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GLOBAL CHINA: ASSESSING CHINA'S GROWING ROLE IN
THE WORLD AND IMPLICATIONS FOR U.S.-CHINA STRATEGIC COMPETITION

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P R O C E E D I N G S

MR. JONES: My name is Bruce Jones. I'm the vice president and the director for the Foreign Policy here at Brookings. It is my pleasure to welcome you to Brookings this morning. I see lots of old friends in the audience and several new ones. And it's a pleasure to invite you to our event with the Assistant Secretary of Defense for Indo-Pacific Security Affairs, Randall Schriver.

I'm delighted to welcome Randy back to Brookings. We've been fortunate to engage him on several aspects of our policy research over the past decade and while he's been serving in the administration since 2017. And Randy, thank you for your service to our country and the important role you play in this administration.

Randall Schriver was appointed as Assistant Secretary of Defense by President Donald Trump on January 8, 2018. Previously having served as Deputy Assistant Secretary for East Asian and Pacific affairs under which portfolio he covered China, Taiwan, Hong Kong and Australia. All the easy stuff. Earlier, he held the role of chief of staff to the Deputy Secretary of State from 2001 to 2003 and also served as an active duty naval intelligence officer deployed in support of Operation Desert Shield and Desert Storm.

Beyond his government career, Randy has been a leading thinking on a range of issues that play into the U.S.-China relationship over two decades. And he's been a robust voice on the future of that relationship asking critical questions to help manage and to shape American policy in the region. And with that background, we couldn't ask for anybody better to join us today as we continue to rollout our project on Global China: Assessing China's Growing Role in the World.

I think we all recognized now that China has emerged as a truly global actor, impacting every region in the world on almost every issue. It's cast aside its strategy of hide and bide and is now assertively seeking influence not only in Asia but well beyond. The effort of this project is to capture a baseline assessment of the trajectory of that now expansive global role. It draws on our deep bench of East Asia and China experts but also pulls in the expertise of our institution's security strategy, regional technology and economic scholars to try to capture the full scope of China's activity.

It will focus on several key areas of research, strategic competition, great power rivalry,

frontier technologies, China's influence in critical regions and China's approach to global governance and norms.

Today we'll have two sessions. Our Michael Armacost chair, Ryan Hass, will chair a discussion with Randy following his keynote address. And then we'll have a panel that draws on three sets of the papers that are being launched or are still underway today. Audrye Wong who contributed to an early set of papers on sort of young voices looking at the future of Chinese foreign policy. Cheng Li and Jamie Horsley, both here at Brookings, looking at the domestic drivers of China's global influence and Rush Doshi on strategic competition, all of which moderated by our own Tarun Chhabra.

Before I invite Randy to the stage, two further notes from me. It is, of course, campaign season which means that think tankers are off trying to influence political campaigns as well as doing their day jobs and at Brookings, we disclose all of that. You can find that on the website or people's bio's their campaign affiliations. They do that off campus and on their own time but it is an important part of how we think about policy impact to try to put our research into the lifeblood of the campaigns.

As of now, we have scholars advising the Biden, Warren, Harrison and Buttigieg campaigns and, of course, we also have scholars on leave working in the Trump administration. All of this is part of a long tradition that has seen scholars from the foreign policy program serve in the NSC, state or defense department of every president since Nixon, both Republican and Democratic. Of course, Nixon tried to fire (inaudible) so we didn't really do him but for the rest, we do.

Second, I would like to thank the Ford Foundation for its generous support to this project which has not only allowed us to do this comprehensive research but to communicate it broadly to the scholarly community. And to policymakers who will hopefully use the evidence that we'll provide and that will find to right set and to kind of have a baseline approach an empirical approach to China policy which, I think, we all understand will be a defining feature of American foreign policy in the coming generations. And with that, let me warmly welcome Randy Schriver to the stage to give some opening remarks.

MR. SCHRIVER: Great, well thanks, Bruce and thank you for the invitation to return to Brookings. And I really appreciate being part of this rollout of this impressive project. I've been following some of the papers that have already been released but hearing your two-year plan to help us really both deep dive and really baseline this enormous challenge is really encouraging to know that you've got this

project underway. And thanks for allowing me to speak as a part of that.

So, what I thought I would do is talk about our approach to China, our competition. And what I thought I would do is go into a little bit more detail on sort of the fundamentals of this policy. A lot of people, you know, sort of jump right into we're in strategic competition or a competitive environment without really even talking about the fundamentals. What are we competing for? How is competition implemented, how is it different from confrontation or a conflict? And so, if I could take just a few moments to do a bit of a deeper dive and explain our perspective from the Department of Defense, I hope it would set the stage for a discussion that would follow both with Ryan and with the audience.

So, with respect to our strategic competition, we believe that it is a major element of our overall national security strategy and international strategy. We feel as though we're in competition, fundamentally, because we have different visions, different aspirations, different views of what a regional and global security architecture should look like. If you're familiar with our national security strategy, national defense strategy and our DOD Indo-Pacific strategy, you'll know that we talk about a free and open Indo-Pacific.

Our free and open Indo-Pacific vision is founded upon what we regard as enduring principles and principles that are near universal and widely shared. And believe that there are principles that benefit all countries if countries embrace them. These include respect for national sovereignty no matter a country's size, fair, free and reciprocal trade, rule of law and rules based order and peaceful dispute resolution. We fundamentally believe each nation must be free to determine its own course and we believe that all countries can both benefit as well as participate in preserving a rules-based order.

We observe that China under the leadership of the CPP has a different vision and as I said, different aspirations, that is increasingly developing the tools to pursue its vision. And it seems willing to accept more and more friction in pursuit of that vision. We're competing with China, therefore, because we see China's leaders have assessed that they're in competition with us, both our ideas and our capabilities. Globally, China seeks to shape a world consistent with its authoritarian model and national goals.

We see that domestic governance in China is a result of CCP rule is increasingly authoritarian and less respectful for human rights and dignity. And that they are even beginning to export

some of these tools such as facial recognition software and nationwide surveillance capabilities to other countries who are learning from China's governance model.

We're concerned that China has grown more willing, as I said, to apply pressure against other countries and accept friction in pursuit of its vision. We observe China using influence operations to interfere in their domestic politics of other undermining the integrity elections and threatening internal stability using economic coercion. And we've certainly recent examples in countries such as Mongolia, Australia and Canada. Promoting state sponsored theft of other nations military and civilian technologies. Exporting the most effective tools, as I said, from its domestic toolkit to other nations for surveillance and potential use for internal repression.

We see them extending its military presence overseas and expanding the One Belt One Road initiative to include military ties with China. And we see deploying advanced weapons systems to militarize disputed features despite pledges at the senior most level that they would not do so.

In DOD, we focus on the military component of China's growing global activities. And we take China at their word. They seek to be a world-class military by 2049 and they are making progress toward that goal. The Department views military developments in China as seeking to erode U.S. military advantages. They're working to become a preeminent power in the Indo-Pacific region while simultaneously undertaking plans to expand overseas presence and develop capabilities to sustain operations farther from Chinese shores.

We see China widening the PLA's operational reach to match what its leaders consider to be the global nature of China's economic and national interests. Press reporting indicate that China has sought to expand its military basing and access in the Middle East, Southeast Asia and the western Pacific. Chairman Xi Jinping himself has called for the completion of a security system for OBOR to strengthen protection of its overseas interests to ensure the security of major overseas projects and personnel. China's defense minister has also sighted OBOR as a framework for China to increase its military cooperation with other countries.

While our competition with China takes place on various levels, at the most fundamental and basic level, what we're competing for is to sustain a position within the regional and international system. Which allows us to promote, support and protect a liberal rules-based order whose institutions,

rules and norms have fostered peace for decades.

And all of this matter because if the CCP and China were to be successful and its authoritarian approach were to become ascendant, the world could look much different. States will finally have less control over their political and economic decisions. Institutions could become less independent and less effective such as ASEAN and other regional organizations. Freedom of the seas and over flight in the Indo-Pacific may be challenged, the freedom of those bodies of water. We could also see a normalization of the lack of the respect for individual and human rights. All of this portends a less free and less open and more unstable Indo-Pacific region with high potential for these trends to manifest on a global scale.

As I said, we view competition as being different than confrontation and conflict. A competitive strategy with China is not meant to lead us to conflict. For the United States, we seek to maintain competition as a stable deterrent that avoids conflict. While we compete vigorously with China, our military to military contacts are aimed at reducing risk and promoting international norms and standards. We'll cooperate with China where our interests align while competing within a rules-based framework where our interests diverge. And we will continue to call out China's behaviors that are counter to that rules-based order.

So, briefly, DOD's response and as I said, changing our mindset. We seek to regain the advantage and play to our strengths. Our goal is to deter China from pursuing a fate of comply and to improve our capacity to deter and prevail at the outset of a crisis. Meeting the China challenge requires this fundamental shift in mindset of our defense establishment. We are no longer in a period of overwhelming American dominance but rather one in which our armed forces are adapting to fight against near peer competitors who are fielding increasingly sophisticated capabilities. Instead of expecting to dominate an opponent, our armed forces are learning to expect to be contested throughout a fight while achieving the political objectives set for them.

Our national defense strategy and our Indo-Pacific strategy within the Department focuses on a couple of pillars that will be key enablers for us to succeed. Namely, the first two pillars of our national defense strategy which include building a more lethal joint force and strengthening our alliances and partnerships. The first line of effort, preparing a more lethal and resilient joint force, takes into account the scope and pace of our competitors' ambitions and capabilities and prioritizes investment

in modernizing key U.S. capabilities across a range of domains.

Our nuclear forces, space and cyber capabilities, missile defense and looks at how our force can be resilient in having more access options, dispersal opportunities and adaptive basing. Within my office, we're also changing how we organize for long-term strategic competition. In June, our Deputy Secretary approved the establishment of a new Deputy Assistant Secretary of Defense for China. This position is both outward looking and inward looking, the inward part being to help us drive alignment on China across the Department as we carry out our national defense strategy in its implementation.

The second line of effort in our national defense strategy is strengthening alliances and attracting new partners. America's alliances and partnerships are crucial and durable asymmetric advantage that no other country can match. For countries that value a rules-based order, the strongest way we can demonstrate our support for these principles is the action we take both individually and together to uphold a free and open region.

Our alliances and partnerships are important for a myriad of reasons. For example, there is inherent trust and confidence building that comes with combined training and interoperability. Militaries that train together and trust one another are more adaptive, agile, interoperable and survivable. In this vein, the Department is expanding collaborative planning, prioritizing requests for U.S. military equipment sales to deepen interoperability and training for high-end combat missions in alliance, bilateral and multilateral exercises.

We look to strengthen both traditional partners and relationships such as Japan and we are working to integrate our national defense strategy with Japan's national defense program guidelines. And we're also working very intently and seriously on important emerging relationships such as with India, Singapore, Indonesia and Vietnam. The ten ASEAN members and U.S. Navy forces tested interoperability, command and control and key maritime security tasks during our first ever annual, what we hope now is annual, U.S. ASEAN maritime exercise last month. We're also enhancing our engagement in areas such as the Pacific Islands to preserve a free and open order. And we have enhanced our engagement in the freely associated states and beyond in that regard.

Beyond the Indo-Pacific, the Department is engaging allies and partners across the globe. And we have brought the China challenge into our discussions in Europe and the Middle East, for

example. China and others recognize our advantages and are actively working to disrupt our alliances and partnerships in these key areas. But we, nonetheless, see a strong interest in greater alignment on these challenges from our partners.

We are also exercising with our partners in real world operations to include enforcement of the sanctions against North Korea. Japan in Yokosuka host the enforcement coordination cell, a command center of eight countries to include South Korea, Australia, Canada, New Zealand, the United Kingdom, Japan and France who are all committed to enforcing the UN Security Council resolutions.

We're also working with our partners in the maritime spaces to include the South China Sea. And are working with partners to build capacity through initiatives such as the Maritime Security Initiative which has boosted key partners abilities and help them conduct maritime security and awareness operations.

We're also part of a whole of government approach which is allied and partner centric response to China's expanding influence in coercion and their interest in acquiring and advantaging themselves in the high-tech area. We have ongoing deep conversations with our allies about protection of the innovation base and about the risks associated with new technologies such as 5G.

To conclude, the unfolding long-term strategic competition with China is the defining challenge of our generation and we embrace that at DOD. Our current trajectory is largely driven by the ambitions and choices of Chairman Xi and the CCPLE. The acquisition of capabilities to apply toward realizing those ambitions and current policy choices and actions which demonstrate active pursuit of those ambitions. We remain open to changing this trajectory in our vision for free and open Indo-Pacific is, in fact, inclusive and affirmative for any country, China included, who choose to support the enduring principles embedded in our vision.

But we should be clear that we do understand these to be consequential times and consequential decisions must be taken. The cost associated with complacency could be extremely high. But the benefits of competing well and competing to prevail are equally high. With that, I look forward to the conversation with Ryan and the questions and discussion that may follow. Thank you.

MR. HASS: Well, first of all, Assistant Secretary, thank you for being here with us, thank you for providing such a rich and nutritious overview of the work that is being done in your area of

responsibility at the Pentagon. I want to give the audience a chance to jump in because I know there are a lot of questions that they would like to pose to you. But before I turn it over to this distinguished group, I did want to ask you a few scene setting questions building upon your comments today.

First, you talked a bit about the U.S. China military to military relationship. I was wondering if you could just sort of take us into the engine room a little bit of that. How is it working and is it being insulated from ups and downs in the overall relationship or is it a derivative of it?

MR. SCHRIVER: Well, we continue to hear from our Chinese interlocutors that they want the mil to mil relationship to be a stabilizing force in the overall relationship. We welcome that so we have maintained a robust level of engagement of include high-level engagement. I think 2018 was the first year on record where there was both SecDef visit to China and a counterpart visit in the same calendar year. So, by that metric, our engagement remains robust.

Our focus is on how we engage with China in this context of overall competition. So, that places a premium on confidence building measures, on safety of operations. So, things like the military maritime consultative agreement, other measures that help us to ensure a safe operating environment while we know we operate in close proximity to one another with greater frequency. How we make sure there's no unintended incident or accident. So, that continues.

I plan to go to China next week so our policy talks continue, our emphasis on confidence building measures and safety continues. So, there are prodabations but I see many old timers in the audience. We're more insulated from the political ups and downs then we used to be and I think that's a good thing.

MR. HASS: I agree, that's great. Strategic competition was a theme of your presentation. It's also one of the themes of this event today. Can you talk to us a little bit about where this competition is felt most acutely in your day to day work and also where you expect your successor 10 years from now, 2029, to field the competition most securely?

MR. SCHRIVER: So, I would say there's an inside aspect to that and then an external aspect. The inside aspect is we're doing a lot to drive the defense enterprise into alignment for this long-term competition. I mentioned the standing up of a new DAS D. A lot of that is to help us internally with the Joint Staff and the services as they make their respective decisions to make sure it's appropriate for

the competition in the environment that we see.

The external piece is again, working with allies and partners. We do think that that's an asymmetrical advantage that just can't be matched. And, of course, also some contested areas, South China Sea, some relationships that might be contested where China has ambitions where we want to invest more. So, I mentioned the Pacific Islands and parts of Southeast Asia.

So, it's playing out, you know, we're sort of building the airplane as we're flying it, if you will. Because we're in a competitive environment now. But to get to the second part of your question, I think the work inside the enterprise is the work that will continue for quite some time because of the nature of our business. We buy things, you know, big programs that last decades and decisions now in 5, 10 years from now will have lasting impacts.

So, we want to be investing wisely. I mentioned some of the new domains and areas of focus in my remarks, but it's a dynamic environment that could change depending on the directions that China goes. That they will largely be a pacing competitor for these decisions. And we have to be dynamic and flexible and make those wise decisions along the way.

MR. HASS: You mentioned alliances. You've built a reputation as being a strong alliance manager, an advocate of strengthening our alliances. How are we doing?

MR. SCHRIVER: Well, I think we have a very strong demand signal from our partners. They want largely, well to generalize, we see a lot of interests and stronger defense and security relations with the United States. I think we're being resourced for that and resourced not only in budget terms but how our senior most leaders are spending their time and attention. Secretary Esper just took his first trip to the Indo-Pacific region as confirmed Secretary. He's the second Secretary in a row to do that. Secretary Mattis did the same.

So, I think we're making the investments. We've got the demand signal, as I said, and we're trying to meet countries where they are. We have more advanced and mature alliances. So, I mentioned Japan and the work that's doing to align our national defense strategies and what the implementation of those will look like. We have emerging partners who are not allies but a place like Vietnam. We pull at 92 percent favorable as a country in Vietnam. I've been to Vietnam five times. I'll be going next week and then I'll return with the Secretary. So, that will be seven trips to Vietnam in two

years if that's any metric.

So, I think we're doing okay. You know, we've got a region that China plays very prominently in and they have the ability to use economic weight in their own diplomacy. So, it is a competitive environment. And then we have, you know, a different approach to issues like trade which also, I think, some of our partners are trying to get their hands around and understand the trajectory of that. So, you know, that's part of the environment we work in. I won't give us a grade but I would say overall, we're doing pretty well on the partners and allies front.

MR. HASS: Good. You mentioned polling. Vietnam is a bright spot, 92 percent favorable ratings for the United States. Other allies have a slightly different picture. Peer polling in our allies in the region has shown that supports for or favorable ratings for China has gone down considerably but for the United States it has gone down as well. This is evident primarily in Australia but in other places as well. How does that affect your day to day job?

MR. SCHRIVER: Well, some of it is understandable. I mean, when you talk about burden sharing, that's a stress in the partnerships that will sometimes be reflected in public sentiment. But it's something that's important of the President and I think previous administrations as well. But I think this administration has been more aggressive in trying to pursue equitable burden sharing.

Some of the countries, you know, were going, Australia, I don't know the exact numbers. But I would guess we're going from high 80s favorable to low 80s, high 70s favorable. I mean, you can fact check me on that. Some places like the Philippines, you know, we have a different kind of leader there who makes a lot of public commentary on the United States yet we remain 80 percent favorable in the Philippines. Maybe we're down historically but still quite high. So, it's an important metric but it's not the only metric. We need to pursue, you know, the President's goals on burden sharing and things of that nature as we're doing what we think we need to do with China.

MR. HASS: Right. While we're on the topic of alliances, Japan Korea is a relationship that appears to be in a downward spiral at the moment. You've spoken publicly about this recently. Can you just give us a sense of where we are, where the bottom is in this freefall and what role the United States can and should play in seeking to bring our allies back together.

MR. SCHRIVER: Well, I was meeting with a prominent Chinese scholar. I won't mention

his name. But he remarked on the growing tensions between Japan and South Korea and he said China is very pleased about this. And I said, well why is China pleased about this? He said, isn't it obvious?

So, I think what we need to continue to remind our allies is that the countries that are benefitting from their tension is China, Russia, North Korea and that's not a good place to be. We at the Defense Department do maintain trilateral relations. I believe this morning, at least well I won't comment on that because I'm not sure it actually came off. But we will soon have an opportunity at ASEAN Defense Minister meeting plus where we'll have a trilateral meeting at the ministerial level. Secretary Esper will meet with ROK and Japan. That happened at Shangri-La with then acting Secretary Shanahan.

We have regular interactions at my level including we last met on May 9th in Seoul. It was one of the days where there was a missile launch, missile test. And the South Korean defense minister called the delegation leaders up into his office, previously unplanned, and said this is why we need to strengthen our defense cooperation and trilateral work. And he said it in Japanese by the way. South Korean defense minister is a Japanese speaker who studied at the Japanese Air War College.

So, we're trying our best to insulate the defense and security relationship from the political tensions that obviously are present. I think one of the reasons we spoke out on Jasomia is because that was spilling into the security trilateral work in an unhelpful way. But overall, I think we're doing okay. It's a tough environment for the defense ministries respectively in Tokyo and Seoul because of where their political leadership is on these things.

But, I think, we ultimately are going to be driven together because of the prevailing security interests and security environment. I don't know where rock bottom is or how much time it could take but I do see so much that pull us together. If you give the list of things that the ROK and Japan themselves would acknowledge they agree on, rules-based order, respect for human rights and human dignity. Work in Southeast Asia on health issues, development assistance, you know, the list is quite long.

So, we'll play a role if we can. I mean, there's some suggestion we haven't been engaged enough at a high level. I can tell you, Secretary Esper in both capitols spent considerable time on this. Secretary Pompeo has, former national security advisor Bolden before he left office, spent time

on this. And we're open to other ways we could be a constructive party here.

What typically happens is one country asks us to go straighten out the other country and tell them why they're wrong. So, should we be a more active mediator if both sides can agree on what that looks like and if it could be constructive role. But we're open to finding ways to help bring the two sides closer together.

MR. HASS: If I could just ask one more question and then I will turn it over to our colleagues here. Taiwan. Taiwan is an issue that you've spent considerable time on, you've thought about deeply, you've worked on it for many years. Right now, Beijing is intensifying pressure on Taiwan, particularly on the run up to a presidential election in January. What should the U.S. response be to that intensifying pressure?

MR. SCHRIVER: Well, I think we've got the framework through the Taiwan Relations Act that gives a lot of flexibility to enhanced certain aspects of our approach. We've made some decisions recently on security assistance that was consistent with the law and the growing threat from China. I think this is a particularly tense period because of the election. So, we're doing certain things to support a fellow democracy and carrying out a free, fair and non-coerced election.

So, there's, you know, I think very little doubt that the Chinese will seek to meddle in that election. They've tried it in each of Taiwan's previous elections. In 1996, it was missile exercises, in 2000 it was a finger wagging lecture from Gerome Xi. This time I think it's a little more sophisticated with the use of social media and cyber means.

So, we're supporting Taiwan as a fellow democracy interested in seeing free, fair, un-coerced elections particularly on the cyber piece. But over the longer stretch, certainly we'll need to continue to be that good security partner, good economic partner and preserve space for Taiwan to keep its unique status until the two sides are in a better place to work things out between them.

MR. HASS: Thank you. I'd like to turn it to open now to any questions. We'll take two or three at a time. We'll start out with this gentleman with the tie.

MR. LAWLER: Hi there, Dave Lawler from Axia. Assistant Secretary, you said in your remarks that China recognizes the advantages the U.S. has and its alliances and partnerships and is seeking to undermine or counter that. I was wondering if you could expand on that idea. Thanks.

MR. HASS: Thank you. We could go to the gentleman in the back.

SPEAKER: Thank you, Secretary. (inaudible) with China (inaudible) Agency of Hong Kong. Assistant Secretary, did you watch the web live of the military parade in Beijing today? What is your take on that? Thank you.

MR. HASS: Okay and let's take one more question from this lady with the red sweater.

SPEAKER: (Inaudible) from Radio Free Asia. And I have a question on North Korea. The United States and North Korea are going to resume the (inaudible) negotiations this Saturday. And how would you assess the U.S. China cooperation on getting North Korea to give up the nuclear programs? And well actually the Chinese Foreign Minister in his United Nations speech mentioned about the sanctions related to North Korea. So, how would you assess the U.S. China cooperation on North Korea?

MR. HASS: So, we have a question about North Korea, military parade and alliances.

MR. SCHRIVER: Okay. Well, just in order, on military alliances, it relates to the comment that I conveyed from the Chinese scholar that China benefits when there is tension between our allies and tension between us and an ally. And as a result, will seek to drive wedges and find those opportunities. A lot of times, it's through their economic weight. A lot of times it's about, you know, in the information space, there's quite a bit about the United States being, you know, an unreliable partner. A sort of capricious power who, of course, will be drawn back into the Middle East and, you know, this interest in the region is fleeting.

And so, you know, they do it in a variety of ways. You know, I think that's just part of the overall competitive environment and why it doesn't bother me as an Assistant Secretary that places a premium on our alliance relationships. And providing that reassurance and explaining where the benefit is and continuing a strong alliance and keeping it moving forward. That's fine, that's a burden I carry with no hesitation.

The military parade or the national day events. I went home and spent time with my four kids and family. I did not watch it. I'm seeing some reports on it and it seems like there's an impressive display and it's meant to send a signal, I suppose, internally and externally. So, we'll do the post-game analysis on it but I think it's in line with expectations. And then the last question was about --

MR. HASS: North Korea.

MR. SCHRIVER: North Korea and China's cooperation in particular. I think as under Secretary Rood said yesterday in public, we believe China can do a little better on the sanctions enforcement and cooperating with us in an overall effort to get North Korea to the negotiating table in a constructive way. We've seen some slippages on sanctions enforcement and we are willing to work with China to strengthen that enforcement effort.

I've said this, probably people have heard this story. But Secretary Shanahan, then acting Shanahan, went to Shangri-La and he presented Minister of Defense Wa with a gift. He said, Minister, I have a gift for you. He was very pleased with that and then he handed him a picture book of North Korean illegally listed ship to ship transfers happening in Chinese territorial waters. That was the gift.

But the gift came with an offer. We'd be happy to work with you on curbing this. We can hand off targets at your 12 nautical mile sovereign territory and hand it over to you. We can do something more robust if that's of interest, we'd like to work with China on this. But right now, what we see is actually Chinese vessels shadowing our forces that are trying to enforce the sanctions rather than enforcing the sanctions themselves. And so, we hope that they can change the course of that and do a little better on sanctions enforcement.

MR. HASS: Thank you. We have time, I think, for two or so more questions. We'll start out with this gentleman here.

MR. LITTLE: David Little with Herd and Katz. Is China trying to insert its role into the conflict between Pakistan, India over the Kashmir and how are they doing that?

MR. HASS: The woman over here.

MS. KING: My name is Salise King. I'm a reporter with Voice of America. Assistant Secretary, you said earlier that China was happy about frictions about South Korea and Japan. My question is more about bilateral relationship between the U.S. and South Korea. The two countries have been suspending the large scale military exercise for long and recently South Korea has requested the U.S. to expedite the handover of the more than half of the bases of the United States military in Korea. Does that send a wrong signal to China that the weakening sign of U.S. and South Korean relationship?

MR. HASS: So, we have a question on, I think, India, Kashmir and South Korea.

MR. SCHRIVER: Okay, well China has a longstanding relationship with Pakistan and they have growing competition with India. I think India seeks a stable relationship with China. We have an important visitor this week after Prime Minister Modi's big event in Texas and then his work at the UN. Foreign Minister Jaishankar has stayed behind and we're having consultations with him and we've talked about the relationship with China. They want a stable relationship with China but there's no doubt that there's growing concern and competition there as well.

So, I think on a range of issues to include Kashmir, China has leaned toward Pakistan. They've supported Pakistan in international fora. There is some discussion about whether or not Kashmir would be taken up in the UN, China would support that. But in terms of something beyond that or more active, I don't see it. I think many have concerns that Pakistan keep a lid on militant groups that might conduct cross-border activities as a result of the Kashmir decisions and I don't sense that China wants that kind of conflict or would support that. So, I think it's mostly diplomatic and political support.

With respect to South Korea and our relationship. You know, it is a longstanding deep alliance and we have issues from time to time but it's a very strong alliance. When we look something like OPCON transfer, I mean, the remarkable thing is we are pursuing it and talking about it. I mean, we're talking about one of the most dangerous areas in the world and we're actually involved in a process that will ultimately lead to South Korea being in charge of combined forces that include U.S. forces. That's a pretty significant statement of confidence in the alliance.

Now we think it has to be conditions based because of the seriousness of the security environment there and the need to ensure we're as capable and prepared as possible. And so, when we look at things like command structure, when we look at things like certain key capabilities for that contingency. We're going to be pretty insistent that South Korea acquires those capabilities before we agree to the transfer and not be tied to any political calendar.

On the exercises, we made some adjustments. President Trump felt that it was important to make an adjustment to give our diplomats space to work on this issue. I would just tell you that in a combined environment, what you really want to stress and test is decision making. How you in a crisis make decisions in a combined environment and you can do that through simulation and through

wargaming and command post type exercises. We can train on all the other mission essential tasks in ways that are lower profile. Some off the peninsula, some must smaller elements training on the mission essential tasks.

So, I think if General Abrams were here, in fact, I know if he were here because he's testified before Congress, we have made these adjustments to give our diplomats space but still maintain high readiness, still ready to fight tonight and still ready for the emerging challenges. You know, if there are further adjustments which I'm not aware there's any plan to do that, we'd want to maintain the same kind of readiness and again, it's really focused on the decision making combined environment where we'd need to be excellent. And so, I think we're able to do that.

MR. HASS: Well, Mr. Assistant Secretary, thank you for spending time with us this morning. I promised your staff that I would allow you to return to your day job at 10:15 and that time has come. But on behalf of all my colleagues, thank you for giving us such a clear and valuable insight into what's happening in the region.

MR. SCHRIVER: Thanks, appreciate it.

MR. HASS: Now we will have our next panel join us on stage momentarily.

MR. CHHABRA: Everyone. Thanks for being with us today. My name is Tarun Chhabra. I'm a fellow with our project on International Order and Strategy and also at Georgetown Center for Security and Emerging Technology. We really have a stellar panel to reflect both on the remarks that you've just heard from Assistant Secretary Shriver. And also to talk a little bit more about China's growing global influence.

We're not going to have any prepared remarks. We're going to jump right in, but before I do it is Brookings and I want to hawk the papers that we just published. So, the papers that we published in this tranche of the project are focused on domains and strategic competition. And then the domestic drivers behind some of China's foreign policy moves. So, among those papers today that I hope you'll take a look at, we have Dan Byman is for Saba writing about China's approach to counter terrorism policy, including what it's doing in Xinjiang change on today. Michael O'Hanlon who is writing about China in the gray zone. He has a paper focused particularly on what escalation could look like in the SenKaku Islands.

Caitlin Talmadge has written a book about nuclear competition between the United States and China. David Dollar has a paper about China's Belt and Road initiative, particularly focused in Sub-Saharan Africa as a case study. and MarK Karlin and Leah Dreyfuss have written a paper about China's overseas basing ambitions. And then on the domestic drivers front, we have with us today Cheng Li, who's written about Xi's transformation as a populist. And what that means for trend's foreign policy. Jamie has written a great paper on the shift in China's legal development and the growing role of the party in that.

And then Rush it has contributed to a prior tranche in this series, which was focused on continuity and change in China's foreign policy. What role present she has played in it? And so has Audrye as well, where her focus has been on economic statecraft. So, let's jump right in. And Rush, I want to start with you because I think a lot of current debate about the United States policy toward China and also how many other countries around the world are reacting to China's rise really turns on what you think China wants. What kinds of resources and risk China is willing to wager to achieve some of those ambitions, which is essentially a debate about what many would call China's grand strategy.

And there's a lot of debate about what that grand strategy is. So, I want to pose to you a question that has three parts. So, the, the first is, tell us first what the contours of that debate about trans-grant strategy look like. Second, what are some signposts that we should be looking for particularly in the domains in strategic competition that we're focusing on today, whether that's in economic infrastructure development or security competition or the clash of values. And third, picking up on some remarks that the Assistant Secretary made this morning. He said the current trajectory of us China relations is really being driven by President Xi's. So, tell us a little bit about what, how she has shifted China's grand strategy if he has.

MR. DOSHI: Sure, thanks Tarun. So, the first question is sort of basically about grand strategy. It's a pretty abstract term. I think we all kind of know what we mean when we use that term. I think of it, and I think many of us think of it as the coordination of multiple different instruments of statecraft to advance an overarching strategic objective. And that coordination is what makes granted strategy grant. It's not just the objective, it's the coordination because that coordination is extremely hard to pull off. And when that coordination is undertaken by a country with a \$12 trillion economy rapidly

modernizing military force, robust information, influence operations, it has pretty significant implications.

So, that's what we mean by grand strategy and why it matters is precisely because it's so hard to do when you pull it off. You can reshape sort of global politics. So, there is a debate right now about whether China has a grand strategy. And I think that you really can divide that debate into two categories. On the one hand, you have individuals who would say that it really doesn't have a grand strategy. I call them the skeptics. And on the other side you've got people who might say that it does have a grand strategy or the believers. And I'd say that the believers, people who believe China has a grand strategy, have not really attempted true persuasion and the skeptics yet remain unpersuaded.

And so why is that the case? We have a lot of works come out recently arguing that China has a long-term plan, but a lot of those works don't really get deep in the weeds. They're kind of more commercial works. They're kind of a little more glib. They're not really getting into Chinese sources. They're not really looking at Chinese behavior in a serious, rigorous way. And on the other side of the people who don't think China has a grand strategy, you will say it's just too complicated. We don't think that China even knows what it wants. They'd say that it doesn't have a clear decision-making process that makes it easy for them to actually implement whatever they decide they do want. That there's vested interest that corrupt the pursuit of national interests, that there's nationalism, which occasionally prevents China from pursuing a more focused strategic set of objectives.

Now, I don't agree with all of those object objections. I think that China does have a grand strategy, but that's the current debate. Tarun you asked sort of what the signpost we should look for. How do we know who's right, how do we know if China has a grand strategy? I think there are three things you look for. First, you look at how they think about strategy. So, that's grand strategic concepts. Do they have a set of ideas about the ends, the ways and the means to accomplish strategic objectives and how they should be combined? Then you look at capability. Can they pull it off? It's really hard to pull off a grand strategy. Do they have the ability to override vested interests, parochial interest, et cetera? And finally, you look at conduct, are they actually taking action consistent with what we think those concepts are?

And I think across all three that the answer is yes and hopefully, I can get into the weeds a little bit later, but I want to answer the questions at the top level first. What would we expect to see if

trying to really had a grand strategy? Well, one question, one big debate is arts focuses primarily regional or the increasingly global. Does China pursue kind of regional primacy regional dominance, or does it aspire to displace the United States globally? That's a big question. I don't think it's been adequately resolved. It's very difficult to resolve any kind of empirical way, but increasingly there's evidence that maybe they're thinking globally. And you see that in some of the China Russia security cooperation that's gone global, not just in Asia, but in the Arctic and additional cooperation that takes on allies, like Japan and South Korea.

You see that in some of their efforts to shape global institutions. You see that in the discourse of the party on global governance, which is now the number one funded topic within the think tank system within China. It used to be maritime affairs and now it's called the governance. So, there's all this circumstantial evidence suggesting that they're seeing things in a more global light. We should look additionally for what they do in the financial space. Are they, are they going to seek to actually build parallel financial systems to undermine the U.S. dollar, et cetera.

Finally, last point, very quickly, how much of this is about President Xi? So, in our past batch of papers, we answered this kind of very question. All of us independently, all of us coming to the same kind of conclusion. My personal view, and it's a strong view and it's a contested view, is that if President Hu Jintao had a third term, a lot of what we're seeing now would still continue because it's not all about President Xi. I think of it as a lot of it rooted in actually the party and its own vision of how global order should be arranged; how the regional systems should be arranged; what national rejuvenation it looks like, all of which has certain degrees of continuity. And I'm happy to talk more about why I think that as we go on. Thanks.

MR. CHHABRA: So, Cheng, this is a great entree into your paper.

MR. LI: Sure.

MR. CHHABRA: So, you have said that in your paper that there is a debate as Rush just as describe about Xi's impact on foreign policy, but there's a broader debate also about his standing within the Chinese Communist Party. So, on the one hand, he's clearly consolidated his power, giving himself lifetime tenure, writing himself into the Constitution as you point out in your paper, appointing supporters at the national and provincial levels of leadership building a new populous brand and then

focusing on both poverty alleviation and the development of mega cities.

But then on the other side of this debate, you also have analysts like Richard McGregor who focus on the backlash to Xi's rules. So, help us better understand this debate and including whether there are ways in which both elements of this debate could be correct.

MR. LI: Well, Richard's a good friend of mine and he is a very respected scholar on Chinese. You need to politics loaded up, the fascinating book a while ago they called The Party. His a new book since we talk about the backlash. I happen to look at the new book, but I read his article in foreign affairs. Now, I think a fair to say, I think Richard probably agree with me just as no one could hold a hold truce. And the scenes is not so much of a black and white, it's a little bit of the complicated Rashmeen not like the word complicated. And I think that we should avoid this kind of for a black white to a certain extent because based on different perspective, the title of my article, I borrow E. E. Cummings, the, the term called the pro-regress. It's a combination of for progress and the regress. Actually, I got this word when I visited Shanghai art exhibition called Shanghai Biannual which was last year. I also was in that museum just a few weeks ago. They used the title that as a pro-regress to describe the art scene and also the average and you work. And they are also interested in it just the equivalent a Chinese term, which was actually hardly used in our language. It's the term called Yuval.

It's based on the Taoist Asians. Taoist mysterious and kind of a dance that a dancer that seems like a moving forward, but it simultaneously or in backward and vice versa. Now, I think this is very important from different people's perspective. We work at a different assessments about Xi Jinping. Now, this is also related with the Harvard professor, Robert Putnam. He wrote a about a two decades ago so-called two levels of chess games. Sometimes politicians, the state leaders playing the game simultaneously domestic chess and international chase, that does not make sense that if you look at a one chess board, it make perfect sense, you look at the two chessboard. So, that's the dynamic we should look at that. I agree with Rush that (inaudible) continuation. We too much talk about the, he has completely changed the Chinese trajectory, which is not true. I think it's a continuation. He is a bad in to think stand by the entire leadership is to match the top leadership. And finally I think it's in everybody involved to understand that Xinjiang is also constantly adjusting environment.

It's the action reaction process are, for example, is that he has been in early on in his first

term, he was quite a kind of a conservative, interoperable towards market accepted. So, the plan to talk about the market and reform. But after that the (inaudible) completely jumped. But recently, he certainly shifted back. It started from last November, there's a six points policy to promote the private sector. But, of course, he will continue to emphasize the state role and the so-called now the state capitalism, et cetera. Now, all these things tell us that it's not that just a simple like true or false, right or wrong. Of course, there's some facts, but it's important to keep it out that we should also look into some perspective beyond ourselves and that be also aware, there are a lot of dynamic things going on. So, this is my take about the Richard excellent argument.

So, for intellectuals in China, certainly it's a backlash for some international communities also a backlash. But I mean, not necessary for Africa, Latin America, Middle East. So, some of the people see it when we have run road is a really the opportunity to promote their development. So, again, different perspective with different assessment. So, it should not be surprise for us, but I think they're very, very important for our policymakers to appreciate this, that kind of different layers and simultaneously you see progress and regress in the case of Xi Jinping and to a certain extent in the case of China.

MR. CHHABRA: So, Cheng, if we just be -- you do talk though about she should Xi Jinping populous brand, right and so if we could just play out a little bit in concrete ways, thinking about some of the tensions in the U.S. China relationship right now, the trade war reaction to the protests in Hong Kong, the detention of Uighurs in Xinjiang and now reports that some of this treatment of Muslims in China may extend to other populations in the queen Northwest China, for example, too. How does this new brand of populism play itself out? What are the implications?

MR. LI: Well, certainly these are real challenges, real problems. I don't want to underestimate these challenges. Trade war system's first time hit Chinese middle class and as the country has a surplus, usually where we hit the more. Especially China still put a lot of emphasis on exports now. But the interesting things is Xi Jinping made to some adjustment here in addition to what I said about the promote the private sector development, but that also he played a card of EU, and the UK, and Japan. There are a lot of economic development going on in that region. And also that are China probably whether it's a rumor or true that the U.S. power will stop the listing of Chinese companies, but

the China is already prepared. You look at it as they are so called the sign courage ban. It's like a science and the technology of stock market list them in Shanghai, very quickly approved.

So, these are all preparation to do with the trader war. So, that gave Xi Jinping some leverage probably and most importantly, I certainly spent a lot of time in my article talk about also the contradictory move. On one hand, Xi Jinping is a populous poverty -- elimination, not poverty reduction. Poverty elimination as it plummets, which is this ups are continuation with the other leadership is they started with the Xi Jinping (inaudible) and (inaudible). But Xi Jinping is lucky enough in the point to announce that the by next year China will eliminate it. He also used the more policy are kind of for mechanism to implement that. This is used the new term position, poverty elimination to really to announce that or hopefully, that the next year he can announce that. So, this is big of him, very popular among the poor people. But now, he'd reached the middle class in the major cities, Shanghai, Beijing and a (inaudible) and also Guangdong Bay area and also (inaudible) and (inaudible) corridor. Now, if these places actually previously 360, three, four years ago, almost none of these leaders, party leaders, party secretary and governor or mayors are Xi Jinping's prodigy, now, majority of them are Xi Jinping's prodigy. So, they're well positioned. So, carry out to this kind of delivery. So, on that, this trade front. Now, really it's regard, Xi Jinping maybe also I take away, I'm very much interested in what's going on in Hong Kong. These are a big challenge, but the nationalism on the rise, for them, just to talk about Hong Kong, I think that a Chinese leader may not be as anxious as many of us here believe because for Chinese leadership why they should be too nervous.

Yes, it is embarrassment. But now, it sounds like as they get used to that and because they certainly demonize the protesters, students and blame United States, UK, West behind these kind of protest. Now, it's not my view, but most of the people in China certainly feel that the probably there's some evidence for that. And also if we (inaudible) the incompetence is not Beijing's incompetence, but rather of some of the policymakers or leaders in Hong Kong. Finally, they also blame that business tycoons. I know these people they think is (inaudible). So, the pressure for Beijing is a very, very low. If we look at as these kind of (inaudible) things are going on.

Of course, they don't want to see that happening, but it's already happened. They think that they have the leverage or the right or wrong. At the moment, I do not see these kind of things were

spread to China because the GDP's backed by populism, nationalism and as early on mentioned about the national parade. Certainly, you can see there's a tremendous of discussion in China. Talk about the channel this. This channel's coming of age emerging as global power. United States wants to put China down. That interpretation actually found out more and more people believe previously, intellectuals especially, pro-US intellectuals certainly cynical. Majority of them probably still cynical about that. But you see the switch, some people now persuaded that some people in the United States want to put China down. So, at this time, they want the Xi Jinping, back the leadership. So, that's the situation we enter. This is the way to -- I honestly, yeah, excellent question about the concern.

MR. CHHABRA: So, I think we'll have everyone we'll probably want to weigh in on some of Hong Kong and Xi Jinping, as well. But Jamie, I want to turn to you and the work that you've done on China's legal development. So, I think most China specialists generally are aware that the party sits atop the state in China. But the story you tell in your contribution to our series is that under President Xi, that party controls being consolidated and institutionalized in a fairly unprecedented way through law. And you argue that this in some dimension is a legitimizing project for the party. But you also warn on the other hand that the parties heightened involvement in state governance without corresponding legal accountability, and it's continued to resort to exceptional extra-legal measures to deal with perceived enemies may undermine the stability of expectations of trust at home and abroad that the party needs to succeed. So, tell us why are we seeing this move now and why are we seeing it under President Xi?

MS. HORSLEY: Thank you very much for the question and restating my thesis for me. So, I guess to start off with first is the continuity piece, which everybody's been talking about. So, there is a lot of continuity under Xi Jinping in the legal area. Primarily, when Xi Jinping came in, one of his very first priorities was to elevate what he calls a rule of law, with socialist rule of law with Chinese characteristics and ruling the country in accordance with law or law based governance. And so he sort of elevated the legal project to a higher position. It's one of his four comprehensives. He devoted a whole plenum to it as well. And in fact, what we've seen under Xi is a continuation of Deng Shai Ping's a push to modernize the legal system that would deliver rules-based solutions in the majority of cases to both promote economic development and maintain social stability. On the other hand, what is new and what I see as sort of a shift under Xi Jinping is an f...

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...for to then also legalize the status of the party. So, the party is not registered under law. And some people argue it always has had constitutional basis because the parties mentioned in the preamble of the state constitution which discusses the history of the PRC, et cetera. But for most of the PRC history, the party has not been mentioned specifically in the main body of the constitution. And this was one of the constitutional amendments that happen in March, 2018 when they removed the term limits and also set up a new branch of government, the supervision commission to take on anti-corruption responsibilities.

They wrote the party into the constitution, the party's role and leadership to constitutionalize it. In addition, there's been a push to write the party and its leadership role into more law and nationally applicable regulation. So, prior to Xi's term, the party was mentioned in something called the Legislation Law from 2000. In 2005, actually they amended the company law to require that all companies, private, foreign invested and state-owned have to establish and support party organizations. So, that was already written into the company law. But under Xi, the party has begun to be written into, of course, all the whole suite of national security related laws that they've come out with in Xi's first term, but also in state council regulations as well. So it sort of raises the question, why is the party -- why did they feel they need to do this? The party's leadership, as you note, and all of us know has always been asserted over everything. But under Xi, he's made a big point of asserting and making very explicit the party leadership over everything, including law and legal institutions. But again, as Rush was talking about in Cheng as well, there's the words and then there's the reality and the practice.

What I've also seen, and so in my area, I began to sort of watch this. I follow the state society interactions, et cetera. And I began to see again, party writing itself into, for example, procedures for rulemaking. So, we always knew the party controls legislation. They control the national people's Congress, they control the state council. But again, they felt it important now to write this actually into state law and make it very explicit. And beyond this they've been asserting or institutionalizing their role in state governance and a whole variety of other ways that I go into excruciating detail in this paper. But it has to do with jointly issuing regulations with the state. The merger that happened just after the March, 2018 National People's Congress of several state entities into party entities, the epidemic of all this is, of course, the establishment of this supervision commission, which was given constitutional status is a

branch of government. It's given its own organic law, but in fact, is just the, the state face of the party's Discipline Inspection Commission. So, you have a lot of these more now merged party state bodies, dual facing, but increasingly taking on state governance activities. And why is this concerning? As you point out, it's because the party, even though they're trying to legalize their position, they're not accountable under law. So, for example, if the party jointly issues a regulation with the state council, if it's a state council regulation, they have to go through notice and comment procedures. The regulations are made public, people can go to court and sue to enforce them. If it's a party regulation, none of that applies.

So, the party then removes the state functions outside the purview of the law such as it is. So, that's one shift that I've seen is this push. Now, on a broader level, it sort of reflects in the arguments have been made that she does recognize and appreciate the legitimating power of law and that's why he's elevated, or the party is elevating law as a cornerstone of their new governance strategy. We understand the fourth plan coming up is going to be devoted to discussing modernization of the party's governing capability and governance capacity.

Now, another thing that would that is still disturbing, how do you square this importance of law and the legal system with this sort of extra-legal treatment that we see the party doling out to perceive animals of the machine. So, in this, it was interesting to me to just focus on the fact that there's been a persistence of an old malice for a concept of two contradictions. So, you have non-antagonistic contradictions among the people. It's very natural and complex society. These contradictions can and shouldn't be handled in accordance with law. But then you have contradictions between the people and the enemy and those contradictions which threaten the stability of the party state, those that are handled outside through extra judicial and often extra-legal coercive methods as well. And that's another concerning aspect of the parties move because this indicates a kind of conditional attitude toward law.

If you're deemed to be among the people and it's a normal contradiction, then the normal legal system, which is increasingly professional, autonomous, rules-based, et cetera, that kicks in. But if you're perceived to be an enemy, then you're outside of that system. And all of this, of course, has implications for China's role in the world and dealing with actors, both foreign companies operating in China, but also China's activities overseas. It's not, again, look at the words, they're concerning. And I was trying to identify why does this party legalization project make me feel uncomfortable? And, and I've

tried to articulate, it's partly because it removes it from the area of state governance and kind of undermines, in fact, the whole legitimization through legalization project that the party seems to be carrying on now. But again, it's important to see how it plays out in practice as well. And I totally endorse what colleagues have said here today that when you're looking at China making policy, yes, we must take the party at its word, but then go beyond it and see how is this actually playing out in practice and try and analyze how in each situation this may impact us and our interests.

MR. CHHABRA: So, take it just to take one example of how this type play out in practice. Huawei has been in the news quite a bit. One of the arguments that has been made is while China does have some data protection laws, right, that may complicate efforts to secure data from Huawei service, for example, but your argument would seem to suggest that as the party essentially begins to eat state law and think about it one in one way, those claims would seem to become more and more hollow. Would you agree with that or would you think about it in a different way?

MS. HORSLEY: Well, again, it's a complicated situation. So, I think the Huawei case is pretty special. It's got a military background, et cetera, et cetera. And it's everywhere in the world now. So, there's a great deal of interest and concern about it. But to back up again, looking at facts on the ground, it's very interesting to me to see that the party is still doing a fairly light handed approach to the private sector. As strong mention now again, they've realized this economy slows. China really needs the private sector. They're the main source of GDP growth, of job creation, of innovation. And we've heard stories, for example, that the party state has to negotiate with the big tech companies to get access to their data. How much, how often, in what form, et cetera, which is very similar to say Uber negotiating with New York City before it went in in terms of what data they would have to turn over to the state as well.

And if you look at the party regulations and policies, they do treat the private companies different from say a state owned enterprise. So, for example, in the state-owned enterprises, there were a lot of news reports a couple of years ago about this new requirement that the party have to -- write the parties committees' roll into the SOE -- the corporate charter article's association. And they were applying this also to the joint ventures between SOEs and foreign companies as well. So, that was raising a lot of concerns about what exactly is the role of the party.

Traditionally, they've always had the requirement whenever there's three or more party members in an entity, whether it's a law firm or a company or a NGO, you must -- the party members must form a company, a party organization. But now, they're taking this requirement and trying to legalize it and make it a legal requirement either as matter of law or in this case, the party, I mean, the corporate charter.

They haven't imposed that same requirement on private companies. And although, or course, we know there's a big push for all the companies to set up a party organizations, a much smaller percentage of private companies apparently do, et cetera. So, clearly the party knows they're trying to, while they really want to be able to control them and get access to data and other and their innovations. And they also don't want the private sector to be end up competing with the party state. They know they can't kill the golden goose. And so you see a very interesting dance going on here.

When it comes to national security though I think this, the suite of national security laws I mentioned, which include counter-intelligence and national security and the data cybersecurity lot cetera, where they written the party into it, the national security card could trump it. But even in that case, I think the party state would be careful on how they deploy it, just like our government is, even though in their case you wouldn't, couldn't go to court to, to prevent the party from, from the access there too. So, it's a very complicated answer to your question. It's a complicated situation.

MR. CHHABRA: Audrye, let's come to you. So, you contributed a paper to the series earlier this year and you're also writing a book about China's economic state craft and you're making the case that in some places China is focused on subversion, which you find is going around established political processes and institutions. And in other cases, you see them engage in what you call stakeholder cultivation, where they're going through those institutions and processes. So, tell us why do you see different tactics in different places and how is this playing out through China's Belt and Road initiative?

MS. WONG: Sure. So, I think in terms of economic statecraft, China has by and large use a strategy of what are called subversive carrots. So, in which investment projects tend to circumvent regulatory procedures, institutional approval procedures. Often involves the use of corruption. And I think in terms of the Belt and Road, this has generated significant amount of public and political backlash.

We see political incumbents losing office and countries that are important, seen as strategically important for China and VRI. So, Malaysia, Sri Lanka and all these incoming politicians have lost office because they've accepted a corrupt infrastructure loans from China.

And this is important because it means that we're seeing resistance to China's Belt and Road initiative across a range of developing countries even those with perhaps imperfect democratic processes. And this backlash has also produced a demonstration effect in which we see elites and public in different countries. I'm becoming more skeptical and wary of accepting Chinese investments, Chinese financing, and think and being more wary about Chinese intentions. And so this overall has created a bad reputation for the Belt and Road initiative in the last couple of years.

And this means that China has not been broadly successful in its reported geopolitical intentions of having a very ambitious goal of trying to buy over by political influence using economic there thils. At the same time, China's also learning in my -- with mine -- in my conversations in China, my interlocutors have acknowledged on some mistakes that China has made and the need for better public diplomacy, cooperation, adherence to institutional standards and processes and respecting regulations and receiving countries. And we see this learning rhetorically, as well as in practice.

So, in terms of rhetoric, we see a rebranding of the belt road initiative. China recent years has, has tried to -- has announced plans to a core corruption implement better monitoring of overseas investment projects and the second Belt and Road farm and April this year (inaudible) also went beyond the usual blend rhetoric of new win-win cooperation to really emphasize the importance of debt sustainability, cracking down on corruption improving transparency and working with other developed countries and multilateral institutions, and investment financing, infrastructure development.

And in practice, and in context of certain bilateral relationships, we see Chinese government attorneys also being pressured to adjust the strategy. In Malaysia, for example, we've seen huge controversy over the East Coast Rail Link where a major railway project was suspended under the newly elected government. After the elections last year, China underwent a renegotiation process where the same river project is now moving forward with improved terms from Malaysia to (inaudible) scale and cost, something that makes more sense for a Malaysia's economy as well. And in the example, as in Myanmar, where again, the government renegotiated a deportee poor contract with the help of U.S. State

Department and leaders have also publicly stated importance of having the BRI in Chinese investment be able to win over the support of local people and local populations.

And what are the implications perhaps for how U.S. and that country you should think about China's Belt and Road initiative? I think first China hasn't been as effective at buying political influence. I was seeing a lot of skepticism about BRI on Korea's fairness. And so it's there in terms of think if you're thinking about BRI's part of China's grand strategy to increase its prominence and popularity and gain good will around the world that hasn't really succeeded as of now. And so for the U.S., I think it's really important to think about economic statecraft as, as a component of brand strategy, not just in terms of how China is operating, but also how the U.S. should respond, I think, in an international order today we're seeing who's in prominence of economic and non-military tools and this efforts to gain and geopolitical competition efforts again, gain political influence. And so we need a more comprehensive and strategic way of thinking about integrating and national security, economic bureaucracies and thinking of this. So thinking about a security X analogy stuff, economic activity.

MR. CHHABRA: Great. So, tell us a little bit more, what would that comprehensive approach look like? And Rush, you've written a little bit about how the United States should respond development as well, so that perhaps you could join in as well.

MS. DOSHI: Sure. Well, I think, I think U.S. by and large in terms of national security strategy and thinking has tended to favor think about military options. I think that's a very important tool, but I think there needs to be better coordination across -- on different bureaucracies, United States Government. So thinking about, for example, the U.S. State Department is organized by geographic regions, but I think if you want to think about understanding China's Belt and Road initiative and its efforts at economic state craft to globally, we need to kind of overcome these bureaucratic silos and really have a more integrated approach in looking at China strategy in different regions of the world at the same time. Maybe Russia's.

MR. CHHABRA: True. So let me just say a few things about the on road very quickly. This is a great example of continuity, I think in Chinese strategy. And I say that because although the belt road was announced by President Xi Jinping, there was a 2009 speech by President Hu, which was a major speech in which he adjusted the strategic guidelines that determined Chinese grand strategy. And

in that speech, he proposed an interoperable network of infrastructure that would crisscross Asia and basically tie countries to China. That's in his speech in 2009 many years before the Belt and Road was announced. And, of course, that in turn was preceded by China's going out initiative, which was an effort to make sure that China was able to make its SOEs more competitive internationally to secure resources to invest in infrastructure, et cetera. So, there is a longer term history to some of these efforts that was only formally institutionalized and elevated under President Xi.

So, why do I mention that? I mentioned that because that means that this is something that is not completely about branding. It's not completely random, it's not completely about vested interests. There's a larger rationale that's been there for a long time, but it was explicitly described in political terms, in key party documents. So, when people say that the Belt and Road is an example of failed Chinese grand strategy or development roads in coherence and backlash is a sign that China's facing challenges. I say two things.

One, well they don't see it that way. They see it as something that they'd been trying to do for a long time. And second, I would argue that there is a belief in China, but also outside of China to the Belt and Road is actually quite resilient. So, we've heard a lot about backlash throughout the region. Right? Sri Lanka and Malaysia, et cetera. Take Sri Lanka, the case where China had to turn over a report, an inventory report -- Sri Lanka had to turnover port to China, essentially the (inaudible) report. Sri Lanka went back this past January for a \$1 billion loan from China for highway construction. Andre mentioned really well some of the cases where China was adaptable in Malaysia, for example, in Myanmar where we renegotiated terms. In Nepal, that's another case where there was one political group that was opposed to some infrastructure projects. Another group won, they went back, restarted those projects and built a new -- and sort of pushed for it a new rail line that'll connect Nepal to China.

So, there's a lot of examples I think of where it's sort of the resilience of the Belt and Road is really on display. And the reason I mentioned that for U.S. policy is that because the Belt and Road is more resilient than we thought, it's not going to be enough to simply just wait for it to collapse under its own weight. So, the U.S. has to provide alternatives. That's something that the United States is doing. The Build Act helps lead that OPEC as a part of that; other countries are also interested in cooperating with United States. That's part one.

But part two, and this goes again to what Audrye was talking about, is making sure that people are aware of the problems that Belt and Road has with respect to governance. So, there are extensive examples of some of these SOEs from China being involved in corruption at the local level, extensive, well-documented examples all the way from Latin America and Ecuador, which it might've implicated several senior leaders; all the way to Pakistan; to parts of Africa where vice-presidents' children in some countries were getting payoffs; to Sri Lanka where there were payoffs to direct family. And on and on it goes.

When that information comes out, as Audrye mentioned, it can shape the politics of those countries. The question is, will it come out? So, there is an informational component to combating the Belt and Road, which I think is asymmetrical. And finally we shouldn't -- and I actually am misspoke spoke, I shouldn't say combating the Belt and Road because the Belt and Road isn't a bad thing. Lots of it can be good. All its infrastructure is needed, but it should be done in ways that are consistent with standards for governance and consistent with strategic maneuverability for those countries so they don't feel completely indebted. And those kinds of tweaks to the program are going to require a U.S. alternative and a better informational strategy.

MR. CHHABRA: Cheng, then David.

MR. LI: Well, just add a few things that based on what my colleague just said. We do need to ask whether China, as a regional power and increasing global power has its own digital national inches to develop a Belt and Road initiative in number one. Number two, is that the predetermined on the Chinese leadership part, a particular strategic part, try to use that Belt and Road to undermine or challenge or kick U.S. out of the Asia region. Is that the predetermined, it's a helical evil plan? Certainly, I'm cynical about that. But, of course, it's possible if our policy continued to contain China, it will be like this. But ultimately, it's depends on how we look at the international system in a world view.

And the finally, whether the China could improve Belt and Road because all the problem challenges. My answer is yes and they you can continue. So, I think this is the three things I just add the variable discussion by my colleagues.

MR. CHHABRA: Jamie and then then Li and Rush wants to come back here in.

MS. BOSLEY: Right, so, I'll just, yeah, from a legal point of view, I studied -- everybody

studying Belt and Road. It's sort of like the fall employment initiative for the world these days. But I look at it from the legal and governance point of view and couple things.

One, the problems they've run into initially to. I don't think it's because China had this plan to go out there and subvert established procedures and engage in corruption, et cetera. It's a very messy non-institutionalized project and a lot of what the pressure on China now is to try and impose more institutionalization on it. And at the Belt and Road Forum in April, there was an intent to start talking about having a clean BRI as well as the green BRI.

Transparency's a huge issue. And from the point of view of American companies and engineering consultants and even our lawyers they would like to see an open procurement system put in place. There's a lot of pressure we could partner with the EU, which is also putting pressure on China to open up the procurement on all levels as well. So, I think in addition to having counter strategies, which we should we ought to find ways to support and cooperate sometimes often with our other allies, but also directly with China on making the Belt and Road really be a much better initiative.

MR. Doshi: I'll just jump back in by saying the Belt and Road isn't always a bad thing and there are definitely ways in which it can be leveraged to do good things for the rest of the region. And that's especially important. But the Belt and Road is also not one thing. It's many different projects. And the appropriate unit of analysis is not the overall program, it's the specific project. And if you look at some of the specific projects, many of them long perceive the announcement of the Belt and Road. And if you look at those projects, some of them including the ones in Sri Lanka, and the ones in me and Myanmar, and the ones in Bangladesh, and the ones in Pakistan are about a particular kind of strategy. That is, a belief that certain ports have a lot of value. That belief is not uniquely Chinese. Every power that's ever aspired to Indian Ocean influence dating back to the Portuguese 500 years ago, has recognized those same places matter.

And, of course, there are places where you find extensive Chinese investment, and don't take my word for it, take the head of the State Oceanic Administration who read -- who wrote in a paper and then said in a speech. So, that's twice, that he thought that those ports could be useful access opportunities for the People's Liberation Army. That's an official source. President Xi Jinping has talked about the militarization, securitization of the Belt and Road. So, there is a discourse out there that sees

this as a good thing for Asia and there's a lot of good, it's a public good to energize. Talk about the Belt and Road as a public good. We should take them at their word on a lot of those projects.

But some of the projects, not the roads in Sri Lanka, but the ports and other places, some of those projects have clear strategic rationale, so it's important for us to not paint with too broad a brush stroke. And I'll just finish by saying Xi Jinping also talks about Belt and Road in terms of brush strokes. And what he says is, in the first phase of the project, he's now announced a second phase, right. And that didn't happen by the way of the Belt and Road Forum. That second phase was announced the year before the Belt and Road Forum and the fifth anniversary of the Belt and Road in 2018.

And in that speech he said, it's time for phase two. What was phase two going to be? Well, since in phase one we focused on the big brush strokes, big projects, big things; phase two would be smaller and as Jamie mentioned, greener, leaner, it would be cleaner. It would also be more likely to directly benefit individuals and easier to talk about in ways that was less controversial. Because to Jamie's point, a lot of the problems with Belt and Road aren't always about nefarious Chinese plan. Many of them are just endemic to the nature of doing development financing abroad. Now, some of them are also endemic to the nature of Chinese political economy, which is a different, so both those things have to be taken into account. But the point there is the Belt and Road is changing, it's adaptable, and many, much of it is good. But we have to focus on those areas where it poses a significant strategic challenge.

MR. CHHABRA: Before you go on, how much should we be concerned about the convergence of the export of surveillance technology and Belt and Roads. So, for example, and David Dollar mentions this in his paper that there's a project in Zimbabwe focused on facial recognition. So, how much of these are going to be intertwined do you think?

MR. DOSHI: Well, I think that there's a big component, that Belt and Road that's talked about as the sort of digital Belt and Road, right, the sort of Silicon component to it. I don't know that China is explicitly deliberately exporting its system. I don't quite buy that. I don't think it has a reason to do that. I'm not sure there are a lot of buyers for it. It's really hard to pull off.

I think the way that this works is more implicit and I think Turan has sort of written about some of this as well. So, I should plug our moderators paper on the subject, which suggests that some of the ways in which this, this kind of dissemination of China's system will take place, will be through

channels that are not always evangelical, right? So, they could be, well, while he wants to sell flowers that actually involved in helping one country sensor its internet, right? So, that's something that's useful for that country, but it's not because China wants to make the world more liberal, it's just because there's a commercial opportunity there.

There are other ways in which we've seen China export surveillance technology of facial recognition technology to Zimbabwe, but that's really hard to pull off. It's going to take a long time before they're able to get there. But I think it's important to watch this space because this is one of the key questions. Will the rise of China to true global superpower status peer competitor of the United States mean that liberal values are going to be attenuated or they'll persist and the question is not knowable right now? It's something we're going to see and maybe to, to my colleague Cheng Li's point, something we can shape with good cooperative policy.

MR. CHHABRA: Yeah, Audrye?

MS. WONG: Sure, I'll just add on a couple of points. So, I completely agree. BRS is a messy. It involves a broad range of actors with multiple competing interests. And I think that has, but because I think for a lot of audiences outside of China, they see Chinese firms and so he's acting as agents that are of the Chinese state whether that is completely true or not. I think this is feeding the way that China is offering inducements, often corrupt where it has fed into a negative perceptions off Chinese intentions and what China, China is trying to achieve and in potential effects that China could have on domestic political processes in these received in countries.

And going -- feeding on the points about U.S. providing alternatives, I think that's absolutely important. Working with allies, partners, method, lateral institutions to provide alternative sources of financing because it's not credible for United States to criticize a lot of developing countries or receiving countries in Belt and Road to say you can't take Chinese money with that. But that's not credible if you're not providing alternatives.

And I think, but at the same time I think it's hard for if completely pure competition and Chinese financing just because of the ability to Chinese state to marshal resources. And so they're also cost effective ways of doing this. Not only working with allies and multi-lateral institutions, but also promoting reform and streamlining processes of approval within multi-lateral institutions. I think that

would increase access to these alternative sources of financing. And also one way is for the U.S. to share its technical expertise, knowhow, resources, provide guidance to receiving countries so that they are on the ground both through leaks and the government as well as public opinion, are more aware of what's going on with the kinds of investments that China's offering and sort of and I think that's a cost effective strategy of ensuring that and pushing China to ensure that adheres to two better transparency standards and governance standards.

MR. CHHABRA: Great. Thank you. So, let's open it up to questions with the audience. Scarlet has the mic. Let's start here with this gentleman in the fourth row. Yeah. Why don't we take both questions in the fourth row together?

MR. HUMPHREY: I'm a Peter Humphrey and intel analyst and a former diplomat. I look at China's military buildup in particular. And marvel at it because nobody is thinking about attacking China. And so, the purpose of the military buildup is nothing more than supporting the Communist Party. And, and when you look at China's grand strategy, I mean, is it really just making the world safe for autocracy? Because the more autocrats there are, the better their chances that the Party can survive against democratic pressures.

MR. CHHABRA: And if you -- our photographer has just asked, if you wouldn't mind standing when you ask your question so we can, we can capture you.

MR. MOSETTIG: Mike Mosettig, PBS Online News Hour. In discussing grand strategy, how much of this is driven by internal dynamics versus an assessment of the vulnerabilities and strengths of other countries? In other words, do the Chinese look right now on what's going on in Washington as a short-term gift or part of a longer narrative of decline and withdrawal? And to what extent in the leadership is there serious discussion debate about the long-term strengths and weaknesses of countries like the United States?

MR. CHHABRA: Two great questions about Chinese grand strategy. Yes, sir.

MR. DOSHI: Sure, I'll going to start. Sure. I'll start us off. So on the military question I don't think that the purpose of China's military modernization over what I would say is the last 30 years has actually really been primarily about just the party itself. The first phase of military monetization -- well, let's go back. 1980s, China was actually thinking about building the kinds of platforms that would be

important in winning a conflict with its neighbors in the South China Sea, for example.

They were thinking a little more about aircraft carriers actually, and there are some books which show in the mid-'80s the force structure they were dreaming of having in the year 2000 and it didn't happen. And the reason it didn't happen was because of three years, 1989, 1990 and 1991. In '89 Tiananmen Square; 1990, the Gulf War; 1991 the full -- the continued disillusion of the Soviet Union and its larger satellite states and those three led them to think of the United States was the primary adversary and that the method of war would be sort of based upon what they saw in the Gulf war.

And so that meant not buying vulnerable platforms like surface vessels in large quantities or aircraft carriers, but instead investing in asymmetric capabilities. Not because they wanted to take territory, but because they want to deny the ability, the United States to intervene in the region. And that gives rise to the what we've now called anti-access area denial approach to China has had.

But many of those capabilities were again, not useful for taking anything. They were useful for denying things that changes. In the last 15 years, we've seen a shift away from that asymmetric strategy to what you could call us a more symmetric one about building and acquiring the very platforms that they once delayed. Those aircraft carriers, those surface vessels, those amphibious platform vehicles, right. LPDs, for example, that they want to use to be able to actually take a whole territory, to be able to use an amphibious operations. That's a change, right? So, that's a shift from defensive. You can think of a more defensive strategy to a more offensive one, not because they want to conquer the world, but because they have equities and important national interests close to home. That's hopefully an answer that's useful on the military side.

On the grand strategy side, I think that question was really very useful. How much of Chinese grand strategy is externally driven versus internally driven? That is a key question. I happen to believe that a lot of Chinese grand strategy is externally driven. A lot of domestic behavior, a lot of domestic politics, et cetera, might be more domestically driven, but key strategic projects. I think are more externally driven and I say that for a few reasons. One is, and we've talked about this, the party sits above the state that penetrates every level of the state and together that means it has the ability to override some parochial interests. So, for example, when going back to the military case, the Navy and Leo Wacheng was very, very keen on an aircraft carrier. He really wanted it. He had a lot of influence

and clout. He was on the Standing Committee. But John shot him down time and time again, because it wasn't the right time for China to be building an aircraft carrier, so they didn't do it. That's an example of suppressing parochial interests to pursue a larger grand strategy.

The second reason, people talk about public opinion and nationalism being a particularly powerful force in shaping the strategy or constraining it. I'm partially skeptical because China retains the ability to arrest many of those nationalists when they're too out of line and they've done it before in the past. So, there's that. There's not that clear path that domestic politics can play. The vested interests don't necessarily work and public opinion doesn't.

The last question was sort of about how much of it is shaped by the external factors and here's what I'll make the case for what external factors I think matter. I think the primary factor that drives Chinese grand strategy is its assessment of the United States. Because the United States is the biggest challenge to its core interests and the most important relationship for its economic development. It is the thousand pound gorilla. It has to pay attention to the United States. That's been true for a very long time. And the way the strategy changes because strategy is tough to adjust. It's like an oil tanker. It's hard to do a U turn, but the way it does happen will not for an oil tanker, but for strategy anyway, so that's where the metaphor breaks down, is when there's a sharp discontinuous change in your perception of the United States and when does that happen? 1989, we went from quasi-allies during the Cold War to quasi-adversaries. 2009, the financial crisis, China went from thinking the United States was extraordinarily powerful to recognizing that it had certain weaknesses and now, potentially 2016 to 2018 where we see that the election of President Trump, Brexit and the crisis of the West and Western democracies and liberalism suggests that again, the U.S. is less threatening and maybe there's an opportunity for a more ambitious global agenda. A lot of this can be debated. None of this is air -- bulletproof or airtight, but this is kind of how I see it right now and I'm almost writing a book that makes the argument a bit more clearly. Thanks.

MR. LI: Well, I see these two questions are really linked together. For the military, China now has money and they want to spend money in the military and you look at the Chinese map, from their perspective they consider a lot of for a fresh spots. Not only talk about the northern part of China, but also look at the coast of North Korea, the Korean peninsula, East China Sea and South China Sea and

particularly, the Taiwan issue. That's actually, it's a very much in Chinese visual mind. This goes to your excellent question about which part is more important? I will say, they're linked, but at the same time, I think it's a domestic concern, internal concert is a primary driver because of without which are the other ones for top leadership, it's become irrelevant, right?

Because you do need to consolidate your power for your very survival or success is largely determined whether you can defend the Chinese levels of interest. And any leader will be in big trouble if you see, what (inaudible) independence or China has been to soft towards the United States. So, that's the dynamics that we involve. So, of course, that this is sometimes in certain issue areas it's different picture, but also that because of China become powerful, because China desperately need the foreign market and foreign resources that the military is also as part of that process. And, but, of course, this is also action, reaction, dynamic spiral. Sometimes we alter fields at our United States, our interests, our global power is weakened by China's challenge, especially China's a military budget will increase dramatically in the coming years. So, is that sort of the, the period we entered. So, in many ways is very dangerous period that we entered.

MR. CHHABRA: And just to come back to one -- well, last, the last part of the question is, what is the debate look like about how to take advantage of this moment? Where in the United States we have a lot of domestic turmoil, there's a crisis of confidence and democratic capitalism, right? How would you describe that debate right now?

MR. LI: Well, let me as, I think it's an excellent question. I think that our country probably will experience a lot of vicious in fightings and I actually, my expertise, my Chinese Indian politics, particularly affecting politics, I do not see at the moment that this is a vicious power struggle going on actually differ from million other loomers. I think under the pressure China it just had tendency, united together does not mean that they have a disagreements, or they have different views. They have that potential kind of a power inspiration. But at the moment they will united together. So, we enter this kind of full dynamic. So, I think of that as an American. We do need to think about the challenge for us. And the Chinese nationalism on the rise, our naturalists, are also on the rise, but at that can clash if our leadership is continued like remained that kind of things.

We entered the election season, but China probably take advantage of this, will

accelerate some of the programs and so that will be at the Chinese on the vantage.

MR. DOSHI: Sure. I'll just jump in real quickly. I completely agree with everything that Cheng Li said. And it's right, it's true. The internal, the external dimensions are very linked and the key questions for whether or not China is able to accomplish its external objectives. The reason those irrelevant is for internal political reasons. If you're a Chinese leader and you fail on Taiwan, the stakes are existential. Because of those stakes though I see a disproportionate focus on foreign policy on the United States and I'll just make it a little more tangible and concrete.

We've all heard about the phrase hide capabilities and by time and (speaking Chinese), right? This, this phrase in many Chinese documents, that phrase is always tied to China's perception of what they call the international balance of power or they're going to (speaking Chinese) and that linkage is basically about the United States, right? That's, that's a textual linkage that you see. That doesn't mean that a Chinese leader is not thinking about internal politics and whether or not if they lose Taiwan, their rival will outmaneuver them. It just means that when they're thinking about external considerations, United States is the primary question and that's the primary variable and that links to Turan's question which is how are they thinking about this moment when the West is struggling and if it's been the case that for 30 years they've linked their grand strategy in a sense to perceptions of the United States. What does that mean right now? And I don't have a good answer. I don't have a, I don't have compelling evidence one way or the other because we don't have all the documents, but what I have seen is a few things.

One, are greater emphasis I mentioned earlier on global governance in think tanks. So, that means greater funding for that as a policy priority of leadership. That's something that people have talked a lot about within the Chinese system. And we're seeing more research along those lines. Second we're probably, we're seeing interesting phrases in certain party documents, so it's usually a thing has used this one phrase a number of times, which is a once in a century opportunity, including in his discussion of Belt and Road. I haven't completely been able to unpack what creates that once in a century opportunity, but there is some indication among secondary commentary that it's really to the United States.

And finally the assessment of the international system in the 19th Party Congress Report

and other documents is a lot more positive for China. That there's a lot more instability in the balance of power and there's a lot more opportunity as well. And on global governance especially, we see far more references in those documents than we did under President Hu, so that's the kind of interesting shift from President Hu.

MR. CHHABRA: Let's take about two more. There's this gentleman here. And then here. Two, three rows back (inaudible).

SPEAKER: Thank you. (Inaudible) News Agency of Hong Kong. Several advanced weapons were displayed in today's (inaudible) military parade such as (speaking Chinese) 17. (speaking Chinese) 5-P and (speaking Chinese) 41. So, what kinds of message would you like to read from this kinds of (inaudible) Mr. Rush and Mr. Cheng Li.

MR. CHHABRA: Okay. Now, this gentleman (inaudible).

MR. ROCHELLE: Thank you distinguished panelists for coming here today. My name is Jim Rochelle from Policy Bot. We use data science and machine learning to analyze computational policy intelligence. So, my question for you guys today is about how Brookings is analyzing a global, or China's, how China is using their global influence to -- on the digital platform to influence other countries.

For example, the way in the liberal Western democracy, how we use a digital platform is now increasingly this to disinform and to disorder. How we think about -- how do we vote? But in the authoritarian countries like China, they're using censorships on the digital platform to influence people, how do people think. So, quite recently, Dr. Howard Philip from the OII, Oxford Internet Institute has published an article on how China is using a digital means to influence the image of Hong Kong protests in the Western world.

So, for the first time you have this propaganda, computational propaganda. So, my question for the Brookings Institute researchers are, how are you analyzing that at the moment?

MR. CHHABRA: You want to go first?

MR. DOSHI: Okay, sure. Yeah. So on the military parade, I thought you were going to ask me, which was my favorite Thong Fung missile. I don't have a favorite. They're all just so hard to choose from, but I know, I understand. I remember the question very well. And on the just beginning with a small joke. On the message, I didn't think of it as, as that maybe this contrary in perspective, but I

wasn't particularly worried. I didn't think there was a strong message being sent. The military parades are not new in the PRC. Lots of countries have military parades. Granted, there were more missiles displayed on this parade than in the past. China also has more missiles now that it does and it did in the past.

So, I didn't really think of the message. If there was a message being sent, I don't think it was particularly concerning and I didn't view the parade with any undue concern. I thought it was fine if that's what they wanted to do and display the military technology. That's fine. I'm much more concerned about what happens within region, or what those capabilities can do, but we already know that they exist, so, the parade is irrelevant.

The other question was about data. Under some of our China work under Cheng Li is increasingly taking Chinese documents and digitizing them and then putting them in a dataset and then sort of using that data set to do quantitative analysis. So, some of that stuff that I've talked to you about today comes from the digitalization of a mass quantity of party documents. And that I think is a useful approach to get traction of authoritarian questions.

MR. LI: Well, let me ask you, how many people watch that live broadcasting in the TB coverage about the parade? You can see, not many. So, as it's not symmetrical, the information I assume that they're in China so many people watched and the show China's muscle. China's coming of age interval military modernization. But in this country first it's that we are not well informed. But I here, this is another my point, my point is Dr. Henry Kissinger said that there are -- if we United States and China engage in a war, this is a war, there would be no winner. We should not even consider to fight if there is no winner.

So, I think that the, the Assistant Secretary early on in his keynote speech, he did talk about U.S.-China despite all these changings, we still need to cooperate each other. We still needed to make dialogue. It's very, very important. I think that the modern warfare, you no idea how it will be fought and what timeframe. It's even not that like a, certainly not like acidities. I mean time right. I mean, it's a trip. These are 2000 years ago in that work, in Greece, Asia, Sparta and the Athens. But now, we have economic urbanization. We have a nuclear weapon. Now, we have 5G, we have war artificial intelligence. We have are a lot of things unknown. I mean, so again we should not, you should avoid

basically look at the 21st century word used like a 20th century message, 19th century mindset. This is, I, someone says that that just quote I'd love to push through, but that's the fact. So, again, it's not so much for military strengths per se. Peraza we should find a way to prevent this kind of things happening. I understand why China wants to show that it is a critical moment from Chinese perspective, but I also see that from that this audience, it's really very few people watch it mean.

So, that gave us a perspective. We do need to communicate much, much better through dialogue. So, this is also related with the issues we haven't covered much. It's about the trade negotiations that the Vice Premier Yoga is coming to town in matter of a few days. On one hand, the trade issues, it's not as important as tech war, as as a currency tensions. And certainly social security issues, but at the same time United States and China should continue to engage economically if we do not do that, there's not too much left.

So, think about that kind of things. So, I perceived that way. So, we do need to continue to promote a cooperation with the educational culture, economical, et cetera. There's mass, certainly we have a lot of tensions. Your question certainly raised that about a different ideology, different in the political system and different a message. Now, sounds like I protected a China, but actually I'm quite critical about a lot of things going on in China, in the media censorship and the a legal system that in many ways there's a lot of cynicism within China, probably even stronger from outside work. And my friend and her way found in a leading scholar law professor, I actually published a book of him a few years ago. Now, he's -- we each had to complete a sensible error. Right? But at the same time, we also -- I did a research about the Chinese legal profession particularly focusing on Shanghai because my book is about Shanghai.

I look at the top 10 private legal firms. I found that like half of these partners, actually more than half is on top of law firms are Western educated and they come from the elite schools of Harvard, Columbia, Stanford and Duke law school, Berkeley, you name it. But also interested in the 70 percent, 75 percent, I should say those partners that actually got pass the New York bar exam 75 for this Western, American trained, they work in China. That provide you some hope, at least on the economic front, maybe eventually can spread. So, that's a dynamic we should see. It's, again, it's a paradox. On one hand, the legal profession is not (inaudible), but at the same time you see dynamic changes in the

society and even in the legal process also shooting for himself, it's also contradiction actually under his watch. He devoted the one party planned them on legal reform, but, of course, there's some backlash as Richard said, particularly the term limits. So, again, which are putting that perspective.

MR. CHHABRA: Okay, I just wanted to -- I don't know if you have a view on this, but on the social media question, broader, more broadly on political influence, how much do you see efforts to kind of shape public opinion on Chinese engagement with China economically as an element of China's state craft? Is that something that you think we should expect to see more of?

MS. WONG: Sure. I think especially with regard to the recent backlash, I think China has ramped up its public diplomacy efforts relating to BRI and Chinese investment projects. I was in Malaysia the summer and people are telling me Oh, we see this videos of, Malay woman and a Chinese lady singing together in Chinese. In Malay, it's running the benefits of cooperation and how a good relations can bring women benefits to all parties. And so I think China's realizing that it really needs to work more on that and improve its image, whether that is going to be fully successful, I think we'll have to go hand-in-hand with how China actually in practice conducts conduction investments.

MR. CHHABRA: Great. And to the point about what Brookings is doing, I think you'll see more about this in the forthcoming set of papers on East Asia where there'll be discussion this in the context of Hong Kong and Taiwan as well. Let's take a two final questions. Yes. One here.

SPEAKER: Thank you. I'm (inaudible) the phrase, Let a Thousand Flowers Bloom. And that phrase comes to mind as I listen to you this afternoon. The question I have is to what extent is Chinese culture embedded in the design and implementation of economic statecraft and what would be those aspects of culture that we could identify as specifically affecting how these policy initiatives emerge?

MR. CHHABRA: Great. Then one final question in the back corner. Yeah. In the very back. Yeah.

SPEAKER: Thank you. Thank you for your time. You mentioned a lot about the grand strategy. I wanted to ask specifically about their economic grand strategy. As we see China made in 2025 and things like that are creating a lot of decoupling between the U.S. and China in economic terms.

I think Dr. Li touched a bit on this, but one of the main reasons why we say U.S. and

China would not have a conflict is because of the economic benefits that we both gain. So, as we see more decoupling happening, what are some of the main things that we can do to bring U.S. and China together? Especially when there is a lot of amplifying on issues like South China Sea and other things that bring a lot of tensions, right?

MR. CHHABRA: Culture and decoupling. We have two minutes. When we start with, let's walk back down the road. MR. LI: As I observed Chinese leadership, it's at least a national level, no longer use the term made in China 2010-5. They realize that it's really quite an embarrassment if you want to just claim this industrial, it's a China occupies 70 percent, 80 percent, 90 percent (inaudible) the rest of world to business. So, is that's a realization, that make China be sensitive in this area, but does not mean that China will abandon the industrial policies and et cetera. But that little bit that open the room for the broader strategic or cooperation in other areas. This is the kind of spillover. So, with that things are going on. I think that we will see some opportunity for American company have market access, intellectual property rights, and -- if early my views about the legal profession, it's real. I think could we publish a little bit more patient? But ultimately these kinds of Western trends lawyers probably will play an important role in the legal development or respectful role and the economic front and later out beyond. So, this is the dynamic. That's why I think the co economic corporation should continue. And that is critical moment.

Now, the cultural things, I don't want it to comment too much because for so long, particularly in the first 30 years of for PRC that are Chinese economy not really doing well. So, that tells you it's not just about a culture, sometimes political system of government policy and entrepreneurship, et cetera. All are important, especially when China opened up. Then you really see that later on. You see the economic miracle. So, it's not a -- it's a relative speaking less to do with the culture. So, I will not emphasize too much on that regard.

MS. HORSLEY: I'll just say a word about law too, and talking about cooperation and keeping the doors open. So, China's still looks to the U.S. also is one of the primary grounds of experience in law when they're thinking about reforming the legal system. People don't realize because of the reporting what the judicial reforms that have gone on under Xi Jinping, for example, in the areas I work in, open government, they adopted notice and comment rulemaking from basically us, as well as

ideas of transparency. They have a Freedom of Information Act, which again, they sent people here to study and have continued to look at our experience with it too. Xi Jinping speaks against Western style constitutionalism, judicial independence, et cetera. But he wants everybody to continue to learn the beneficial experience from the West. And it is still true. They look primarily to the U.S. because we still have the most dynamic economy. And they look to our negative experiences as well as the positive one.

And so I also have seen the normal legal system continue to progress, both in terms of substantive laws anti-domestic violence, the sexual harassment has begun to be explored now even though politically it's still sensitive in China, a whole range of issues, mental health, et cetera. They continue to look to us as well as Europe and other countries too. And so I would hope not just the Western trained lawyers, but at many levels, the judges, the prosecutors, the police, we brought police from China, the public security people to meet with counterparts at seminars in Florida, for example, discuss how do you handle domestic violence issues, et cetera. I mean, all of this kind of exchange continues today and I would hope it doesn't cease with this talk of decoupling is very concerning on many, many levels, but certainly in the legal area as well. Even though there are a lot of contradictions in China and there are a lot of things that we care about, are very concerned about. There's still a lot, still a lot of progress and development going on. It's not a finished story yet.

MR. CHHABRA: So, sure. I just want to echo both those points and I completely agree. It would be, it would be a real shame if we saw less interaction, less people, people exchange less student exchange and especially less exchange in legal areas between the United States and China as competition intensifies, those should really be protected. It's an American interest for them to be protected. It's in Chinese interests.

I'll just to give a concrete example, we have a colleague, Jamie and I have a colleague who works on some of the issues relating -- we've had people from China who work on issues relating to gender discrimination in law and there's a lot of interest at high levels and the party on getting that issue right and they're learning from United States. So, there are areas where we can actually cooperate in advance of values that we have in China.

On the made in China 2025 question, I never thought to the initiative was important, but I always thought it got more attention than it deserved because again, so much of what was happening in

that initiative happened way before that. I mean tech transfer through investment vehicles, through theft, through cyberespionage, through students sometimes all of that is longstanding. That's not new and a lot of that was state directed in the past and it continues to be in the present. That was a particularly poor branding choice by China because it sort of gave a coherent target for all of it. But as a Cheng Li mentioned, it's no longer visible. Macro polo, a think tank has done a quantitative analysis showing that it's disappeared from messaging in official publications, et cetera, just gone, which tells you that they kind of realize that messed up. It's not out there, but the point you raised about decoupling in those areas remains very serious. And I think that would be a shame in some capacity in some ways, but it's also inevitable when one state is not necessarily playing as fairly I think in IP.

On the cultural point, I very much agree with my colleagues. I'm not an expert on the cultural impact -- on the implications of culture for economics. I focused more on the institutions or any of, I think institutions matter a lot more so I just didn't want to get too far into it. But others hopefully can give you more information and there's a rich discourse on how you can quantify certain aspects of culture that could be useful.

MR. CHHABRA: Yeah, yeah. Maybe. Maybe ma'am.

MS. WONG: Oh sure. Very quickly. I definitely echo my colleague sentiments on, on the dangers of de-coupling and the importance of continue. I can -- promoting economic cooperation and interdependence. I think new efforts to weaponize independence on the part of the United States through the trade war or other means it's actually going to fell into divergence between United States and the trajectory of the two economies that ended two and two political systems.

Culture, I don't work in culture specifically.

If you think about economic statecraft, this is not a cultural argument by any means, but I think like the way that China has conducted its overseas economic activities does reflect tourists and extends us as Rush mentioned earlier about its domestic political economy and the nature of state market relations and state business relations and Chinese elites proclivity to use government-to-government relations as opposed to working with private actors and civil society. This is a reflection of a political system and institutions and it's not a culturalist argument, but I guess we can see some trends and how China is conducting its economic statecraft.

MR. CHHABRA: Great. One final plug is in addition to reading the play papers, please also look out for a podcast series that's hosted by our colleague Lindsay Ford. Every day. She's putting out a new one with some of the authors in this group of papers. I hope you'll stay tuned for more events, more papers in the series. Thank you for being here and see you again soon. Thank you. (Applause)

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