, and very people do that. The BBC does that, and a few organizations around the world. But here in Washington, around the corner, we are lucky to have Pew Research which conducts data analysis on many subjects, including on the U.S. and China.

So, Richard has been the director of global attitude research, and he will present these figures and data from 2014. I understand the 2015 survey will come out in

a few weeks, so watch this space, as one says. But I think the trend is already here, and personally, I've been using Pew for my own work. It's very interesting to compare different regions of the world, and certainly, China has become such a global player that we cannot avoid looking at the ways, not only it looks at others, but also, others look at China.

And I think there is a great deal of interest in China about the ways that it is perceived by other countries and other people. So, I will let Richard take the floor, and after that, we'll have a few exchanges together and with the room. Thanks.

MR. WIKE: Okay. Well, thank you very much, Phillippe, and thank you for inviting me to be here. I really appreciate the opportunity to come to Brookings and to talk a little bit about some of the research that we've done at the Pew Research Center over the years.

We've been doing international polling now for almost a decade and a half, and we look at a lot of different topics in our research. What we're probably best known for internationally is looking at how the world sees the U.S. We did a lot of work on the rise anti-Americanism during the Bush years, and we've done a great deal of work on the rebound in America's image, at least in some countries, during the Obama era.

But increasingly, what we've done over the last few years is also, look at how the world sees China and how the world sees the balance of power between the U.S. and China. And you know, we've seen, I think, an increasing demand for information and research on China's global image. So, there is, it seems to me, an increasing hunger for more information about how people around the world are seeing China, how are their views evolving about China's role and world affairs.

So, what I thought I'd do today is pick out some of the highlights from our work on what people in Africa, Europe, and Latin America are thinking about China, and

in particular, about different elements of Chinese power. And we'll also look at how people see Chinese power vis-à-vis American power.

So, let me start off by showing you some data on what's really our sort of most basic baseline measure of how the world sees China. A very simple question -- do you have a favorable or unfavorable opinion of China. And we asked this question about China and the U.S. and the EU, Russia, lots of other countries and institutions.

So, if you look at this map, this compares our favorability measure on China with our favorability measure on the U.S. in the 44 countries that we surveyed in 2014. So, looking at the map here, countries in blue are places where the U.S. gets higher ratings than China. Red, China gets higher ratings. And then this sort of dark gray are places where there's no significant difference between ratings for the two countries.

And then over here on your right, you've got regional median percentages saying they have a positive view of the U.S. and a positive view of China. So, if you look at Africa, for example, you know, both countries get pretty good ratings in Africa. Maybe slightly higher for the U.S., but good ratings overall for both countries.

Africa was really the one part of the world where we didn't see the rise in anti-Americanism during the Bush era. He was pretty popular there. The U.S. got good ratings in Africa throughout his presidency, and has continued to get good ratings since then. We've also seen consistently high ratings for China in Africa.

Of course, there's been a lot of media coverage of some pushback against China and Chinese firms and things like that in Africa, and you know, maybe the panel discussion can get into that a little bit later. We haven't seen a lot of evidence yet of pushback against China in our surveys, although maybe within the last year or two, some evidence of that, and we'll take a look at that in a few minutes.

In Asia, you know, mostly positive ratings for both countries, or maybe slightly higher for the U.S. and Asia. It varies a lot, depending on what country you're talking about. And then in Europe and Latin American, two regions where the U.S. tends to get higher overall ratings than China. And we'll look at some of those on a country by country basis in just a minute.

Then, the Middle East is the one region of the world that's the clear exception. Right? It's the part of the world where China gets higher ratings than the U.S. And you know, China's aren't really off the charts. It's just a median of 49 percent, but it's better than America's in the Middle East, which have continued to be low.

Obviously, President Obama wanted to turn those numbers around when he came into office -- you know, he gave a very famous speech in June of 2009 in Cairo, but in our polling, we haven't really seen an improvement in America's image in most Middle Eastern countries, and if anything, we're actually getting lower ratings today than we were a few years ago. So, that's the region that's really the global exception.

Now, let's take a look at this favorability measure for China country by country in Europe. As you can see, it does vary a fair amount from country to country in Europe. Greece, people are basically divided in their views of China. I mean, a lot of negative attitudes in Greece, as you might expect over the last few years, but relative to other European countries, at least when it comes to China, they're fairly positive.

UK is the one country where you've got a clear plurality with a positive view of China. And then, France, Spain, Poland, half, maybe a little bit more with negative views of China. And then you know, pretty sizeable majorities in Germany and Italy in particular, with a negative view towards China. In this overall pattern, you'll see in some of the other slides I'm going to show you, the UK, Greece kind of near the top, Italy in particular, down near the bottom in terms of European views towards China.

Same question, looking at the countries in Latin America.

Overwhelmingly positive views, really, towards China. In Venezuela, you know, mostly positive. In Chile and Nicaragua, Peru. Some of the more negative views that we see tend to be in Brazil, Mexico, Colombia, where opinions are a little bit more divided in their overall attitudes towards China. And again, you'll see somewhat similar results on other questions we ask about China and Latin America. Some of the more positive views, typically coming in Venezuela, some of the more negative views in Mexico, Brazil and Colombia.

And then, the same question in the African nations that we surveyed in our 2014 poll, and you know, largely positive. Big, big numbers in Tanzania, Kenya, Senegal saying they have a favorable opinion of China. I mean, mostly positive elsewhere, with the exception of South Africa, where public opinion is pretty closely split on this question. And once again, this sort of reflects an overall pattern that you'll see in Africa, where South Africa tends to be, at least among the countries that we surveyed, the outlier. You know, generally positive ratings for China in Africa, but in South Africa, much more of a division in public opinion when it comes to attitudes towards China.

Now, one thing that we see in these three regions, and we see it all around the world, really, is that young people tend to have more positive attitudes about China. And you can see that here in the numbers on this slide. If you look at France, for example, 47 percent overall have a positive opinion about China, but it's 61 percent among people under 30. Just 41 percent among people 50 and older.

A 20 point gap in UK. Somewhat smaller, but the same pattern gaps elsewhere in Europe with young people on a pretty consistent basis saying they have a more positive attitude towards China than older people in the same country. And it's not just Europe. We see it elsewhere, as well.

A 20 point gap in Mexico, for example, between those under 30 and those 50 plus in terms of their attitudes towards China. You see it in Brazil. You even see it in Venezuela, where attitudes are generally pretty favorable towards China. They're especially favorable among young people, a little less so among older people.

And then, the same pattern again in Africa. Again, overall attitudes tend to be more positive there, but they're especially positive among people under 30 that we surveyed. And if you look at South Africa again, you know, overall, a little bit more mixed, but you know, more positive among people in South Africa than among older people.

And this is something we see in all three of these regions. We see it in other countries that we survey, as well, including the United States, where young people tend to have a more positive opinion about China. And so, I think part of that is about China itself. Young people have a more positive view of China. But we also see the same pattern when we ask about the United States, when we ask about the United Nations, the EU.

So, young people around the world typically have a more positive opinion about other countries and other institutions. So you know, part of this pattern is about China itself, I think, and part of this pattern is about the fact that young people maybe are a bit more open to other countries, a bit more internationalist in their thinking. So, it's sort of both of those things driving those numbers and driving these pretty significant age gaps that we see in our data on a regular basis.

So, another thing we've asked about over the years is China's economic impact. So, do you think that China's growing economy is having a good impact or a bad impact on your country? And you know, as you can see when we asked this question in Europe, we again get a pretty diverse set of data. UK, you got almost 6 and 10 saying yes, we think China's growing economy is actually having a good impact on our

economy.

Greece again, tends to be more positive. Even Germany is maybe on balance, positive. And you know, if you look back at that other slide we saw a minute ago, overall attitudes towards China aren't great in Germany. And then elsewhere, you've got more of a mixture of opinion, or at least in the case of Poland and Italy, you know, public opinion leans towards thinking that China is having a negative impact on our economy. And again, Italy is the clear outlier.

I'm not sure what's going on in Italy. Maybe, Philippe, you'll have some ideas, or others can talk about Italy that -- a lot of negative attitudes towards China among Italians that we survey. And you can see, a lot of these numbers don't add up to a hundred percent. And in that case, you know, the leftover numbers are essentially saying don't know. So, on some of these slides, you'll see a lot of missing data, because a lot of people maybe don't have an opinion about China's economic impact on the country or some of the other questions that we ask.

Same question is in Latin American, and again, you know, pretty good diversity of views. Very positive impression of China's economic impact in Nicaragua, Venezuela, Chile. It's really again, Brazil, Mexico, Colombia where attitudes are maybe a bit more divided. And as you can see in Argentina and some of these other places, significant don't know, and people maybe don't have a strong impression of China's economic impact in some of these countries.

Same question again in Africa, and as we typically see in Africa, a very positive response to China's role. You know, 80 percent in Kenya say, yes, we think China's growing economy is actually a good thing for Kenyans and for our country. And once again, it's South Africa, maybe a little bit Ghana that tend to have the least positive views about China's economic role. So you know, on balance, very positive in Africa,

South Africa in particular, being a bit of an outlier.

Now, you know, while we've seen positive attitudes towards China's growing economy in Africa, we also see maybe over the last year or two, some slippage in that. And that's what you can see here on this slide. Hopefully, you can sort of follow those numbers.

Uganda is the outlier on this slide. They're the one place where we've got more people over time saying China's growing economy is a good thing for us. Elsewhere, in all of the other African countries where we have trends, that number has come down over time. So you know, in Kenya, it's still 80 percent. Right? That's a pretty high number, but it's down from 9 in 10 in earlier surveys that we did.

In Nigeria, it's dropped from 90 to 68 percent, down a little bit in Tanzania. And then in Ghana and South Africa, significant declines over time in terms of percentage of people who say yes, you know, China's growing economy is good for us. In Ghana, it's dropped from 77 percent to 52 percent. In South Africa, down from 56 percent to 41 percent.

So, you know, this is the one place, in our data, at least, where we do see signs that maybe the enthusiasm for China, the enthusiasm for China's economic role in particular may be waning a bit in Africa. And that's something that we'll want to keep asking about and looking at in our surveys, to see if this trend continues, to see if this trend starts to rub off, and other things that we ask about China, if China's overall image starts to suffer in Sub-Saharan Africa, where it's been very strong over time.

So, that's a little bit data on China's economic image. I'll show you a few questions now on -- more on the foreign policy or national security realm, including some data on a series of questions we ask about various threats around the world. So you know, do people in these three regions see China as a threat? And the answer is mostly

no, at least compared to lots of other threats that we asked them about. And you can see that reflected here on this slide.

This is data from 2013, so it's a little bit outdated, and the 2015 survey that was referenced earlier, we're going to ask some new questions about that. But I think the general pattern is still instructive here. So, this is data from Europe, and these are median percentages across the European countries that we surveyed in 2013, saying each of these things is a major threat to our country.

So, at the top of the list, and it's probably not too surprising for Europe in 2013, is international financial instability. Sixty-three percent said this is a major threat to our country. Iran, extremist groups, climate change, even North Korea -- all seen as pretty big threats in Europe. China's power and influence is down, you know, down closer to the bottom of the list.

There's still a significant number. Thirty-eight percent said this is a major threat to our country, but it's not one of the top priorities in terms of -- when you ask people about major threats to their country. As you can see, Pakistan and U.S. power influence, even lower.

So, same question in Latin America. And again, China is down towards the bottom of the list. Climate change really jumps out in Latin America as a major concern. And we've seen that repeatedly in our surveys, especially in Brazil, but in other parts of Latin America, as well. A lot of concern about global climate change. Financial instability as well, a major concern. China, extremism, U.S. power -- these things are lower on the list in Latin American.

Same question again in Africa. And you know, again, China doesn't rank especially high. A median of 26 percent across the African countries that we surveyed said China's power and influence is a major threat to our country. Extremism, climate

change, economic instability -- those tend to be at the top of the list.

And you know, one of the things I found just globally, when we asked this question in 40 countries around the world in 2013, was it really tended to be on a pretty consistent basis, climate change and financial instability that were at or near the top of the list. It was these big global threats that people said they were more concerned about than the threats tied to specific countries like China or Pakistan or the U.S. or North Korea. So you know, when you're asking people, what are they really worried about as a threat to their country, it's these big global threats like economic instability and climate change.

Another question that gets that sort of -- you know, is China seen as a threat or not is this one, where you ask people, do you think of China as more of a partner, an enemy or neither one. And if you look at the red parts of the bar here, you can see that not a whole lot of people in Europe, Latin American or Africa think of China as an enemy. It's you know, 10 percent or fewer in all three regions. So, there's agreement on that.

When it comes to whether or not China is a partner, however, there's significant disagreements among these regions. Right? Only 25 percent in Europe think of China as a partner of their country. The majority tend to say China's neither one. In Latin American, it's about half who think of China as a partner, and then it's a clear majority across Africa saying that China is a partner to their country. So, you know, in lots of ways, if you had to pick one slide that sort of summed up views about China in these three regions, it might be this one.

You know, the Europeans don't see China as an enemy, but they don't think of it necessarily as a partner, either. Latin Americans are kind of in the middle, and then Africans overwhelmingly think of China, at least in this survey, as a partner to their

country. So, this overall regional breakdown is pretty common throughout the questions that we asked about China.

One other thing we've asked about China in terms of the foreign policy realm is this question. In making international policy decisions, do you think China takes into account the interest of our country. People can say a great deal, a fair amount, not much or not at all. And this is a question that we've asked for years about the U.S. You know, if you think back to the Bush years, it was a common complaint that the U.S. didn't take into account other countries' interests when it was making foreign policy decisions. And we saw that reflected in our data.

We've also seen it to be a pretty common complaint about the U.S., you know, even today during the Obama administration when ratings of the U.S. have gone up. We still see a lot of people around the world saying the U.S. doesn't necessarily think about us when it's making foreign policy decisions. So, this is data on this question about the U.S. in these three regions.

You know, only 35 percent of Europeans say, you know, we think the U.S. takes into account our interest a great deal or a fair amount when it's making policy. Fifty-one percent in Latin American, and then about two thirds in Africa. So, as I said, we've been asking this question about the U.S. for a long time, so we decided, let's ask the same question about China.

And we get you know, somewhat similar results in some regions, and in some places you know, even less of the sense that China takes into account the interest of other countries around the world when its making its policies. So, only 17 percent of Europeans say yes, we think China takes into account our country's interest when its making its foreign policy.

Just 40 percent in Latin American, and then again, you know, it's almost

two-thirds in Africa -- about the same number as you see when you ask about the U.S. So, this is one area where we've seen this common complaint about the United States for years. We wanted to see what people think about China in this regard, and we see somewhat similar responses or maybe even people are a little bit more likely to say China doesn't think about us when it's making its policies. So, in terms of these two big global super powers around the world, people say, you know, I don't really see either one of these major powers thinking about us and our interests when it's deciding what to do on the world stage.

So, let's look at a couple of items now on Chinese soft power. And this is something we've just started, I think, to try and get into, and you know, ask a few questions about -- I think at this point, you know, people's views or knowledge about elements of Chinese soft power are probably still developing. They don't have a lot of you know, concrete views about certain elements of Chinese soft power, at least.

But we wanted to go ahead and start asking questions about this, if nothing else, to establish a baseline that we can track over time and see how people's views about soft power and Chinese soft power evolved. So again, I'll show you this in the context of comparing it to views about American soft power, which is something that we've asked about a number of times over the years.

So, this is data from Latin American countries that we surveyed in 2013, and we asked about American science and technology, pop culture, ways of doing business and whether it's a good thing or bad thing that U.S. ideas and customs are spreading to your country. And these are the median positive views about these things across Latin America.

And as you can seem, American science and technology tends to score very high. People admire the U.S. for its science and its technological achievements.

So, people also, for the most part, tend to say they like American pop culture -- American movies and music and television. They like American ways of doing business a little less so. It's kind of mixed around the world -- about 50 percent Latin America.

And then, the idea that American customs and American ideas are spreading to your country, typically, including in Latin America, people are a little reluctant about that. It's interesting if you take the pop culture numbers and the ideas and customs numbers. Right? People -- you know, they want their Jay Z and their "House of Cards" and all of these American cultural things, but then, they say, we'll we're getting a little bit too much America in our country, as well.

So, we asked the same set of questions about China and elements of Chinese soft power. And you know, you see somewhat similar results when it comes to science and technology. People say they admire China for its technological and scientific accomplishments.

As you might expect, Chinese cultural products really don't register as much. People aren't as familiar with those. Chinese ways of doing business score a little bit lower than when we're asking about American ways of doing business, which is interesting. You know, one could have guessed that might actually be higher than it is, given China's success in business and its economic growth.

And then, again, pretty similar results when you ask about Chinese customs and ideas spreading to our country. You know, people tend to be concerned about things like that. They want to hold onto their own traditions, their own customs, even as they're you know, buying all kinds of American and Chinese products and things like that. So, that's Latin America.

Same set of questions in Africa. Again, you know, pretty high ratings for American soft power there. And Africa is the one part of the world where you can get a

majority actually saying, we think it's a good thing that American customs and ideas are spreading to our country.

And then in comparison, somewhat similar, but you know, lower numbers for China and Chinese soft power. Again, you know, clear majority is saying they admire China for its science and technology; less familiarity with its cultural products. Ways of doing business in Africa gets good numbers -- not as good as when we ask about U.S. business practices. And then ideas and customs, a little lower -- a little less support for Chinese ideas and customs spreading to our country in Africa than when you ask the same question about the U.S.

So, those are some common things we ask about soft power around the world. We've also asked about Chinese products. And this is data from 2008, so it's a little bit old, but I thought it was still worth sharing. This is the question we asked in 2008, when there were a lot of scandals in the news about Chinese products, and of course, we've had you know, more scandals about Chinese products in the years since.

Are they as safe as products from other countries, or are they less safe? And you know, in Europe, you know, pretty clear majorities in most of these countries, except for the UK, saying that Chinese products are less safe, including a big majority in places like France and Germany. And majorities, as well, in Argentina and Mexico, which were the Latin American countries we had in that survey, also saying Chinese products are less safe. So, this is something that looks like a bit of a weak spot in Chinese soft power. Obviously, a lot of Chinese products are being consumed around the world, but there may be concerns about their quality or their safety.

Another element that we try to explore is the various political models of different countries; how countries treat their own citizens. So, this is a question we've asked several times over the years. Does the government of China or does the

government of the United States respect the personal freedoms of its people?

And this is data for 44 countries that we surveyed last year, so this is the median percentage of people who say, you know, the government of the U.S. respects the personal freedoms of its people. The government of France or the government of China or the government of Russia respects the personal freedoms of its people.

So, across those 44 countries that we surveyed all around the globe, 58 percent said that the U.S. government respects the personal freedoms of its people. A similar number, maybe a little bit lower for France. The Chinese number, much lower. Just 36 percent say that the Chinese government respects the personal freedoms of its people; slightly higher than Russia.

Now in years past, we've also asked about countries like Saudi Arabia and Iran, which are even lower than Russia. But this is something that you know, is a relative sort power strength for the United States, a relative soft power weakness for China. The U.S. number actually, used to be higher than this. It dropped between 2013 and 2014, I think as a result of the NSA scandal, the Snowden story, et cetera, et cetera. So, this U.S. number is actually lower than it used to be. Again, this is something that we'll ask about again in this years' survey, and we'll see how these numbers move.

So, just to look at this -- those were global numbers. Let's look at it in each of these three regions. As you can see in Europe, you know, clear majorities -- very large majorities, quite often, saying that they do not think that the government of China respects the personal freedoms of its people. That's true even in Greece, UK, some of the countries where China's ratings tend to be higher than elsewhere.

Same question, Latin American. Venezuela is the outlier here. Again, you know, it's where you tend to see the most positive attitudes towards China. It's the only place where you've got a plurality saying yes, we think the Chinese government

respects personal freedoms. Elsewhere, it's either mixed, or in places like Brazil, Chile, Colombia, you've got half or more saying no, we don't think Beijing respects personal freedoms.

In Africa, you know, once again, the more positive views about China on this question. You know, majorities in most of these countries -- about half or so in Senegal and Nigeria saying we do think that China respects personal freedoms. As you can see, again, a lot of numbers that don't get close to a hundred, because this is something that we get a lot of don't know on. Maybe this is a question that doesn't really register among the general public in some places in Africa. And you know, once more, the more negative attitudes in South Korea.

One more question related to soft power. This is, again, data from 2008, but I thought it was instructive to share, even though it's a little bit old. We asked people about whether they have a favorable opinion of China, which you know, we saw results from that question earlier, and we also asked people whether they have a favorable or unfavorable view of the Chinese people.

And this is data from Western Europe as well as the U.S. in 2008. We saw some of our lowest ratings for China that year. Our survey was conducted in the spring of that year, so it's in the run up to the Olympics. There was you know, violence in Tibet; a lot of controversy surrounding the Olympic torch run, if you recall back in that area. And so, we saw some of our lowest ratings for China in the west.

But when we asked about the Chinese people, we got higher numbers. And this is similar to what we used to see during the Bush era in Western Europe. When we asked about the United States, we got very low ratings in Western Europe. When we asked about the American people, we tended to get much higher ratings, and we see that somewhat, here, which I think again, it reflects the fact that people are sometimes able to

distinguish between a government, maybe its policies they have disagreements with, and the people of a country, who they may have a much more favorable impression of. And that's something that I think, ties in to a nation's overall amount of soft power.

So one more topic, the global balance of power between the U.S. and China, which as I said, is something that we've done a fair amount of research on over the years and asked several different questions about. This question asks about the overall amount of influence you think the U.S. and you think China are having in your country.

So you know, throughout Latin America, what we see is that you have higher percentages of people saying the U.S. has a great deal or a fair amount of influence on our country. You know, significant numbers say China also has a lot of influence on our country, but it's not as high as when we ask about the U.S. You know? So, this is something we'll want to keep trending over time, to see if perceptions about the degree of influence that China has start to gain on perceptions about the degree of American influence in these countries.

We also asked people in Latin America, you know, who do you think is more important for your country to have strong ties with? Is it the U.S. or is it China? And what you'll see is, actually, a lot of people volunteer both. We don't even give them that as an option. We try to force them to make a choice one way or the other, and they still say no, I really think both are important. So, we get pretty high percentages of that volunteer category.

You know, El Salvador, Mexico, Brazil -- there you've got majority saying it's the U.S., but elsewhere, opinions are more divided on this question. And on Venezuela, once again, the outlier, you've got four in ten in Venezuela saying we think it's more important for our country to have close ties with China. Just 19 percent saying that

about the U.S.

Same questions in Africa. Here, you see people saying that China has more influence than you saw in Latin America, although again, the U.S. probably has a slight edge on this question, if you want to think about it in those terms. Slightly more people in Africa saying that the U.S. has a great deal or a fair amount of influence in our country.

Nigeria, the numbers there are pretty close. Elsewhere, I think you've got significant differences between those two measures, but the numbers for China are pretty high, and people obviously see China having a lot of influence in these Sub-Saharan African countries.

And then the same question about ties. You know, who do you think your country needs to have strong ties with? And again, we get a lot of people volunteering. We really want to have strong ties with both. And Uganda is the only country among these where you've got half or more saying the United States. Elsewhere, it tends to be more divided. Nigeria, interestingly, is the one place where more people say China.

And you know, maybe we'll have some thoughts about that on the panel. I'm not sure what's driving that, but that's the one place where you've got more people saying we need to have closer ties with China than with the United States.

Something else we've been asking over the last several years is this question. We ask people, who do you think is the world's leading economic power? And people can say the U.S. They can say China. They can say the EU or Japan. And not a whole lot of people tend to say the EU or Japan. They say it's either the U.S. or China.

And these are the regional median breakdowns for responses on this question. So, in Asia, interestingly, that tends to be the part of the world where people

are most likely to say the leading economic power is the United States. So in China's back yard, you know, that's where American economic power is actually seen as being strongest.

More people say the U.S. in Africa than say China. The same is true in Latin America. The Middle East is pretty closely divided. And then Europe is the one place where you actually see more people saying China is now the world's top economy, and say this about the U.S. And over time, we've seen these numbers change around the globe with you know, a bit more people naming China, fewer people naming the United States.

But the trend and the change has been especially dramatic in Europe. You can see a little bit of that here on this slide. So, you know, looking at these four European countries that we surveyed both in '08, and then again in 2014, the percentage of people in all four who said the U.S. is the world's top economy dropped off significantly.

In the meantime, the percentage of people in these countries who named China as the world's top economy has gone up significantly. You know, look at Spain, for example. It's more than doubled there. You know? It's gone from 24 percent naming China as the world's top economy in '08. You know, fast forward six years later, it's up to 49 percent.

It's up by about 20 points or so in the UK and France and Germany, as well. So, it's really in Europe, among some of America's top allies, really, where you've seen this big shift in terms of percentage of people who say, you know, China is now the top economy. It's no longer the United States.

One other question that gets to this balance of power, and this one's a little bit different from the one we were just looking at in a couple of different ways. One,

it's about the notion of being a super power. So, it's a little bit broader than just being about economic power. And also, it asks people to look forward rather than asking them about today.

So you know, we asked people, do you think China will eventually replace or maybe has already replaced the U.S. has the world's dominant super power, or will China never replace the U.S. as the world's leading super power? And this is data for 20 countries all around the world that we surveyed both in 2008 and in 2014.

Now, the 2008 survey was in the spring of that year, so it's actually before Lehman Brothers collapsed. It's before the economic crisis really kicked into gear. And at that point, you know, across these 20 countries, public opinion was pretty closely divided on whether China was going to replace the U.S. or not. And what we've seen over time is a pretty clear global consensus emerging that you know, yes, we do think China is going to supplant the U.S. and become the world's leading super power.

And this is data for all our regions in our 2014 survey on this question. And as you can see, it's -- you know, different gradations across these regions, but the same overall conclusion. You know, especially in Europe, you see the people say that China will replace or maybe has already replaced the U.S. as the top super power. You see it in the Middle East and Latin American, Africa. A little less so in Asia, although even in Asia, the balance of public opinion is that the U.S. is going to replace China as the world's top super power.

So, you know, that's a quick walk through on some of the key findings that we have. Just to sort of sum things up, I think that we see in Europe and Africa and Latin America really reflects some of the broader patterns that we see all over the globe. You know, people very much believe China's power is on the rise, which probably isn't too surprising, but I've been struck by how much this issue does register among average

citizens around the world.

I mean, we all know there's been a lot of elite debate, you know, about China's rise and about the issue of whether or not the U.S. is in relative decline over the last few years. But what our polling shows is that this really registers among general publics around the world, as well.

We also see in our surveys that China's economic power, I think generates mixed reactions. You know, it's very positive in Africa, but a little bit less so, and certainly in parts of Europe and Latin America. And it may be waning a bit in terms of positive reactions to it, even in Africa. And this reflects, I think, the mixed views that people have about China's economic growth around the world.

You know, they see it on the one hand as an opportunity, but they also see it in some sense as an economic threat, and they see China as an economic competitor. And of course, there's -- you know, an issue we want to continue to track is this view about Chinese soft power and whether or not Chinese soft power begins to, in some ways, compete with American soft power in different ways around the world.

And right now, there's certainly weak spots in China's soft power, particularly in terms of public views about its political model. So, you know, just again to put in a little plug, we're currently doing a survey around the world in 40 countries where we're going to repeat some of these same measures. We're going to ask some new questions about people's views of China, people's views of the United States, so we'll have some new data on this in a few weeks. And if any of you are interested in a follow up with me, I'll be happy to send it your way, once it's available.

And then, one other final thing I'll close with is that we're always interested in improving our questions and adding new questions about these things. So, I'm certainly open to hearing any ideas you have about you know, what questions should

we be asking about China and its role in world affairs in our global surveys. So, I'll stop there, and I'll be happy to take more questions. Thank you. (Applause)

MR. LE CORRE: Well, thank you very much, Richard. That was fascinating, and I think we all agree that studying China is one thing, but studying China's perception is also very useful for all of us. And certainly, the way China is growing as a new power makes your work --

(Audio dropout)

MR. LE CORRE: I just wanted to start with perhaps, a -- we're going to have a couple of questions, and then I'll ask the audience if they want to ask some other points, as well -- make some other points.

Why did Pew start looking at China? I mean, obviously, you're a U.S. based organization. The U.S. is you know, everywhere, at least in Washington, but as we saw, in other places, as well. And why did China become a subject of interest to your global survey?

MR. WIKE: Yeah. Well, you know, we -- as you said, we've been tracking of course, attitudes toward the U.S. and towards the international affairs for a while. But we started around 2005, I think, adding some of these basic measures, like the favorability question that I referenced, you know, on our surveys, just to get a general sense of how the world sees China.

But I think 2008 may have been the year when we really started to look at this in more detail. And part of that was really, the Olympics. Right? You had the Olympics coming up and China's role and China's rise -- very much an international story. So you know, for us, that was a news hook in some ways, and an opportunity for us to do some work on China's image. And it turned out to be really interesting, and you know, it turned out to be a story that we wanted to keep telling.

And once the economic crisis kicked into gear, later in 2008, then it became even more of a story. And views about China's rising power, shifting views about the global economic balance of power, the various geopolitical issues that have emerged in recent years -- you know, for all of these reasons, international attitudes towards China have just been a really interesting and important story. And what we like to do is ask questions that get at how people around the world are thinking about these really important international stories.

MR. LE CORRE: It's interesting you mentioned the Olympics, because that was the year, really, 2008, where China hosted the first big event -- world event, it ever hosted. It was followed by the Shanghai World Expo and it was seen as China getting into the global arena, at least the public arena.

Now, what about Asian countries? I mean, the purpose of this event, as we discussed with Cheng Li, was to give other views of China in Europe, Latin America and Africa. But obviously, Asia. I mean, the neighborhoods.

MR. WIKE: Right.

MR. LE CORRE: That's where we have strong views about China -- even stronger views, even though you know, it's quite striking in many ways. But with Japan, with India, with these big players -- Southeast Asia, some countries are scared. Some countries are very close to China, especially in Central Asia. I'd be interested to have, you know, in two or three minutes, perhaps, a sort of view of what's happening in this respect in Asia.

MR. WIKE: Right. Yeah, and I mean, I think what we see in Asia is what you might expect, which is security issues are much more important to how people think about China than elsewhere in the world. And we actually had a question we asked last year in our survey, about territorial disputes with China, and how concerned --

We asked people in Asia, how concerned are you that territorial disputes with China could lead to a military conflict? And we had more than 80 percent in Japan, South Korea, Philippines, Vietnam, all saying that they were very or somewhat concerned about this. I think it was 72 percent in India, 62 percent in China itself. So you know, around Asia, its security issues and specifically, these territorial disputes that are really framing how people see China in ways that I don't think you necessarily see around the rest of the world.

MR. LE CORRE: And perhaps, I'll ask one more question, which is very much -- the China (Inaudible) this question. But how does the Chinese political system and -- relates to global attitude toward democracy in all of these countries that you're studying?

MR. WIKE: Yeah. Well you know, I think what we've seen in our surveys when we've asked about democracy, and put in one more plug -- we're asking some people some questions about democracy in our current survey.

But you know, we've asked a lot of questions about democracy every time, and we see a pretty consistent desire for it, and we see a consistent desire not only for democracy as a broad concept, but for specific democratic rights and institutions. So, I think that plays out in some of the numbers that we saw earlier, when we asked the question about whether or not the Chinese government respects the personal freedoms of its people.

You know, people do want democracy and for governments like those of Saudi Arabia or Iran or China or Russia, you know, the issue of democracy is something that hurts those countries' soft power, and that's something that we -- you know, we've seen a lot in our surveys over time.

MR. LE CORRE: Well, we'll get back to this in the panel later on. But do

we have some questions in the audience? Please, identify yourself. There's a microphone coming.

(Audio dropout)

SPEAKER: Truid Prosper. Do you find any data on how the people of the U.S. feel about China's influence in the U.S.

MR. WIKE: That's a great question. You know, we didn't ask exactly that same question that I showed you earlier, but we certainly asked a lot about how Americans see China and the bilateral relationship over the years in the U.S.

We've actually seen more negative attitudes towards China over the last few years as there's been -- there have been geopolitical tensions, on the one hand. But on the other hand, you know, China is a foreign policy issue in the U.S., but it's also an economic issue in some ways. Right? So, when you're talking about American views towards China, they're very much framed by economic issues.

And if you ask people, you know, what are your top concerns about China, it tends to be things like losing jobs to China, the trade deficit with China, the amount of debt held by China. So, when you talk about American attitudes regarding China, those economic issues really come to the top of people's priority list. And in some ways, when Americans think about China, it's reflecting their own economic anxieties about this country, as well.

MR. LE CORRE: A question by Ted Piccone.

MR. PICCONE: Ted Piccone from Brookings.

I wanted to pick up on your answer to this previous question about democracy and how it's viewed. I mean, your slides about personal freedoms in particular, the numbers were very spread out, depending on where you asked the question. In Africa, the numbers were actually quite favorable toward China in this

question of personal freedoms, which is striking to me, given what we know about China and the state of personal freedoms in the country.

So, can you unpack that a little bit for us, and help us interpret why such a different set of numbers on personal freedoms, and what that means?

MR. WIKE: Yeah, sure. And I think that -- and you're right. Africa is really the one region where you do see those much higher numbers on that question. And you know, my guess is that what we're really picking up there in Africa is that overall views about China are positive. Overall views about Chinese economic involvement in those countries is positive, in that the issues around democracy really haven't risen to be near the top of people's priorities when they're evaluating China.

So, it's something that hasn't really registered as much in some countries, particular in Sub-Saharan Africa. And you see that reflected, too, in the "I don't know" we get. I think that you know, that's a question that isn't top of mind in Africa maybe as much as it is in Europe, for example, when we go out and we talk to average citizens. And it's not the frame through which they're really thinking about China as much in Africa as it is, maybe in Europe.

SPEAKER: (off mic)

MR. WIKE: I think that's part of it, at least. Again, you know, looking at the percentage of people who don't have an opinion about this issue, you know, that's one of the factors that's driving the fact that we don't have the high negative numbers that we have elsewhere.

MR. LE CORRE: Maybe Cheng Li first, and then the gentleman and Jonathan.

DR. LI: Oh, excellent presentation that the three of us are having -- twittering your presentation. We already got very, very strong reactions from China and

from the United States and around the world.

MR. WIKE: Good (Laughter).

DR. LI: And then, we have several major accounts. And again, thank you for doing this comprehensive survey.

My question is about your preview for the 2015 survey. Could you tell us, if possible, in what areas you see some striking differences, if you may, and when you will release that report?

MR. WIKE: Yes. In truth, we are really conducting it and getting data back right now, so I don't have any conclusions based on the data for this new survey, but it's in 40 countries around the world, and we hope to have the data out and release a report in late June.

So, we're going to try to get the data back and turn it around very quickly, and you know, again, we'd love to share it with anyone who's interested. And we will update a lot of the same questions, at least, that we asked this year, and we'll want to follow up with some of the things in Asia we've asked about in terms of territorial disputes and stuff with China.

And one of the things we want to look at is this personal freedoms question. And in that case, we want to look at personal freedoms in terms of how people see American -- the American government's treatment of its own citizens. We've obviously heard a lot over the last year about the debates over torture, which is something we'll have some questions on.

There's been you know, the Ferguson and related issues in the United States. So, I think that's actually going to be one of the more interesting things to see in terms of this new survey regarding how people see the U.S. And then, we'll see how that compares to views about China and its government's treatment of its own people as well.

MR. LE CORRE: How about the gentleman here, and then Jonathan, and maybe we'll close for the time being, because we have another panel started. Yeah, please.

SPEAKER: Thank you. Thank you very much. A very interesting presentation. My name is Didong Sheng. I'm from Georgetown University.

My question is about the Chinese image in some nations like South Africa and Brazil. As we all know, South Africa and Brazil are active members of BRICS, you know, which China is investing a lot, to -- and working closely with these nations to reform the global governance system, and also, providing a lot of resources in.

But I (Inaudible) that in your presentation we could see quite obviously that China's image was relatively negative in their respective countenance. So, could you please explain a little bit about that phenomena?

MR. WIKE: Because we were talking about India, another BRIC, but you know, very negative attitudes towards China quite often in India. Yeah, I mean, I would be interested of course, in what the panelists for the next round would have to say about this.

But my hypothesis would be that in some ways, the angle of economic competition is informing what people in some of these countries are thinking about. I think that's part of the issue, probably, in Mexico, for example, where we've seen more negative attitudes towards China over the last few years.

And some of these emerging, developing countries -- you may increasingly see views towards China that are more negative because they see China as an economic competitor, which as we know from our data in the United States, has certainly driven more negative views about China over time. And I think we might see similar patterns in other countries, as well.

MR. LE CORRE: Jonathan Pollack?

MR. POLLACK: Yes, Jonathan Pollack from the Thornton Center at Brookings.

I was fascinated about your reference to attitudes in the United States about the salience of economic questions with respect to China. That actually, in some way, reflects really much of what President Obama has had to say. But if you were to judge it, if I could put you on the spot, by sentiment, for example, in Washington, D.C., you would see a pervasive focus, I would argue, on looking at China in security terms, rather than in economics.

Is there a disparity here between elite versus public opinion? And what would you see as the implications, or dare I say, even the advice you'd give for a political candidate who wants to be the president of the United States?

MR. WIKE: Right (Laughter). Well, at Pew Research Center, we're expressly forbidden from giving advice (Laughter), so I don't have any advice to give.

I mean, but it's very interesting that you say that actually, because we did a survey in collaboration with Carnegie Endowment and Wilson Center a few years ago, where we had looked at the American general public's perceptions of China, along with the elite's perceptions of China, and we sort of tried to do our best -- took our best effort at gathering a sample of China experts in one or another from you know, government and the academic world and the security world and that type of thing.

And you did see very different perceptions of China among elites, on the one hand, versus average Americans, on the other hand. And as I think you suggest, a lot of these economic issues that are so important to average citizens were not nearly as important among the elite. So, things like the trade deficit, the amount of debt held by China, the perception of jobs, maybe flowing to China.

These weren't concerns so much among the elites. They were the top concerns among the average citizens. Elites, you know -- elites were really concerned about property rights, intellectual property, and they were very concerned, which is interesting, even at that time, about cyber security. And this is really before you had all the big stories about the cyber security threat from China. So, you know, elites were kind of on the cutting edge of it at that time.

And so you know, it was a very different set of issues when you're talking about the China elite community or the China watchers versus average citizens. And it reflects differences you tend to see when you ask about foreign policy and compare, you know, your foreign policy experts with average American citizens.

Americans tend to worry about things like trade, economics, bread and butter issues. Those issues don't tend to be as important among foreign policy experts.

DR. LI: Great. Well, I think, you know, the takeaway from this is that China is now -- you know, as we all know, the big player and there's no more -- only one super power. And obviously, people have views about China, as we saw different views. Perhaps some discrepancies and some common ground among the regions that we are going to be talking about in just a few minutes.

So, I think you know we thank you for being here. We'll have more time for questions after the panel, which will be moderate by my colleagues, Yun Sun, who is a non-resident fellow at Brookings and an Africa expert. So, let's thank Richard Wike for his presentation (Laughter). Thank you.

MR. WIKE: Thank you. Thank you very much.

(Recess)

MS. SUN: Well, I think we can get started for the Second Panel. If people want to get coffee, feel free to grab a coffee and come back, and we'll have a

fascinating discussion from the regional perspectives on China.

So for the first panel, we had the overview of how China is being perceived in different continents, and for this Panel, we have three distinguished experts at Brookings, to examine the factors that affect the perceptions of China in these three continents, the drivers behind the relationship between China and these regions, as well as the explanations for the -- sometimes very diverging, positive or negative views of China.

So, for these three experts, they are all from Brookings. We have Amadou, we have Harold, and we have Philippe. I won't read you their long biographies, but just as a brief introduction.

Amadou Sy is the Director of the Africa Growth Initiative at Brookings; and he is also a Member of the Editorial Board of the Global Credit Review. He was previously the Deputy Chief of Mission -- Deputy Division Chief at the International Monetary Fund, where he coordinated, developed and taught Macro-Economics and Finances Courses to senior-level staff, from central banks and ministries of finance in Asia and Africa.

He has also held a variety of positions at the IMF over the last 15 years, covering more than 20 advanced, developing and emerging countries, and how the financial crisis is, since 1998. Here, at Brookings, he focuses on banking, capital markets, and microeconomics in Africa and emerging markets.

Harold, our Latin America expert is a Charles Robinson chair, and senior fellow, as well as director of the Latin America Initiative in the Foreign Policy program. His research focuses on Latin American politics, particularly on issues related to foreign policy, governance and security. He is currently working on Brazil's emergence as a major power, and Latin American contributions to the global governance and issues

including energy policy, drug policy reform and Internet governance.

He has also written on terrorism financing, borders, drug policy reform -- borders and ungoverned spaces. He previously served as an associate professor and chair of the Department of National Security Affairs, at the Naval Postgraduate School in Monterey, California. So, as to the question on Brazil and his connective view on China from China from the last panel would be equally addressed by Harold.

Last, but not least, we have Philippe Le Corre, who is a Visiting Fellow in the Center of the United States and Europe here at Brookings. His research focuses on Asia, Europe, political and economic relations, China's foreign policy and France. He has published widely on Asia and European issues. Before joining Brookings, Philippe held various positions as Adjunct Lecturer at the Science de Paris; an Associate Research Fellow at the Institute Strategic and International Relations in Paris; as a partner with the Publicist Group and at France's Ministry of Defense.

Philippe spent the first half of his career as a Foreign Correspondent, reporting from 15 Asian and European countries, and the English version of his latest book, *The Chinese Offensive in Europe*, will be published by Brookings Press later this year.

So, without further ado, we'll go directly into the discussion by the experts. We'll follow the order of Africa's perception on China, and then Latin America's perception on China, and then the European perceptions on China. After the presentation by the three experts we'll open up for more questions and answers. So, Amadou, the floor is yours.

MR. SY: Thanks, Yun. Thanks for inviting me. So if I just look at the results of the previous Pew Survey -- surveys you'll see that Africa is the region where the attitude towards China is the most positive compared to Latin America and Europe.

And I think it has to do a lot with the fact that if we were to do the same survey and ask, you know, Chinese citizens, or Chinese leaders about their views of Africa, you would probably have a huge proportion that would say that they see Africans as business partners.

When you compare that to the U.S., my sense would be that you would see -- most Americans seeing Africans as a people that need help. Well, if you look at one of the most popular, or the most popular President in the continent, that was George Bush. Why? Because he had a lot of programs to help Africa, especially to fight the AIDS epidemics, PEPFAR and so on.

And I think this is important because, you know, if you look at the context, in the '60s, post independence, Africa was growing very fast, but unfortunately, was hit by a number of shocks, including in terms of trade shocks. Remember the oil crisis, and so on. And then our first spurt of growth just collapsed. Of course we had, also, our own issues with, you know, political violence, and coups, and so on.

But since the -- in the early 1990s Africa started -- I'm just talking about Sub-Saharan Africa here -- started growing again, right, very fast. And like in 2008 the Growth Commission had this term, growth miracle, so they defined growth miracles as countries that could grow by 7 percent or more for 25 years. If you do that, every 10 years you can double the size of your economy.

So that's countries like China, for example. Well, in 2008, only Botswana and Mauritius were the two African growth miracles. If you fast-forward to now, that club has just expanded. You have Angola, you have Mozambique, you have so many more African countries, and actually the region is the -- it's the fastest-growing region in the world second only to Asia. Right? So, that's the context.

Another part of the context though is if you look at GDP per capita, we

are not there yet. If you compare what the think tank in Ghana called asset -- called the early transformers, the Brazils and the Vietnams, and so on. If you took their GDP per capita in 1970, and had both sub-Saharan Africa and those countries, GDP at 100, if you moved to 2012, their GDD per capita would be about 530, and for Africa, Sub-Saharan Africa it would be 170.

So, we have been growing very fast, but the growth is not enough. We have issues of jobless growth. We have a young population that is growing very fast, and we have cities that are growing very fast. We even have mega cities, cities with 10 million or more, like in Kinshasa, like Lagos, which are very, very large. So, the issue now in policy circles in Africa is about transformation, you know, how do you transform your economies so that you can increase our GDP per capita, you can converge to the rest of the world's economy?

And there, the issues are about, well, what are the engines of growth? You know, manufacturing, services, agriculture, natural resources, and so on. And there is a big focus on infrastructure. Why am I insisting on this context? Because that's where chine comes in; China is now the largest bilateral trading partner of Sub-Saharan Africa.

Trade in 2000 with China was about 10 billion, in 2013 it's 170 billion, right? So it's just -- China is coming at a time where the continent wants to transform, and China is seeing the continent as a business partner. So trade has increased. If you look at private capital flows in 2012, they were about 67 billion from 14 billion in 2000, and most of the growth in foreign direct investment has also come from China, but also from Brazil and other South-South partners.

If you take infrastructure where, again, there's a big need, China is present. It's present in energy, where other countries are present, like Power Africa is

mostly about energy, everybody wants to do energy, but if you take railroad, only China builds railroad. Right?

So, if you take -- so trade, infrastructure, and if you take foreign direct investment it's -- you can see a very, very strong presence of China exactly at the period where Africa is trying to transform itself, and grow faster, and have a more inclusive growth.

Now, if you look at the news though -- Oh, one thing to say though, because most of the trade that Africa is having with China, is in U.S. dollars, which makes things very interesting, because the renminbi is not internationalized, right, so the U.S. is still present, and the dollar, actually, I would say is still one of the tools where you can feel America's power in the global economy.

So, another issue also is that we have been growing in Africa over the -- since the early 1990s, also thanks to this commodity boom, so-called super cycle -- commodity super cycle. And one driver of the commodity super cycle has also been China, so there's also -- there's this indirect effect of China, through higher commodity prices which has benefited a number of countries.

And going forward then; so my point is that Sub-Saharan Africa is becoming more globalized through China. So going forward, when it comes to the economy of African countries, China is something that we have to study very carefully, understand very carefully, and also try to see.

So, going forward, if you look at scholars, economic scholars about China, there is this notion that, you know, the investment-led growth of China is not sustainable, and that we are going to move a more consumption-led growth. So where does that put Africa? Well, if China moves to a more consumption-led growth, and wages start to increase in China, some manufacturing, cheap cost -- cheap

manufacturing -- cheap labor, manufacturing might move offshore.

Of course, China has the choice, you have the Vietnams and you the Myanmars, but Africa is also there. So we can see a little bit, some trends like in Ethiopia and so on, but something to be watched very carefully, going forward. The same thing for the prices of commodities, we have to really watch very carefully, how China's economy is going to move forward if -- Take oil, if transportation, which is a very heavy consumer of oil, is going to increase in China, that might have an effect on the price of oil.

Take copper, right? What will happen to the price of copper, will depend on the long-term trends in the Chinese economy, and so on. Now this is not maybe the story that you will see mostly in newspapers and so on, understandably, there you will see more stories about. Oh, China is in Africa just for the natural resources. But when you look at the data, China is in all sectors, not just the natural resources.

And if you were to compare where, for example, the U.S. foreign direct investment, traditionally, has been in Africa, it's in countries which are natural-resource rich. It's in Nigeria; it's in Angola, but also in South Africa and Mauritius.

Security issues. So, as you've seen, one of the most important issues in Africa, in terms of risks, is the security issue, the emergence of cross border, transnational extremist groups, and so on. And you also have some hot spots like South Sudan. Well in South Sudan, China is in South Sudan for the oil, but apparently has been working, collaborating with the U.S., apparently that's one success story, I would be happy to know more, by talking to people, but that's one success where both the U.S. and China have been collaborating in order to solve the issue -- the problem in South Sudan.

Take Mali, well my understanding is the Chinese troops are a part of U.N. peacekeeping operations in Mali, right. So China is also becoming a presence

when it comes to security, not as strong as the U.S. of course, but it's starting to be. And if you take Ebola, where the U.S. played a very, very useful role, I think the newspaper, also, overlooked the fact that China also helped to solve that problem.

So, basically, we still have issues, so you will hear about, you know, how about labor rights, you know, how about, you know, sustainable investment, you know, the use of green technologies. How the maintenance once the Chinese company builds railroad, will it stay to do maintenance, and so on.

So I think now, when I talk to many policymakers, some of which are here in the room today, the idea is, you know, we need China, we need the U.S., we have this goal to transform our economies, and actually, competition is good. Thank you.

MS. SUN: Harold?

MR. TRINKUNAS: Thank you. And thank you for the invitation to participate in this Panel. It's particularly an auspicious time to be talking about the China-Latin American relationship. I see that Premier Li Keqiang is in Brazil today to sign a number of investment deals, about \$50 billion, after which he'll be visiting the countries of the Pacific Alliance, Colombia, Peru and Chile, also talking about investment and trade.

This is in the center of a counterpart or a balancing act I think that China is playing in the region, when China's President last year toured some of the more state-oriented, statist countries in the region, such as Venezuela and Argentina.

But certainly China is engaged broadly in Latin America, and I'd like to talk about some of the drivers of the varying perceptions we see of China in the region, in the pure research, which I found to be fascinating, and a little bit surprising in a couple cases. But I think we have to understand that the China-led America relationship is really fairly new. Really has changed a lot in the last 20 years, and that this is largely driven by economics.

It's starting to have some geopolitical implications, but really, I think we have to talk about the economy and economic relations first, and see what that means for geopolitics. So I'll start with those two issues, and then I'll talk a little bit about how those have affected, or might affect Latin America's perceptions of China.

And to give you a sense of how much things have changed, if you go back to, let's say, 1990, and look at China's trade or investment relationship with Latin America, it was practically nonexistence. It almost didn't register in the international economy.

However, if you look from 2000 to 2013, you see trade between China and Latin America multiplied 22 times, from \$12 billion to nearly \$270 billion per year. If you look at how that trade is distributed, you'll see that, again, the commodity super cycle, that Amadou mentioned, is an important part of this. China is a great importer of Latin America's natural resources, or manufactured products made from natural resources that constitutes over 90 percent of China's imports from Latin America.

And this has, in a sense, created the basis for a new relationship between the regions, the two regions. But within that, we have to take a more nuanced look and understand that the trade relationship varies across Latin America. South America is much more closely tied to China, because of the commodity exports where it's Central, and North American countries are much more closely tied to the U.S. economy.

There's also a big difference between the commodity exports in South America, in a more service and industry-tied economies of Central -- in North America. And just to give you a sense of this, most countries in Latin America run trade deficits with China, but 85 percent of Latin America trade deficit is in Mexico alone.

So, of course when we talk of the mixed perceptions that Mexico has about China, it has something to do with the pattern of trade. Now, on the other hand, if

you look at the countries that run trade surpluses with China, Brazil by far the largest, \$8 billion a year in trade surpluses. Venezuela, Colombia, and Peru, I believe, also run trade surpluses with China.

So, I think, one of the things to keep in mind, as we try to think about how Latin America has viewed China, you really have to almost do a country-by-country analysis, and understand the underlying trade patterns between the two countries. And certainly, since that is seen as quite positive, within Latin American countries, commodity export companies, large mining companies, large agricultural producers, in the Southern economy, have very positive views of China; whereas, manufacturers and service drivers, particularly manufacturers, see China as a source of competition.

For example, in Mexico, the big trade deficit they run with China has a lot to do with importing parts, and items to be assembled in Mexico for re-export to the United States. In fact, they are actually making money on this trade deficit, because they run a large trade surplus with United States.

But this causes this view of -- the deficit in Mexico, does cause a sense of competition, that Mexico, in a sense, is facing competition from a highly-productive China, which is competitive on a number of dimensions. So, that's sort of the trade picture that drives a relationship.

Much more recently, Chinese investment has become significant for Latin America, and really it only is -- really takes off in 2010. I was pretty surprised to see, when again, go back and look at the period 1990 to 2009, China invested about \$7 billion in Latin American countries. Since 2010 it has invested between \$7 and \$10 billion a year in Latin America.

And this is -- of course if you look at recent statements where the Chinese are looking to double trade and also investment with Latin America over the next

five years. Now the kinds of countries that have attracted the most investments are those large community producers. It's Brazil, by far, which makes sense. Brazil is something like 50 percent of South America's GDP, at least; but it's also Peru in mining, it's Venezuela because of oil, it's those sectors, I think Amadou has pointed to this in Africa, that really attract Chinese investment.

But this is, again, fairly new, we are talking five years of experience that the region has with Chinese investment, and obviously as China invests more, this will become more and more important.

Turning now to the geopolitical impact that trade and investment are having between Latin America and China, I think the key country here is Brazil, and we just talked about this. And it's really, the BRICS relationship. Brazil sees the rise of other powers, such as India, China, Russia, as advantages.

It's part of a group of countries that would like to discuss or influence the shape of world order, and of the rules that govern world order. They would like to create more space for themselves, and their own interest, and they see the rise of these other powers as a sense of, well, if we all work together, we can get some changes.

But it's also part of Brazil's hedging strategy along with China, when you talk about the BRICS Bank, about the Asia Infrastructure Investment Bank, where Brazil was the only country in Latin America to invest in the -- is a founding member of the AIIB. When you talk about the currency swap arrangement, reserve arrangement that that they within BRICS, these are hedging strategies.

This is, well if the West won't work with us to reform to the existing Bretton Woods Institution, the United Nations, et cetera, we are going to create parallel institutions that work for us as rising powers. So that's a dominant geopolitical issue, and it means that Brazil -- Brazil considers China an especially important partner.

Now the question then is, how does that translate into public perceptions? And I can only speculate here, I mean, my hypothesis would be that in Brazil, perhaps in South Africa as well, because of the BRICS relationship, there is simply more information available to citizens, about what China is like, than you might get in many other countries.

And in a sense the discussion is not just about Chinese trade and investment, but it's about politics, it's about foreign policy, in a way that other countries in the region don't maybe see as much in their own medium.

But geopolitically speaking, beyond the China-Brazil relationship, China has been trying to institutionalize its relationship more. They just had the first China-CELAC Forum, CELAC is the Community of Latin American and Caribbean States, and so they've tried to institutionalize this relationship, and there's also evidence that China is trying to expand its soft power, it's investing a lot more in diplomatic ties, security cooperation, and so on, and so forth.

Now what are the impacts on the perceptions of Latin Americans? Again, there's a relative newness, or maybe it's sort of the honeymoon period going on here, where Latin Americans are just simply not that familiar with China. I think, in general, when you look at China's role in the world. China's emphasis on at least -- I'll try it with immediate neighborhood on non-intervention and respect for international law.

It's sort of verbal the way it talks about its diplomacy that resonates with Latin American countries, which also talk about diplomacy in terms of sovereignty, non-intervention, so on and so forth. And I think that resonates quite well, especially China's discussion of its investments and trade not being conditioned by political factors, I think resonates well with at least Latin American elites.

I think that, I mentioned, I think some of the differences across countries

may have to do with the pattern of trade and investment, the fact that for example, Venezuela views China quite positively, that may probably have something to do with the \$50 -- the \$55 billion that China has loaned or invested in Venezuela over time.

And as I mentioned, industrialists in Latin America probably feel less favorably than commodity exporters do about China. Now one thing to keep in mind is that the relationship with China has driven two changes in Latin America's economies. One is the re-primarization of economies in South America. By that I mean, the reemphasis of primary or commodity exports, which is something that Latin America has been trying to get away from for a long time; just relying on things, for example, copper and timber and beef and soy, for example.

So that strengthens -- certain political sectors in Latin America have been strengthened by this, vis-à-vis, let's say, industrialists or service sector. The second thing is that South America is now much more tied to the rate of growth in China, rather than the United States, and if China slows down, this has driven a slowdown in South America, especially in Brazil.

I think the other thing to pay attention to that may affect perceptions, is as Chinese investment increases there is more and more contact between Chinese investors and managers, and Latin American managers, investors and workers. And in fact, in a number of cases Chinese investments, for example, in Peru, or the opening of a new car production plant in Brazil, have been associated with labor strife.

Which I think is something that's -- it's different to experience this in the Latin American context, which is, these are democratic societies, by and large consolidated with relatively strong labor protection, and so it's apparently quite a challenge for Chinese managers to deal with this, and they've not been able to do what they've done in some other countries which is to import Chinese labor to try to get around

this, so that has not played out.

So where does this leave us, going forward? I think the thing to keep in mind is that -- but let me make one more point. There are a lot of commercial overtones to the relationship, and there are some relations that are quite political. I think Venezuela is one of these, Argentina to a certain extent, Ecuador to a certain extent. These are countries, that no longer have access to international capital markets, for a variety of reasons usually associated with political risk, and China has given them, in a sense, a lifeline.

So this may contribute to some more negative perceptions among opposition elements in Venezuela, Ecuador and Argentina. We see China enabling poor policy choices by their current country's leadership.

So, long-term things to pay attention to: trade and investment in China and Latin America is inevitable; China has capital to invest. It has expertise and infrastructural development, Latin America needs both, so we are going to see more of this. And I think, the interesting thing will be to see if the current perceptions evolve after the honeymoon period elapses.

And the second thing is, as Chinese investment becomes more accentuated in Latin America, does that produce greater familiarity, and therefore does that contribute to negative or positive perceptions? But so far, this issue of labor relations, environmental relations, relations of indigenous communities and mining areas, these are all things that are relatively new for China to deal with in Latin America, and there's been some mistakes.

And just finally, I would say, how does China react to the decisions by a Latin American countries that would affect its investment interest, and specifically, I'm thinking that it's invested heavily in Venezuela and Argentina. Venezuela is in a full-

blown economic and political crisis. Argentina is in sort of a managed economic crisis.

This may have consequences for Chinese investments and trade, and the interesting thing would be to see the tension between China's official, sort of, verbal discourse that diplomacy is not and interventionists, and what actually happens to major Chinese investments in the region if things go sour in those two countries. I'll stop there.

MS. SUN: Thank you, Harry. And last, but not least, to Philippe, on the European perspective.

MR. LE CORRE: Thank you very much, Yun. As my colleagues, I think that the picture is extremely mixed in Europe because each continent has, you know, so much complexity, and diversity, and if you take Europe, obviously, there's a longstanding relationship between China and Europe, and each country, if you take, even just three of the main countries, the U.K., Germany and France, they have different histories with China.

France was the first country to recognize the PRC in 1964, the U.K. never closed its embassy, but actually reestablished four more diplomatic ties with China in 1972. So did Germany, but Germany also had the Eastern -- East Germany Embassy, and in 1990 merged the two embassies to have this kind of close relationship with China, which we know very well, and I'll come back to this in a moment.

But on top of this you have also the European Union, which of course has had a strong relationship with China as an institution, as a block of now 28 countries, and it established formerly as the European community relationship with China in 1975, I believe, and there are now about 60 bilateral dialogues between the EU as a whole, as a trade group, and China.

And that includes all kinds of topics, from investments, urbanization, human rights, trade, food safety, sustainable development, youth, culture, and even

security. So all these countries have direct relationship, bilateral relationship with China; the EU also has relationships with China, and the big question is, the one Henry Kissinger asked about Europe. You know, from the Chinese point of view.

Who do they call when they want to speak to Europe? Do they call France, do they Brussels, do they call Germany, and so we don't -- even I don't have the phone number of Europe, so don't ask me please. But China has been very good at, you know, balancing its relationship with individual countries, as well as Europe, as a whole, and you know, in 2004, the enlargement to 12 more countries of the EU, somewhat changed the game to China which thought it was going to be able to deal solely with the EU.

But actually, it found out later on that it was a lot more complicated than that. Some of these countries were not powerful enough, politically, and the EU was still a giant in progress, so to speak. And this is especially the case when it comes to investments. Harold mentioned investments, and this has been the subject of my recent book.

Investment in Europe has certainly been on the rise for the past five years. On average \$10 billion have been invested by China in Europe, and last year it was 18 billion. So you can see there's a trend, there's a rise, and there's a huge interest in Europe. In some -- for some reason, because Europe has a lot of brands, and companies, and there's a lot of technologies, that sometimes are not accessible here in the U.S. and, you know, if you take the five top countries that were of interest to China; the U.K., 5 billion; Italy 3.5 billion -- I'll come back to Richard's question on Italy -- the Netherlands, Portugal, and Germany, which is also China's largest trading partner within the EU.

And I suspect that Italy is now closer to the very top because strangely

enough it is -- it seems to have very negative views of China as -- you know, if you take the Pew Surveys. But maybe is also the main recipient of Chinese investments, and just a couple of months ago, Pirelli, which is one of the largest tire manufacturers, was purchased by China, by actually, a Chinese group that had nothing to do with tires, called ChemChina, which has to do with chemicals, and it's a \$7-billion deal.

So that's quite a significant investment, and it means that those countries which attract a lot of investments, are not necessarily those who like China most, and this is really why we are having this conversation, and I'll come back to this.

Investments, Chinese investments are also very diverse in Europe, they reach -- they reach out to energy, transport, infrastructures, real estate, automobile, food, retail, and even airport infrastructures.

And I also wanted to just mention that Germany, if I take the Pew Survey, Germany and Italy are the two countries that have the worst opinions of China, 28 countries in Germany, 28 percent of Germany, 26 percent on Italy. So, obviously we are talking here about an image problem which is, you know, the I-word which actually written here, China Image, so please tweet if you can.

There is a contradiction between what leaders think in Europe, and leaders, as you know, there's been the 2008 debt crisis, a lot of countries are in need for cash, in need for investments, there aren't many countries which can boost a \$4 trillion financial reserve, you know, like China, and so many European countries, and a good example is Greece, which, as you know, invited COSCO, the big shipping company from China, state-owned enterprise, to manage two terminals out of six in the Piraeus Harbor of Athens. And at the same time, what happened in January is a new government run by Syriza, was elected, and decided to halt the privatization of the four other terminals.

Of course China was not very happy, but this government was elected by

a left wing majority, trade unions and people who saw danger for the jobs, for the social benefits. This is one of the core issues in Europe is, you know, how to deal with a public opinion that sees China as a threat, perhaps, especially when it comes to social benefits. But at the same time, you need to attract new investors.

If you take the example of France, there's also a kind of a paradoxical situation. According to a 2012 survey on the image of China in France, people recognized China's status as an important power, but they have strong doubts about the Chinese system, which they don't know well, or about Chinese companies, which they don't know at all. And they have no positive emotions towards China.

Unlike their European neighbors, or even the U.S., but they have good opinions of the Chinese people. Hard-working, disciplined, friendly. And the French, for example, do not travel much to China. So the political system, really, China's political system is a question, and we are not here to discuss the political system of China, but it certainly has an impact on the image, so have the environments, the human rights situation, the poor quality products, counterfeiting, all these things have an impact.

And the main factor, perhaps for the distrust, is the lack of information and perhaps bad information from the media, or information, that should the media have, you know, positive news about China, you know, I'm personally the former foreign correspondent, and I don't see why the media should necessarily give good news, that's not their job.

So, at least, you know, they have to give news, that's what they are paid for. I think the main problem really, is that China is an economic challenger to many of the existing powers. And that brings a feeling of threat, perhaps, for some people.

Soft power has not been very successful in Europe, to my point of view, nor have the integration, perhaps, of between Chinese and European companies -- I'm

about to finish -- but I think, long-term investments, the ones that can create jobs, employment opportunities, anything that will engage the Chinese companies, with Europeans -- with European territories, that's what will, basically, improve China's image, in Europe. So I don't think soft power is answer. Smart power may be the answer and long-term commitments.

MS. SUN: Thank you. Thank you, Philippe. Well fascinating presentations, certainly revealed a lot of views on the insides about how China is being perceived in these continents and why. So if I may start with a question. I wonder: what is the implication for the United States, in terms of U.S. policy and the relations with these continents?

For example, in the case of Africa we know that there is this perception that U.S. is losing the Africa game to the Chinese, because of China's enhancing influence and engagement in the continent. Is that true? Is there any -- what is the policy implication for the United States? And in the case of Latin America, we see more and more from the media about this theory that China is now coming to the U.S. backyard, and expanding Chinese political and economic influence in Latin America.

And in the case of Europe, we know that very recently the European countries joining of the China-led AIIB, has raised quite a diplomatic quibble between Washington and European capitals. So what are the implications of these developments?

MR. TRINKUNAS: Well, I'll start with Latin America, I mean, I think the important thing to keep in mind about the Latin America-China relationship, is it looks very prominent and very salient, because of all these changes that have been happening recently, but the fact is, Latin America still exports four times as much to the United States as it does to China. So the United States is still a very dominant, economic

partner for the region.

So, in a sense -- so we just have to keep that in mind. That China has been growing, the U.S. share of Latin America's imports and exports and trade has been declining, but this is just a reflection of the fact that China has become the second largest economy in the world, and it's inevitable that they'll play a much more prominent role in the region. But the second thing I think that's going on, is that China is looking abroad for new places to invest.

I mean, its domestic -- there are not as many opportunities to invest at home any more, many of these projects, the markets are saturated, and Latin America has a lot of opportunities. But frankly, I mean, my understanding is China would love to invest more in the United States as well. I mean there are just more political restrictions on those kinds of investments in the United States than there are in Latin America.

So I think that that's part of the issue. Now, I would say there is one place, where there is an area of concern, or two. One is, some of these more political relationships, especially with Venezuela, or with Ecuador, maybe Bolivia and Argentina, countries that are not particularly friendly towards the United States. It's not that China is pushing countries into a sort of anti-U.S. direction, these are countries that have anti-U.S. leadership that have options now, that they might not have had 10, 20 years ago, because China is available as a source of investment and of trade. So that's one thing.

But then, the other people have in the region, it's a region, and it's made a lot of progress on democracy, human rights, on environmental standard, labor standards; things that China doesn't necessarily share the same standards on all these issues, in fact, the democracy and human rights, certainly.

And so there is a question of whether Chinese attitudes of certain non-intervention, and non-conditionality in investment in trade in Latin America, will allow

leaders in the region, who have a more authoritarian inclinations, to erode those achievements in certain countries. And I think we can see that in places like, let's say, Venezuela, or even just understanding Ecuador. So that's another concern that's out there, and it's a concern to the United States.

MR. SY: So when it comes to Africa, the trend definitely is, if you look at just the numbers, for more engagement with China and less engagement with the U.S. Let's take the countries, where the U.S. invested most in Africa, right. Again, Nigeria, Angola, South Africa, and then take away Mauritius. So Nigeria used to sell oil to the U.S., but then we had fracking, we had new technology in the U.S., the U.S. doesn't need Nigerian oil anymore. So Nigeria has to sell that oil now elsewhere.

Let's take Angola, now half of Angolan oil production goes to China, right. So that's just because of technology, and you know, and I mean, we are all having questions about the price of oil, the long-term price of oil, and so, you know, just the fact, for example, the price of oil has gone down, there are many drivers, it's complicated, but shale -- fracking has something to do with it.

And so the countries that export oils have to adjust and deal with it. And those that import are benefiting. If you take basically the aid that the U.S. gives to Africa, most of it is in the health sector. And President Obama now has, you know, continued the initiatives of his predecessors, PEPFAR, AGOA, and has added this New Power Africa.

So that one is interesting because it addresses a need that the African countries have expressed, which is the lack -- how to address the lack of infrastructure starting with energy? But Power Africa, my understanding is that it's not going to come with taxpayers' money, it's trying to get U.S. companies to go in, so it's going to take time. You have this whole of government approach where all the U.S. agencies are trying to

work together and so on, but one of China's main advantages, and that I got from some investors -- people who invest in Africa, is speed. Right?

So, imagine your politician, you are facing elections, hopefully, you know, trying to push, like some presidents are trying to do, but you are facing elections, and you have power outages, right? So China will build the power -- the plant very quickly, much quicker than having to deal with the U.S. So, sometimes, you know, especially when the election cycle is at the top, it's very difficult to just go with China.

So I think so far, when I look at really -- Just take AGOA, which is the main -- so this is very interesting because AGOA is Africa Growth Opportunity Act, where the U.S. is giving non-reciprocal preferences to products coming from Africa. This is great for Africa, you know, you don't pay any tariffs to -- well there is a list of products of course, but for those that are eligible, you don't pay any tariffs.

But first, you have to also have a number of -- respect a number of criteria in terms of democracy and so on. But anyways, most of AGOA products come from South Africa, you know. And then suddenly, AGOA is up for renewal, and you had what is called the Chicken Caucus. So suddenly chicken from Delaware and Georgia becomes very important, because the chicken producers in those two states, have convinced their senators to ask more from South Africa. They say to South Africa, open your markets to our chicken.

I can go on and on, it's fascinating this chicken thing, seriously, but my point, my point is that the whole AGOA which is like, you know, the main trade agreement between the U.S. and Africa is suddenly being -- the renewal is being kept on hold. Now I think it's passed -- it's up to Congress to pass Senate with certain restrictions, but anyways, because of Senate, and because of chicken producers in Delaware and Georgia, you know. That's not happening with China, believe me.

MS. SUN: American chicken in Africa, good stuff. Philippe, please?

MR. LE CORRE: Well on Europe, I'll just say that, obviously, China is not about to replace the United States as Europe's, partner in strategic terms but, on the other hand, as I said earlier, as an investor, China is a growing entity. Now, let's keep in mind that Chinese FDI in Europe is only 3 percent of the total FDI in Europe when the U.S. is about 20 percent.

So we are not there yet, and the fact that China is interested in many industries that are -- maybe that are up to renewal, perhaps, in Europe, including in some key, critical fields. Energy infrastructures, that's quite interesting, and in a way that's something the U.S., perhaps, should look at.

On the Asian Infrastructure Investment Bank, obviously it's all about tactics. You know, I think everybody in the EU, those who've joined or wanted to join, and just one happened to raise their hand first and the others followed, but it's just a little game really. Everybody wants to join this back, except on big country where we are here at the United States for some reasons.

And another big country in Asia, Japan, because it is the main player in the Asian Development Bank. And this is -- the subject has been covered by many people, so I won't go in to it, but this bank is about financing new infrastructures, in Central Asia, or in Southeast Asia, in Pakistan, and most European countries don't see a problem, don't have a problem, because they think it's good to have a new financial institution.

It doesn't mean they want this new institution to replace the World Bank, or the ADB so, I mean, I would say the position there is fairly complex and balanced, and also as I alluded to earlier, European countries tend to compete with each other, sometimes in China, for the China market, and China is quite good at encouraging

divisions, I would say. And so when it comes to diplomacy and global issues, there is also this aspect.

MS. SUN: Great. Thank you very much or the answers. We have allowed 30 minutes for Q&A, I see a lot of hands. This gentleman, right here.

SPEAKER: Ed Choy, from China Daily. I have a question mostly for Harold, regarding Premier Li Keqiang's trip to Latin America. I mean, I you mentioned that he's going to sign the -- they are going to sign like the 50 billion; probably USD100 billion deal, but the new approach seems to be, there will heavy emphasis on investment in infrastructure, and the manufacturing, which is, I think I'm addressing the concern, you know, Latin America, of too much investment in resources.

So how do you think this sort of new approach is going to change -- address the concern rightly in Latin America, in Brazil in particular maybe? And how is it going to, maybe, even help the Pew Survey later?

And the other question, I want to, you know, you talk about the labor regime, and actually in Brazil when I talk to some Chinese entrepreneurs there, they actually complain. I heard, actually, complaint from other nationals, business people about labor regime being too protective, not good for attracting foreign investment. So how do you think this should change in Brazil or maybe in other Latin America countries? Thank you.

MR. TRINKUNAS: Well, they are both very good questions. And in fact, I think you are right, the overall package that China is talking about in terms of investment for the four countries he's visiting is probably close to about \$100 billion, \$50 billion is just Brazil. But I think the way that Premier Li Keqiang is talking about relations in Latin America, shows that China is listening to the criticisms in Latin America, that trade with China was too concentrated in certain sectors, and do not include enough opportunities

for manufactured products, or higher value-added products to be exported to China.

So they are talking much more about opening doors for China to import value-added products, so we'll have to see how that pans out, there's obviously a certain number of non-tariff barriers, or informal, you know, barriers, lack of understanding in Latin America about the Chinese market, just as in the case of labor regime, the Chinese aren't familiar with the Latin American, you know, labor, environmental standards. And so this has caused a bit of friction.

But specifically in the case of Brazil, to go to your second question, I mean, I think in general there's quite a bit of discussion about the high cost of doing business in Brazil, and this is for everybody not just for China. But certainly, as China invests more and more, and Brazil, I think, this is going to be raising the question, but this is a particularly difficult thing for the current Brazilian administration to address, given the fact that it's a Workers Party, that's sort of in power, and one of its goals has been to strengthen labor protection in Brazil.

That said, the current Economics Minister, Joaquim Levy, is a Chicago-trained PhD in Economics, sort of -- so more of a liberal orientation. He is looking at trade facilitation in general, with the United States, but I'd imagine with China as well, and I think he wants to lower the cost doing business in Brazil, so perhaps we might see some openings around that, nothing very clear so far.

MR. SY: If I can just add, because one thing that in Africa, we are looking at; it's the local content regulation in Brazil. It's Brazilian, has this regulation that you have to hire locally, or at least source locally, and so on, and it just brings to the point that it's not just about the money, right. Like for us we need skills, we need technology, you know, we need all of that, so the idea is, how do you get it in a smart way?

So if you push the envelope -- if you push too far, and you have to -- they

say hire locally, and there are no skills locally, no trained people locally, that increases the cost of doing business, but if you go all the way and do nothing, you won't develop in a sustainable way.

MR. TRINKUNAS: And I think this is where you have to differentiate. I think, if you look at for example, Brazil or even Peru, where China is very heavily -- China basically is, I think, has ownership of about 30 percent of the Peruvian mining sectors, which is a very important sector. Those are countries, Brazil and Peru, but there is a fair amount of human capital, and so hiring locally, you know, maybe it's a question of the rules and regulations, but not so much of the availability of skills necessarily.

On the other hand, in countries like Venezuela, for example, there has been a number of -- Chinese labor has been brought in to help Chinese companies execute a project, and certainly one of the questions, I think, that will be raised is in -- probably the discussion of China's investment in a canal in Nicaragua, given that Nicaragua is a relatively small country where human capital development has not progressed as far as some other countries in Latin America, whether that might -- there might be some discussions around that, but it's quite speculative about it at this moment.

MS. SUN: And over here.

SPEAKER: My name is, Sica Hiamotti from CSIS Japan Chair, Visiting Fellow. I'd like to ask you something about -- there is the data from Richard; so Richard emphasized that. The younger generation go over -- the generations are more favorable to China, and probably it's different from the Asian, especially in Japan's younger generation. It's perhaps some issues, for example, territorial dispute or something like that. The younger generation is not favorable to China. So, I'd like to ask you this, what do you think is the reason the younger generation is more favorable to China? Thank you very much.

MS. SUN: In each continent why, are the younger generation is more favorable towards China?

MR. TRINKUNAS: I'm not sure I'd do it by continents, I would just observe that younger generations, have observed China at a different point, in its historical and economic and political development than older generations. And so there's quite a lot of evidence for political science research, that shows that in general, not just about China, but just in every country, how generations experience -- so they accumulate the historical memory at each generation, informs how people perceive political outcomes.

So the fact is that China's ascent it happened during of time when young have been growing up, and so they don't remember China in the '70s, '60s, '50s, et cetera, before this take-off happened. So it just may be a question of historical experience, setting aside the issue of maybe young people are just certainly more optimistic. But I'd actually be curious whether that would be an influencing factor.

MR. SY: I would tend to agree, I think, like when I was a child, the image I had of China back home, it's Chinese workers building the stadium, you know. Or when we say that suddenly one government has decided to go with Taiwan, and got a big check, and then five years later goes to China, and gets another big check, so playing this checkbook diplomacy.

But now I think this image of, you know, successful in the economic sector, is kind of opinion, we had the Asian Tigers at some point. I mean for us we are looking for growth model all over, so I would tend to agree with Harold, yeah.

MR. LE CORRE: I mean, it's a great question, and today people are looking for new ideas, as we know the world economy does not create, millions of jobs, you know, every year, and Asia is where people are looking and, you know, a lot of

young Europeans have been to China or to Asia, I mean, other countries, Japan, Singapore, many others, and they think, you know, that's where they can find new opportunities, that may not arise in -- where, the economy is as it is -- well, not really for some years.

I think the fact -- I mean, once again in Italy many, many young Italians, maybe have also been to Asia, and the fact that the people of Italy, as a whole, do not favor China, it's maybe to do with generations, as well. The fact some areas of Italy you have -- had more the Italian immigrants, and perhaps the way if life has been a little bit disturbed by this, but those who actually go to China.

I mean it's one of the China stories which I found, as a frequent visitor, is that people who haven't been to China, you know, have all kinds of wrong ideas, usually negative; and people who go to China, they come and say, ah, you know, there's lots of things happening. Well maybe the system is not perfect, the environment is not perfect, but some good stories as well.

MS. SUN: The gentleman over there?

SPEAKER: Ian Dillon, CNC Press. On Italy, the Crown Jewels of the Italian economy, of all those northern and central towns that had wonderful consumer products, and high quality back a generation ago, all those products are now being produced in Chinese factories, and the Italians are very aware of the damage that it's done to their economy from that competition, and of course all the unemployment as a result.

A different topic: Does the interaction of China in these various countries around the world mean that, in a political sense, that communist ideology after all, China's a communist country, communist ideology is totally dead, that left wing parties, politicians and thinkers in these various countries are dealing with China as if it's not

communist, and as if there's no appeal of a transnational communist ideology?

MS. SUN: If you want to, the Chinese communism ideology.

MR. SY: I can try that one; actually this is an interesting question, because if you look at the African countries that are growing the fastest, you have two. Ethiopia and Rwanda, where I could say that they are closer to the Chinese model, in the sense that you have a clear industrial policy, it's very top-down, but they are very efficient. Things gets done and then -- but in terms of, you know -- and then you have other countries where, you know, we have more, let's say, freedom of press, and all those other indicators of governance that are much better, but they are not growing as fast.

For example, some in the West African Economic Monetary Union, for there is this debate, right, some are telling you, well, investing in people, like investing in a certain President of Rwanda might not be a good idea, you have to invest in institutions; others telling you, no, it's working and that's what we need right now. So there is a very, very lively debate about really, you know, what model really, to adopt, right. Can you just go with this economic transformation, and putting aside all the democratic variables that we are used to here? Or not?

MR. TRINKUNAS: I would to, I think in Latin America there's really two different types of countries when it comes to the ideological relationship. Certainly there's a large number, though not dominant, a substantial number of intellectuals on the left that have a nostalgic view of China, and Chinese communism, socialism, et cetera.

Perhaps most prominently you see that in the case of Venezuela where President Chavez certainly would praise China, praised Mao. He was very enthusiastic about the Communist part of China. I think China was pretty much skeptical about that in return. I think the relationship with Venezuela was much more about resources, about

oil, about investment, about the opportunities available in Venezuela to do business. Some of which have been disappointed.

And in fact, I think one of the issues that China now faces is a country that professes to be, you know, a socialist, a 21st century socialist, and admirer of China, wants more assistance from China, and China has invested at least \$50 billion in Venezuela, which has been largely spent in consumption, not on production.

So, China increasingly has questions about how are we going to get paid back by this country. It's being paid back in oil, which obviously has dropped a lot in price. So there's that whole -- that's a very complicated relationship where, I think one of the long-term questions I have about China's relationship with Latin America or Africa, is how long will the policy of non-conditionality in loans and investments hold?

This conditionality is not necessarily about imperialism, which is a language that someone on the left in Latin America uses, that some in China have used, it's about ensuring you get paid back, and I think that China wants to make sure that in the long run some of these investments are commercial, and wants to ensure that there is a return on investment. So there is that issue.

Then there are countries that basically see China as a rival for the United States, and have their own rivalry, leaders have their own rivalry with the United States. Juan Evo Morales; Rafael Correa in Ecuador, and Morales Bolivia; Cristina Fernández de Kirchner, Argentina; and having an option where China is not imposing political conditions gives you space, like fiscal space to pursue other options that don't require -- allow you to not collaborate with the United States, or oppose the United States.

So, in a sense, that's a different, that's not about ideology, they have their ideology, and the fact that China is willing to provide financing, allows them to pursue their ideological inclinations of China, but it's not China influencing these

countries ideologically, it's just, you know, they are providing investments that enables a certain kind of behavior that wouldn't otherwise be available.

MS. SUN: So of Europe, I mean the influences?

MR. LE CORRE: Well, I mean, there is no illusion about China's political system in Europe, I mean there is no -- you know, the years of pro Maoist, the young people demonstrating in the streets of Paris or London, I mean, that's all over, you know, I'm afraid. It's all about finding opportunities, and all about economics and trade; you know, the reasons why Pew found this rather negative figures about European countries, a lot to do with the political system, the one-party system.

The environment, which, actually China is trying to do quite a bit about, but, you know, it doesn't reflect yet on the figures and on the global situation. And there's one thing which we haven't discussed in great details is the media, and the social media.

The fact that China somewhat created its own social media, and doesn't use Facebook, Twitter, YouTube, they have their own social media, and working very successfully, but most of them, until now, were mainly in Chinese language, when one of them, at least one, is also in English, WeChat, and it's spreading now around the world, and it could actually become a competitor to Twitter. And that may be something that could attract young Europeans.

On Italy, I mean, I agree with you obviously, it's terrible to have, you know, any craft makers disappearing, and being replaced by Chinese or by somebody else. It's just about globalization, and that's one of the reasons why, you know, Europeans now worry about the future, because they see things changing, people don't like change, and the Chinese change is quite massive; if you look at the past 35 years, and the two digit growth, and things like that.

But I have to say, I mean, Italy is a country that has opened its door to

Chinese immigration. Back in the '80s, quite widely really, and that now has towns which are -- I wouldn't say Chinese dominated -- but they have certainly a big Chinese presence. And generally, I mean, you know, the Italian industry, has maybe not been very good at keeping its, you know, capital locally.

I mean, Pirelli is a good example, actually, but there are other examples of that where Italian family is deciding to sell, and it's happening also in other European countries. But, you know, once again, things change and, you know, we have new players, why not include them in the process; if they are helping us, all of us, in fact to build a better future and a better world economy.

MS. SUN: The gentleman in the back?

SPEAKER: Thank you very much. My name is Kumar, Independent Energy Consultant. I have a question with regards to the surveys in the morning, and the discussion that took place just now. And I find that Mr. Le Corre's views are quite in contradiction with the views that was expressed in the morning in the areas of new research. My question is that in spite of having investment both in Africa and Latin America, the general public perception is that the U.S. will continue to be a economic superpower, in the future, while in Europe, and there is no so much of an investment, Chinese investment in Europe, the European views is that it is China who will take over -- overtake the USA in future, both in terms of economic superpower as well literate superpower, maybe. And I wanted to know why there is much of difference in the perceptions in both these -- in all these continents. Thank you very much.

MS. SUN: It's on the contradiction?

MR. LE CORRE: Well, I mean it's -- I think Europeans see China as maybe a big power, but they also have -- you know, there is also this relationship with the United States. And as I said, the investment from the U.S. is still much higher in Europe

than the Chinese investments. So far, Chinese brands, for example, there are few Chinese brands that are worldwide-famous, honestly.

This is one of the problems. When American brands are everywhere so -- you know, if you ask Europeans to name five Chinese companies, they will not find them, really. Maybe Tsingtao Beer, you know, and Lenovo computers, but that's was originally, you know, a division of IBM as we know. So, I think, you know, America still wins the show when it comes to image and the media, and having big companies, and have interactions with Europeans.

But at the same time, people see that the world is changing, and that there's an emerging big power in Asia. Obviously the European Union is kind of a strange beast which does make mainly a business with itself, as you know, Germany and France are each other's biggest trading partners, and investments actually go across Europe. That's the whole idea of the EU.

So, you know, the world it seems it's the trilateral situation with, you know, Asia, the U.S., Europe, and of course, you know, if you take Europe, it also has strong relationship with Africa, and some of the European countries have also strong relationship with Latin America, but perhaps less so. So I think it's a very mixed picture and I'm looking forward to the 2015 Pew Survey to see how we are now.

Maybe you'd like to add a few words, Richard, on this? Sorry, maybe wait for the mic.

MR. WIKE: In Europe and in the U.S. that I think, when they think about China, and I mentioned this a bit earlier, it often reflects some of their own economic anxiety is about what's taking place economically over the last few years. So that's often, sort of the frame of reference, I think, with Americans, and maybe sometimes in Europe as well, people are viewing China.

MS. SUN: Let's move to the next question. Maybe in the back, please?

MS. JUNG: My name is Hu Jung. I'm from George Mason University.

So my question would be directed to the experts on Latin America and Africa. So I wonder if they could address some the potential vulnerabilities of the economic ties between China and these continents. Because these ties are, as you've said, are overly reliant on the commodity trades, and there are two new developments now in China. One is on a macro level, the economic slowdown, and China's demand for commodities from these continents mildly weakening.

The other is on the micro level; there have been a lot of scandals of corruption in investment and in contracting projects by the Chinese state-owned companies in these continents. So are these new trends -- Do you see these new trends slowing down the strengthening of the economic tie between China and these countries? Thank you.

SPEAKER: Yes, sir?

MR. SY: You know, I think that this issue of the China slowdown it's a global problem, really, because -- it also has to do with other emerging markets also slowing down. But if you look at the IMF World Economic Outlook, the latest report, the fact that these countries are a larger part of the global economy, right, although they are slowing down, it's still quite high growth, and offer a larger share of the pie that has mitigated the impact on the global economy.

But definitely, as I was saying, for Africa we are getting globalized to the -- you know, we are getting globalized through China, so increasingly what happens in China will have an effect on us. And actually we are working on a project, to look at the external factors driving Africa's growth, and isolating China. So that's something really.

And then the next issue is what do you do in terms of policy interventions

to mitigate or manage that impact? On the corruption in contracts, you know, so the issue I think is really, the broader question is that dealing with China, or any other partners, from an African perspective, to get the best out of the relationship. Right?

So you have best standards in terms of procurement, in terms of, you know, labor rights and so on, and I think it's up to, also, us to really try to get the best out of any partner that we are dealing with.

MS. SUN: The African countries choice?

MR. SY: They have to do it, yeah.

MR. TRINKUNAS: As I mentioned in my talk, I think that the trend of the past 10 or 15 years, charts the re-primarization of economies in South America, has been -- created greater vulnerabilities to changes in the rate of growth of China. But by and large, so far, this has largely affected most -- or has most heavily affected Brazil. If you look at the predictions through this next year, through 2015, for Latin America growth, there's been a lot of discussion of the slowdown in Latin America's growth, after the end of the commodity super cycle.

But when you break it down, what we are really talking is the slowdown of growth in Brazil. Brazil is predicted to grow between zero and 1 percent, other countries in Latin America, with the exception of Argentina and Venezuela, which I mentioned as countries in crisis, are expected to grow around 3.5 percent. So maybe this is down from the 4 or 5 percent they were before, but 3.5 percent by historical standards in Latin America is not terrible. It's actually, it's okay.

So these are countries that, as I've said, are still quite diversified in their trade, so it's really a -- you know, you have to go on a country-by-country basis to understand what's going on. I mean, it's not just China slowing down. For a number of these countries it's the decline in the price of oil, decline in the price of copper. I mean,

this has something to do with China's slowing growth indirectly, but that's not the whole story. It's also the fact that growth is flat in Europe, for example, that that's affecting them as well.

MS. SUN: And on the governance issues?

MR. TRINKUNAS: On the governance issue, there's been a number of corruption scandals affecting the Latin America Governments recently. Columbia and Peru and Chile and Brazil and Argentina, but these are not seen as China-related. I mean, these are much more about domestic politics and corruption, and I think what is happening in the region is that we have to understand that in the last 10 or 15 years, the size of the middle-class in Latin America is doubled.

It had flat for the previous 30 years with 90 to 100 million people, and it's increases to about 200 million. This is a middle-class that's -- middle-class by income, not by wealth. So it doesn't have a lot of financial cushion to absorb the kind of slowdown, the reduction in income and consumption that you are seeing today, so it's quite anxious.

And so I think it's the middle class that's making many more demands of government and holding governments more accountable. This is a middle class that needs the police to work, the hospitals to work, the roads to be good, the needs, your public safety, et cetera, et cetera, and so, you know, they are basically making more demands on government, and this includes in the area of sort of governance and accountability.

MR. SY: If I just may add, actually in Africa, we haven't had, yet, this bigger impact in the middle class, but the youth is increasingly asking for better governance, and we have a very young population.

MS. SUN: We are running out of time, and perhaps one last question,

from the gentleman sitting over here.

MR. CURTISS: Ian Curtiss with the American Chamber of Commerce in China. Domestically in China, this is a kind of piggyback on the last question. Domestically in China, since the slowdown has happened, there's been in various industries concerns over the overcapacity, and so recently policies, the AIIB *yi dai yi lu*, One Belt One Road, these sorts of policies have been looking at some isolator there, as a kind of strategy to allow for overcapacity to be spread to Asia, to Asian countries.

And so, in particular, Latin America and Africa, I'm curious about, how do you see that playing out in those countries, and have you seen an impact thus far? Whether it would be the sort of infrastructure investment, or mass-produced manufacturing, and cheap products going to developing countries, and that sort of thing. I'm just curious to hear, have you ever seen that, and then if that would have an impact on perceptions of China, maybe in next year's survey, or so on. Thank you.

SPEAKER: Can I?

MS. SUN: And would also have major implications for the case of Europe, so.

MR. LE CORRE: Well, honestly it's -- on the long term maybe, but we don't know whether -- where it's going to go and -- but that's the idea. Yeah.

MR. SY: So for Africa, potentially this is crucial, because if you look at the four engines of growth: agricultural, manufacturing, services, and natural resources, most of -- in Africa we haven't had the Asian type of growth which was manufacturing-led. Most of our population went to the services sector, and there are some questions whether services-led growth is very important.

And some economists, like Dani Rodrik, for example, are saying that you have to beef up your manufacturing. And that's where, you know, China is bringing some

of this overcapacity to Africa will really help in terms of growth, in terms of employment, and in terms of skills, and so on.

So now we've seen a few things happening. I think it would be really good to do like a case study to know more, because I'm tired of always mentioning the shoe factory in Ethiopia, but that's one. And also in South Africa there has been some manufacturing coming. So we've seen it coming, and I hope it's a trend that will continue because that would be really great for the continent.

MR. TRINKUNAS: I'd say in relation to Latin America it's definitely a concern, because the Latin American industrialists, the manufacturing sector sees China as a threat, this is especially in the overcapacity in China will lead to further undercutting of their own industrial products, many of which are aimed for local consumption. I mean, in South America.

I think you have to distinguish Mexico and Central America, where a lot of the assembly type, you know the Maquila operations are for export to the United States, so that drives the distinction between the two of those.

But in Brazil and Argentina, for example, in fact in Argentina industrialists complain quite bitterly about competition from inexpensive Chinese goods, but there's much more demand for these kinds of goods, again because of this growth of the middle class. The question is; who will satisfy it?

And so this will definitely become a subject for debate, and it's definitely going to become a question for a certain sector of these countries' business elites, and employment. But also talking to the Brazilians, for example, they kind of understood that China was really not going to be the destination for their manufactured products in the same way that a lot of these were.

That really, they have to think about exporting to the United States and

Europe, where the rules were clearer, there was more transparency in about how to conduct exports, and where they could sort of compete on a different basis. But, you know, I think, as we heard from the Premier's visit to Latin America this week, the Chinese are also hearing this, and they are adapting their way of talking about this, and we'll see if the policies will follow that will try to mitigate some of this, this effect that you are pointing to. So, it's a great question.

MS. SUN: Well, some of these trends will absolutely continue to evolve. And these are the topics that we, here, at Brookings follow. So, please also follow our work, follow the publications and blogs of our China Center.

Thank you very much for the participation this morning. Please join me in thanking our panelists for this great discussion. (Applause)

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