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Welcoming Remarks:

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Conversation:

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P R O C E E D I N G S

MR. JONES: Good afternoon. I hope everybody had a good Thanksgiving break.

Welcome back to Washington. Welcome to Brookings.

My name is Bruce Jones. I'm the vice president and the director of the Foreign Policy program here at Brookings, and it's my pleasure to welcome you this afternoon to our event with the assistant secretary of state for East Asian and Pacific affairs, David Stilwell. And I'm delighted to welcome David to Brookings.

David Stilwell was appointed as assistant secretary by President Donald Trump on the 20th of June 2019. He had previously served in the Air Force for 35 years beginning as an enlisted Korean linguist in 1980 and retiring in 2015 as a brigadier general.

He was the Asia advisor to the chairman of the Joint Chiefs of Staff, and also served as defense attaché at the U.S. Embassy in Beijing from 2011 to 2013.

He has also recently served as the director of the China Strategic Focus Group at U.S./Indo-Pacific command in Hawaii from 2017 to 2019, where he was also an adjunct senior fellow at the East/West Center.

David, thank you for your service to our country and for the important work you're doing now.

You can see from his background that David has been at the forefront of managing the policy questions that shape now the future of the U.S./China relationship. And, in fact, has been working tirelessly behind the scenes to build effective U.S. policy to China.

But he's also very preoccupied on keeping our wider focus on the region as a whole where we have a huge number of relationships, partners, allies, and interests that go well beyond simply the question of China.

Assistant Secretary Stilwell and I, and many others here as well were together recently at the Mount Fuji dialogue in Tokyo, with U.S. policymakers and think-tankers coming together with their Japanese counterparts to discuss the state of the alliance; but also the question of the shared, or not shared, perception of the geopolitical challenges that we confront. And, unsurprisingly, China was on top of the agenda.

David and I were talking earlier in the green room; he was on stage with a number of other actors, people who had served in the Obama administration and the Trump administration, with a certain amount of friction about the kind of degree of implementation of tactical issues under each administration.

But what struck me more than that was -- at least from a sort of 30 thousand foot perspective, there was no real debate about the challenge that China poses to U.S. interests in the region.

I suspect that that debate is not fully settled in the country. It seems to me that in the strategic community in Washington there's a kind of strongly consolidated view of the threat that China poses. I don't think it's seen the same way in the financial sector, or the technology sector, and other parts of the country as a whole. So, I think that debate continues.

But this question of how the United States should respond to what is, without any questions, a changing role of China -- a changing global role of China -- is the focus of the project that we are here to continue working on; to continue launching.

We read a lot in the press about the trade war with China, about economic and technology questions. But defense and strategic questions are critically important as well, and that's where David has been doing most of his work over recent years.

So, given his expertise, we could really have nobody better to help us introduce this phase of the Global China Project, and the papers that we'll launch today, which really focus on the East Asia region and some of these critical, strategic and defense questions in that region, as well as the wider issues.

This is one part of a broader project running over 18 months. But it aims to establish an empirical baseline for understanding and assessing China's global role, which is changing as we speak, and expanding as we speak. And to really put Christmas around the question of what role is China playing on the world stage at this point in time.

We've published papers on strategic competition, the domestic drivers of influence; and in the coming months we'll have additional papers on great power rivalry, emerging frontier technologies, and the multilateral system.

Today we're going to be focuses on East Asia with papers on North Korea, the East and South China Sea, Taiwan, and Southeast Asia. Following a keynote address from Assistant Secretary Stilwell, we'll have a moderator discussion with our research director, Michael O'Hanlon, and then a panel of the authors of these papers to dive into their research.

Before I hand the floor to David, two further notes from me:

Brookings discloses this participation of its scholars on political campaigns. Brookings scholars do that work on their own time and off their premises, but it is an important part of our impact strategy. We disclose that on our website. If you go to scholars' files, you can see their campaign affiliations.

As of now we have scholars advising the Biden, Horan, Harris, and Buttigieg campaigns. And of course, we've had scholars serving in the Trump administration; part of a tradition which has seen a Brookings scholar -- Brookings Foreign Policy scholar -- serve in the administration of every president since FDR; Democratic and Republican.

Second, I'd like to thank the Ford Foundation for their support of this initiative. I am very grateful for their support. And David, a particular thank you to you for spending time with us today; over to you (applause).

MR. STILWELL: Hey, good afternoon, it's great to be here and to see a lot more friendly faces than I thought (laughter).

Two, I'd like to call out; one, Ryan Haas who recruited me for this particular duty, which I'm grateful for. And Bob Long who's in the back there, who was the DCM in Beijing when I was there, 2011 to 2013, and who taught me more about China than I learned before, probably since. So, great to see you both and I hope I don't disappoint, bob.

The topic today is on the idea of pluralism, and, you know, in this job, as I approach this job, I've had to think through intellectual trappings for what we're doing here, or what I'm trying to accomplish, or what my advice is to the secretary.

And trying to distill it down into an idea, or maybe a single word, is fraught with risk and I look forward to the debate. But, as we think about these things, wrestling with these concepts is just as important, I think, as elucidating them here. So, the wrestling for this event was very welcome; thanks for

the opportunity.

And so, this discussion today is about the People's Republic of China, but mostly, on its impact on the region and our response to the region and the world in those impacts. So, I'm going to quickly review policy and then draw out this pluralism theme that comes to mind as we consider this challenge.

So, first off, policy. I've been fairly public with what that strategy looks like, but just to restate, it's obvious this administration has made long, overdue changes to U.S. policy in this region. China is a major consideration of that policy, but so is our relationship with a diverse set of likeminded allies and partners.

So, 40 years ago when the PRC began to grow from its ideologically self-imposed isolation, and its economic weakness, and now reform an opening at the time -- emphasis on **opening** -- required the Chinese Communist Party to adapt to this larger region and world in order to benefit from the benefits of multilateralism.

We all understand that it would take some time, but we were encouraged by significant progress in the 1980s. That progress, to me, was best demonstrated at a small dumpling restaurant in Ho Chi Minh that in '88 was privately owned.

It was one of the very first experimental, private -- public/private -- but it was a chance to use this human creativity and initiate, and a chance to get rich through your own work and sell a product; in this case, dumplings. They had one product and one type of dumpling, and that was it. But the beer was cold, the food was good, and the service was outstanding.

Compared to the restaurant next door which was entirely publicly owned, or government owned; where, when you walked in you had to kind of wake up the staff to serve you (laughter), and all that results from there.

So, the point there is, in the '80s we did see this burgeoning in this this new idea, and the energy of the Kentucky Fried Chicken on the west side of Tiananmen Square, and I think it gave us all great hope. It certainly did me.

So, given those initial hopeful signs, our policy for many years was largely premised on a version of the golden rule. American officials hoped that by demonstrating the benefits of openness, we

would move Beijing onto a more liberal path, which would lead to greater economic and political openness. I don't need to rehash how that turned out, but it is clear that many of our assumptions were wrong.

20 years of empty post-WTO assurances that China will continue to work toward greater openness has triggered an overdue rethink of our approach, the PRC, its ambitions, and then our response. And this administration now is addressing the PRC as it is, and not how we wished it would be.

What we have seen over the past two decades is that liberal reform has slowed, and in some cases, reversed. As PRC gained greater wealth and power, and grew more integrated with the world, it did not converge with that free and open global order as we expected. Instead, the Chinese Communist Party hopes to reshape the international system to become more compatible with its own authoritarian practices.

The Trump administration has been clear of that. Even as our relationship with the PRC is competitive, we do welcome cooperation where our interests align. Competition does not have to lead to confrontation or conflict.

We have a deep respect for the Chinese people, and there is a long history of cooperation as trading partners, and even as allies in World War II. And that legacy, of course, is what got me interested in this since I share the name with one of the key players in that.

And so, our aim is to defend U.S. sovereignty, advance regional interest, and promote a free, open-end rules-based order in Asia, and worldwide.

So now the re-shift in U.S. perceptions and policy has triggered some questions. So, if the responsible stakeholder notion has been overtaken by a reality, what replaces it? We know Washington is against aggressive and threatening conduct by Beijing, but what is Washington for? What's our positive statement on all this? In competing with PRC, is Washington forcing countries to choose? We hear that a lot.

So, the word pluralism is not the complete answer to all these questions, of course, but I think it helps frame where we're going with this and captures something essential about what we mean when we talk about divergent visions of world order.

In dictionary terms -- you always start with the definition -- pluralism is about coexistence of multiple things; whether states, or groups, principles, opinions, or ways of life. In short, it means diversity or openness.

My point, in diplomatic terms, is that America's foreign policy vision, which is rooted in democratic pluralism at home, supports a corresponding pluralism abroad too, in the Indo-Pacific region and across the world. Both at home and abroad, we support pluralistic systems, governed by freedom, rule of law, and the respect for the rights of one's neighbors.

And just as our vision of pluralism at home is rooted in the sovereign rights of individuals, our vision of pluralism abroad is rooted in the sovereign rights of states.

This has been America's vision for generations. Our challenge today, as in the past, is that the appreciation of pluralism is not universal, so we must come to its defense.

We have all hears about a new type of vision about global governance, which denigrates pluralism, even though the existing system has served the world, and China included, very well in the seven decades since World War II.

So, for details, a pluralistic Asia is one in which the regions diverse countries can continue to thrive as they wish. They are secure in their sovereign autonomy. They are free to be themselves. As Singapore's Lee Kuan Yew put it, no hegemonic power dominates or coerces them.

In a pluralistic Asia, countries enjoy open and shared use of the global commons, international waters and air space belong to all. No one country can convert them into sole possession or zones of exclusion.

Pluralism is essential to our vision of a free and open Indo-Pacific. As President Trump said in De Nang two years ago, countries in the region should remain a diverse constellation of stars, each shining brightly, but none a satellite to any other. It is important to recognize that the region's countries cherish that vision for themselves.

We know this, for example, from the recent ASEAN outlook on Indo-Pacific which emphasizes inclusivity to urge respect for all the regions nations, large and small. We know it from the ASEAN charter which calls for upholding the principle of unity in diversity.

We know it from Japan's free and open Indo-Pacific vision. And we know it from South

Korea's new southern policy, India's Act East policy, and Australia's Indo-Pacific concept.

These all focus on broadening ties to other nations based on rule of law and respect for sovereignty, with shared access to the commons, and shared prosperity.

So, the U.S. supports pluralism; not just the Indo-Pacific, but around the globe. After World War II, the United States led the creation of a postwar international order that was pluralistic and free to an unprecedented degree.

Following the flawed peace of WWI, the post-World War II system was designed to benefit both victors, and vanquished; giving all an equal voice in an international forum. Those arrangements aimed to prevent a new world war by ensuring that peace and prosperity could be shared.

As with all human endeavors, these things fall short of perfection, but overall, this idea, for the last seven decades has been a stunning success.

As President Trump has said in addressing the United Nations, "It is an eternal credit to the American character that even after we and our allies emerged victorious from the bloodiest war in history, we did not seek territorial expansion, or attempt to oppose and impose our way on the lives of others. Instead we helped build institutions, such as this one, to defend the sovereignty, security, and prosperity of all."

This genuine win-win approach fueled the greatest explosion of prosperity the world has ever seen. This prosperity spread naturally around the globe to countries that opted to join the world economy. The opportunity was seized. Great powers did not dole it out as some kind of imperial argos.

So, our approach reflects a view deeply ingrained in American thinking. That fair play is about genuine win-win arrangements. Everyone can benefit if the rules are obeyed. Life does not necessarily zero sum, and my being strong and prosperous does not require others to be weak or poor.

This is also how we conduct international relations. We don't think we're weaker or poorer just because someone else in the world simply makes money or has power. On the contrary, we think the insights of others can benefit us; that the power of others can make the world a safer place, and that the wealth of others means they'll make things we want to buy and buy the things that we make.

Such positive synergistic thinking is inherently pluralistic. This is why the U.S. never sought exclusive power in Asia or the world.

With the collapse of Soviet Communism in 1991, the United States became, at least for a time, the world's only so-called super-power. But we didn't use that position to keep other countries down.

On the contrary, we've invested substantially in the growth of other countries, including China, and Japan, and India, and others, to bring about greater wealth and prosperity elsewhere; not just here at home.

So, that is pluralism, or in political science terms, multipolarity. We don't fear or oppose such multipolarity. On the contrary, we've cultivated it. We want other countries to play important roles in world affairs, to respect shared sets of international rules, and to share the burdens of keeping the world safe and secure.

The U.S. does not oppose power and prosperity of other countries. We don't view it as a zero sum matter or threat. Just ask Deng Xiaoping.

As the historian John Pomfret records, when Deng was flying to the U.S. for his historic first visit after normalization in 1979, his foreign minister asked him why he picked the U.S. for his first trip as the leader. "Because," Deng said, "America's allies are all rich and strong, and if China wanted to be rich and strong, it needed America." And that's quote. So, there's a lesson here, too, about China's own experience with pluralism.

As I mentioned earlier, China was on a better trajectory in its era of reform and opening when it moved toward greater pluralism in politics and policy. This is what I witnessed firsthand in that scratchy dumpling shop near Ho Chi Minh.

At that time, many were fond of quoting Deng Xiaoping's very practical idea, that it doesn't matter if a cat is black or white, so long as it catches mice. It's both realistic and open to several options, right. Or, as maybe more fraught, the concept of let 100 flowers bloom.

More pluralism and less authoritarianism would be better for the Chinese people, and it's certainly better for the world. A less authoritarian China would likely be less aggressive overseas. But the increasing authoritarianism is reflected in this new type governance idea, in this region and beyond.

So, from the other perspective, on Beijing's new type governance idea, Chinese officials have spoken for themselves. I think then foreign minister, Yang Jiechi summed it up well in 2010 at the

AZEAN Regional Forum; we declare that China is a big country and you're all small countries, and that's just a fact.

For Beijing, international relations is about hierarchy and big makes right. It's not respectful pluralism or sovereign autonomy.

Inside China the Communist Party increasingly enforces political, racial, cultural, digital, and ideological homogeneity. As is increasingly apparent in Jinyoung, Hong Kong, and beyond, Chinese idea of governance is enforcement of uniformity.

And at the global level, what is Chinese view of pluralism? Well, consider how it responded when a single NBA executive tweeted an unwelcome opinion about Hong Kong. Clearly China's, or Beijing's campaign ideological conformity doesn't stop at China's borders.

And so, to wrap up, there's a choice before us addressing this idea of "don't force us to choose." So, I want to address this relationship between pluralism and choice.

If a pluralistic world is one in which countries have the freedom to be themselves, that means they have the freedom to make choices. Pluralism and choice go hand in hand.

So, let's consider the commonly heard concern that countries will be forced to choose between the U.S. and China. I want you to know they won't be forced to make such choice by us.

When we say that America's vision is pluralistic and inclusive, we mean it and our record shows it. We aspire to friendly relations with Beijing and we have no objection if other countries similarly strive to deal with Beijing in cooperative and cordial ways.

In our foreign relations though, all countries constantly make choices about policy issues, about economic trade, sovereignty, security, etc. These choices affect their interest and their well-being, and we encourage our allies and partners to choose prudently in ways that protect their sovereign national interests.

Sovereignty means the ability to live free of foreign domination, to live according to one's own laws, and to make one's own decisions. We're not looking to dictate to others, and we want our allies and friends not to be subject to others' dictates.

Choosing for sovereignty is important because without it, the freedom to choose at all could be lost. Choices that preserve sovereignty are choices that preserve the future freedom of choice,

which we all cherish.

A region in which countries maintain their freedom of choice is a pluralistic region and will be a more prosperous and secure one.

I'll close by returning to our policy. It has long been America's view that the postwar international system is sufficiently resilient and adaptable, sufficiently pluralistic to accommodate and gladly incorporate a strong and prosperous China that plays by the rules that have served the world for the last 70 years. The system is capable of change, and has, in fact, adapted to many ideas and pressures not imagined decades ago.

It remains our hope today that Beijing will return to the path of reform and convergence. More respect for pluralism at home and abroad would be a welcome sign.

And with that I'll conclude. I look forward to your questions, and to the upcoming interaction. Thanks for your attention (applause).

MR. O'HANLON: Mr. Secretary, thank you. Let me make sure we're still on. All set? Okay. Thank you very much for a fascinating talk, and you gave us a lot to ponder. I want to get right to it in the few minutes you and I will have before we bring in many other voices into the conversation, and then switch out with the panel at 2:45.

There was a specific word you used in your excellent speech that I really noticed and wanted to follow up with, when you talked about the U.S. endorsing, or being happy with multipolarity. And I wanted to ask you to tease out that concept a little because -- not to challenge you -- but just for the sake of discussion, I would argue that the U.S. really hasn't favored multipolarity, if what you mean is several different power blocs in the world.

What we **have** favored, especially since the Cold War and thereafter, is one power bloc that's dominant, that we lead, that includes NATO, that U.S./Japan, U.S./Korea, U.S./Australia alliances, maybe India's a little closer to us than it is towards any other power bloc.

And by that definition, the United States would favor some version of global leadership, that we used to call unipolarity; maybe it's not quite that. But my guess is you meant something else by multipolarity.

So, I wanted to ask you to just explicitly answer whether when you say that term do you

mean a world of multiple separate power centers, or do you simply mean that we're open about seeing China rise, and we accept China that perhaps is going to become another great power -- maybe already is -- but that we're still looking to maintain a very robust Western alliance system that ideally would be preeminent.

MR. STILWELL: Thanks for that question. I think the presentation, I think, got at that pretty well. What I see, and I think what most people in the administration see, is a system that's benefited all for 70 years. We don't need to update it with some kind of a new type system that is, as you read the documentation coming out of Beijing, is asking others of their own volition comport to a process or an idea that does require compliance.

The multipolar system that I'm talking about is one that allowed and encouraged strong European, strong Asian, strong regions who, in our view, of a system that has provided the greatest good, and the greatest benefit to the most people, would continue, and not be subverted by some new type idea that looks at the world in a different way.

And, you know, you read the governance of China and other things and I think that's pretty clear about what I'm talking about there. I'm happy to continue to explore that if you want.

MR. O'HANLON: Well that leads to my next question which really gets to you know, difficult topics in the news today about the strength of America's commitment to its allies.

MR. STILWELL: Yeah.

MR. O'HANLON: Not only in Asia, but around the world. President Trump's on his way to a NATO meeting. We've been talking a lot with reporters and officials about just how robust his commitment is to NATO. Of course, earlier this year he said maybe the U.S./Japan alliance wasn't necessarily permanent.

Now, one interpretation of this is President Trump is a good negotiator, and he wants more host nation support, he wants more burden sharing, he's trying to get more of that from countries you work on, Korea, Japan. Secretary Esper was just in Northeast Asia talking with those countries. He's continued on in the region.

Another interpretation is that President Trump really isn't sure how much he values these alliances, and especially, frankly, if he's reelected and has another four years, there's no telling if the

alliances will continue.

So, without asking you to get into too much White House politics, I did want to ask, what is the strongest statement you can make about America's commitment to its alliances in Asia at this point? How central and enduring are those commitments?

MR. STILWELL: Well, we'll start tactical. I mean, if you look at my travel schedule, I've spent almost half of my time that I've been in the job on the road. And my first two stops, and my first three trips all dealt with our allies: Korea, Japan, The Philippines, Thailand, Australia; Plus, our strong security partners to include Singapore and others.

I operate in accordance with, and aligned with, the administration's policies. And so that perspective should not be drowned out by the, call it "noise", that goes with the President's insistence that as the security background changes, and as our partners have become wealthier and more capable of taking care of their own security -- as well as our shared security interests -- that they take care of that. That they invest in that as a show of alignment, as a show of support and demonstration of our concerns about the changes that are taking place in the region.

MR. O'HANLON: So, if we can ask them to help us evolve the alliances and do more of their share, there's no reason for them to doubt our enduring commitment to them? Is that a fair distillation of where we stand with the Indo-Pacific strategy and the overall thrust of U.S. foreign policy?

MR. STILWELL: I think so. And I don't want to say complacent, or taking for granted, but you know, I've got personally two tours in Korea, I've got two tours in Japan, size total years; one as a Commander at Misawa Air Base. And, I've seen all of them both, step up to the challenge since my first tour there in 1980, and their capabilities grow exponentially.

And I see opportunities for further cooperation, and the ability to use their capabilities, as well as ours in a cooperative way.

MR. O'HANLON: I just want to ask really one more question about the allies, and I think it's sort of a general interest to a lot of us; how to think about the different types of alliances we have in the Asia Pacific today.

You know, I don't want to go into great depth on each one; we don't have time and I want to bring in the audience soon. But I wondered if you could help us understand.

Clearly, the U.S./Japan, and the U.S./ROK alliances in the northeast part of Asia are at the cornerstone of dealing with the immediate threat from North Korea and China, and also really, where our troops are in the greatest numbers. And the U.S./Australia alliance is also very robust.

Beyond that, I don't know which ones to call robust at this juncture.

We have a U.S./Philippine treaty that's backstopped by a very strong mutual security treaty, but it's not entirely clear how committed each government is -- especially, perhaps, the Duterte government in Manoa -- to the alliance right now.

We have a U.S./New Zealand alliance that is historically strong, and still has some areas of cooperation often outside the immediate region, but, you know, has been in a little bit different status since the 1980's.

MR. STILWELL: Right.

MR. O'HANLON: And, we then we have a U.S./Thailand alliance that is a formal alliance, but it's hard to think of it as quite in the same category with U.S./ROK, U.S./Japan -- maybe you'll correct me.

And then, as you say, Singapore. A very important, informal, security partner without a treaty.

MR. STILWELL: Right.

MR. O'HANLON: So, how should we understand the U.S. commitment to those different types of allies?

MR. STILWELL: Well, to work in terms of the gradations, I don't think helps anything. But I do want to note first off, five security alliances in the region. Strong security partnership with New Zealand, and as you mentioned, Singapore as well.

To talk about the -- you know, you have rhetoric; and you know this here living in D.C., you've got the rhetoric and you've got the facts. And the facts are that relationships in Philippines, Thailand, Australia, and other places, the activities haven't gone down. The cooperation, the trainings, the shared capabilities, are very much -- I mean, look at Maori in The Philippines. We really weighed in quickly and positively to manage a problem that nobody wanted to deal with in the region.

So, look at the facts and not necessarily the rhetoric, and I think that would be a better

way of measuring. But again, to try to grade them or put them in a hierarchy, I don't think, benefits anyone.

MR. O'HANLON: So my last question is a little bit open-ended, but to ask you to describe for us, of the various places we see China active, and militarily concerning, East China Sea with the Senkaku Islands, South China Sea with all the different reclaimed islands and military deployments and developments, the Taiwan situation; is there any one that for you right now -- and I'll give you the choice how you want to answer this -- either causes you the most heartburn and anxiety, or has you feeling the best; that we're sort of working our way towards a more effective policy that seems like, at least for the foreseeable future, is likely to be durable and keep deterrence robust.

So, I'll give you the choice if you want to look for the glass half empty or the glass half full answer to the question.

MR. STILWELL: Well, I think probably the easiest way to answer that is to look at the South China Sea in 2015, and then look at it today. You know, with the increasing activity, freedom of navigation, and those things that I dealt with when I was back at INDOPACOM a year ago.

Those things do seem to have demonstrate a resolve, demonstrate a capability. And then, you know, asked China to live up to its commitments of peaceful rise, which as we know, the Spratlies and the militarization sort of belie other intentions.

And so, I think what we have seen, you know, the issues with Vietnam and the Vanguard Banks, and those things notwithstanding, is that China understands that we do mean what we say, and that our security commitments are as stated, and again, putting words to actions. And that demonstrates trust, both for our allies, and also tells Beijing they can believe what we're saying.

MR. O'HANLON: Great, well let me please bring in some of the audience. Please wait for a microphone and mention your name before you ask a question. We'll go here with the fourth row please. Yeah, right there, please.

MS. ZHANG: Chio Zhang with United and News Group Taiwan. Two questions, if I may.

MR. O'HANLON: How about if you do it as one because we've only got 10 minutes.

MS. ZHANG: Okay, sorry, one question. Assistant Secretary, you mentioned that you've visited Japan and other Asian countries to show your support. In essence, do you plan to visit Taiwan to

show U.S. support? Thank you.

MR. STILWELL: Well, that's an easy answer. You mentioned countries, and you know, the U.S. abides by the Taiwan Relations Act and the three communiqués. And so, I'm going to defer that one and note that, again, we support that, and I won't refer to Taiwan as a country. So, thank you.

MR. O'HANLON: Go here to Lynn in the second row, please.

MS. KUOK: Thanks so much. Thank you, Secretary Stilwell. I want to return to the question of terminology. I was recently at the Berlin Foreign Policy forum, and the word multilateralism came up a lot at that conference. And today you mentioned the world pluralism a lot. Could you tell me how the notion of pluralism is different from the notion of multilateralism?

Also, does the notion of pluralism actually embrace the notion of, like, a shared rules-based grouping. Or is it about unity and diversity, as you also mentioned in your speech. So, does it matter that parties share the same values? Thank you.

MR. STILWELL: We wrestled with that for a while. And I don't think you have to share the same values, domestically, but you have to allow those values elsewhere, right.

We would certainly like to see what we believe is the best method of governance, which is an open, pluralistic, and you know, a system that allows multiple voices to be heard, to give people voice to be heard, and choice, as we way.

So, I think, to us, that's the most resilient. It may not be the most responsive; as Winston Churchill says, "Democracy is a terrible form of governance, but it's the best one going."

It can be, you know, it can be kind of muddled, but from my experience, having lived in several parts of the world, it certainly is the best one that I know of.

And so, on one hand, we encourage other countries to maintain that approach, but at the same time, we can't insist on that.

We talked about sovereignty in this conversation as well. And sovereign countries make sovereign choices; that's not ours to dictate. But how they deal with others, I do believe is something that we should insist on, in a way we're not dictating terms to others.

MR. O'HANLON: I'm going to go to the woman in the second seat in, in the sixth row here. Actually, that's okay. We'll go to the back of the room first, and then we'll come up to the sixth row

next, please.

MS. LEW: Thank you so much. Cheng Lew from Xiohang News Agency, and thanks for Mr. Stilwell's speech.

You've just mentioned that in your speech that the U.S. is not forcing other countries to take sides, between U.S. and China. But actually, in the past various public speech by Secretary Pompeo, we can see that Pompeo just talked about the 5G Huawei and the investment from China and said that the U.S. -- or just to warn other countries that if they use Huawei the 5G, and the money from China, then probably there will be some consequences from the U.S.

So, if that's not asking countries to take sides, then how could you describe it? Thank you.

MR. STILWELL: That's a good question and one that always bears clarification. The issue with information systems has to do with one's own security.

And in a globalized world where the security choice of one person effects the security of others; the security choice of one sovereign country, impacts sovereignty of others, that's something to be concerned about. And so, if we're going to share information with countries, we want to share it on systems that we know are secure.

And there's ample proof that says -- not just domestic laws, but other things that show that those systems, Huawei in this case, have issues that don't guarantee that sense. You know, these are things that we took for granted before, and now we're having to think more clearly about.

MR. O'HANLON: Sixth row, second person in, please.

MS. DENTCHEN: Thank you. Ree Dentchen with Radio for Asia. My question is about Hong Kong since the President Trump has enacted a bill of Hong Kong Human Rights and Democracy Acts.

From your initial evaluation is Kee Ping Hong Kong as a separate custom territory still America's interest nowadays.? And then China has retaliated by suspending the U.S. Navel visit to Hong Kong and sanctioned some U.S. NGOs. What is your response to your Chinese counterpart? Thank you.

MR. STILWELL: The agreement in 1997, or before that, but the one that went into force

in '97, allowed Hong Kong to maintain certain privilege that are distinct from the mainland in terms of one country, two systems.

We, of course, would like to maintain that because that's the agreement we all came to. 50 years of basically, autonomy, and infringes on that.

Of course, if you look at the Hong Kong Policy Act and then follow on Human Rights and Democracy Act, as autonomy gets squeezed, we already have to, and with the passage of this new act, will continue to report on our assessment of where that autonomy stands.

Is it sufficiently autonomous? Because if it is not, then the law says that we have to take certain actions that will affect the ability as a trading zone, and other things.

And so, we of course, would prefer there's no violence. We'd also prefer that Beijing live up to its commitment to preserve the autonomy of Hong Kong in accordance with the basic law and others.

MR. O'HANLON: We have time for one more question. Scott, over here in the far side of the auditorium. And then we'll wrap up.

As we're waiting for the microphone, after we finish and Mr. Secretary departs the station, we thank him, we're going to do a seamless transition, if we could, to the panel and I'd ask you to just stay where you are for that second phase of the day.

SCOTT: Thank you, Michael. Mr. Secretary, recently you and other senior U.S. government officials made it very clear to our partners and allies in Seoul that we had an interest at stake in their decision about whether or not to sever, or renew, or persist in their intelligence sharing agreement with Japan.

That agreement is now temporarily suspended the withdrawal, but South Korea has said that they could still withdraw at any time. They are hoping that Japan will make some forward progress on a trade dispute.

Irrespective of the trade issue, or any other issue, do you see a role, a continuing role, for the United States in communicating to our allies in Seoul and Tokyo that we have continuing expectations. Or, do you believe that we have now made clear our position and that we no longer have anything else left to communicate?

MR. STILWELL: Well, in a true political sense, I will pick both (laughter). You know, as you saw, both from my statements and others, that we do clearly have an interest in maintaining this information sharing agreement, especially, as respect to North Korean provocations.

And so, we were active not in resolving this issue, but encouraging both sides to acknowledge the importance of maintaining a strong security face toward Peong Yong.

At the same time, personally, we're watching the bow rise -- to use a naval term. Both sides see the importance of getting their relationship squared away, which of course, I'm happy about and continue to encourage.

But we talked about sovereignty during the speech. You know, they're sovereign nations and I'm in no mood or capability, or in no mind to somehow dictate terms. But to reason with both sides and to help them understand our interests in this situation, and we will continue to do that as we go on.

MR. O'HANLON: Please join me in thanking Secretary Stilwell (applause).

MS. FORD: Okay, great. We're going to move into the second half of our event now. We've got a great panel here.

You all have their bios, so I won't go into great detail, but just very briefly, next to me we have Richard Bush, who is the Chen-Follow-up and Cecilia Yen Koo Chair in Taiwan Studies here at Brookings.

Next to Richard, Lynn Kuok, who is a Senior Research Fellow at the University of Cambridge, and an Associate Fellow at the International Institution of Strategic Studies.

Evans Revere, a Nonresident Senior Fellow here at Brookings, and Senior Director at the Albright Stonebridge Group.

And next to him on the end we have Jonathan Stromseth who's the Lee Kuan Yew Chair for Southeast Asian Studies here at Brookings.

As Bruce mentioned at the beginning, the point of today's discussion is to talk about a new series of papers that have just been published. It's part of our Global China Project. And these papers really explore China's strategy and relationships in East Asia.

Each of the panelists here today has written a paper for this part of the project, exploring different aspects of Beijing's relationships in its own neighborhood.

We're going to talk today about some of the common themes that are emerged from those papers. I would encourage you all -- although you're going to get the highlights in this conversation -- to nonetheless go to the website and check out the actual papers themselves. There's a lot of really rich analysis there that you'll enjoy.

So, to start I'm going to ask each of the scholars to open just with a couple of minutes of the highlights in their papers. We're going to then have a bit of moderated discussion between us and then I'll turn it over to the audience for some questions before we wrap up. So, Richard, maybe I can start with you.

MR. BUSH: Okay, thank you very much. Five points; first of all, Taiwan faces an existential challenge because the People's Republic of China wishes to transform the status quo of Taiwan's existence by making it a special administrative region, similar to Hong Kong and Macau. And we know how well Hong Kong's going.

Second, from 1979 on, Beijing hoped that it could convince Taiwan's leaders to agree to one country/two systems through persuasion. That is, they just talked long enough, and demonstrated to Taiwan's leaders the advantages to Taiwan, that sooner or later Taiwan would come around.

I think that Taiwan's democratization calls that strategy into question. And China felt that it had to deal with what it saw as pursuit of Taiwan independence by Li Dan Wey and Ton Tre Bien.

But coming to the third point, situation stabilized from 2008 onwards. Both President Ma Ying-jeou and President Tsai Ing-wen, have sought to reassure Beijing about its intentions.

Ma did so in a flexible way, Tsai Ing-wen in a skeptical way. Beijing was willing to take Ma's assurance, but it is in turn skeptical about Tsai's intentions. But even with Ma was in office, Beijing didn't make much progress on its unification objective.

Fourth point, I think at this point, and objectively, persuasion has not worked. So, consequently, since Tsia Ing-wen came into office, it has pursued another course. And this is not military action, but to use intimidation, pressure, isolation, interference, in Taiwan's affairs and so on.

In my view, this coercion without violence is a just right way to cope with Taiwan's refusal to move toward unification. This approach targets the self-confidence of Taiwan's population and if people in Taiwan lose confidence in the ability to withstand the China challenge, then China wins. If

Taiwan's leaders and citizens are divided on what to do, China wins.

Now, we have an election coming up in a little more than a month. I think that is Tsai Ing-wen wins that election, coercion without violence will continue. If the KMT candidate Han Kuo-Yu, the Mayor of Kaohsiung wins, there may be a period early on when Beijing tests out a return to persuasions.

But even under a President Han, I think that there will be pressure on Han to move quickly to political talks, and to sort of making more progress on China's goal. And we'll see how that works out. Thank you.

MS. FORD: Great, thanks very much, Richard. Lynn, Jonathan, you both wrote on Southeast Asia related issues. So, I'm going to turn to you two next, perhaps Lynn and then Jonathan, to outline some of the highlights of your papers.

MS. KUOK: Thanks so much, thank you Lindsey, and I'd also like to thank the Brookings Institution to be here today. I think the Global China Project is incredibly important on today's context, so I'm very pleased to be a part of it.

So, my paper dealt with the South China Sea and my broad argument was that China's role in the South China Sea has largely been a negative one, insofar as it has sought to consolidate it's -- in seeking to consolidate it's maritime and territorial claims, China has undermined international law, as well as acted to coerce and intimidate its neighbors.

As you all know, China began its aggressive consolidation of its territorial claims in December 2013 in the South China Sea by converting small rocks and reefs into large artificial islands. Since then things have moved quite quickly.

By the end of 2017 China had operational naval and air bases in the South China Sea. By 2018 it was escalating its militarization of these features.

Now, China says it's entitled to do as it likes in its own territory. It repeated that claim in its recent Defense White Paper. But the truth of the matter is that 70 of these features hasn't been decided. And in fact, is hotly disputed.

And in the case of at least one feature that China has built on, Mischief Reef, a tribunal in The Philippines case against China, which issued its award in 2016, stated very clearly that this feature, Mischief Reef, which China has built on lies within The Philippines exclusive economic zone, is a low-tide

feature that lies within The Philippines exclusive economic zone, and therefore, comes clearly within The Philippines jurisdiction and control. So, what's China doing building on this feature and claiming that it's entitled to do as it likes on its own territory. So, that's China's territorial claim attempts, and how they have undermined international law.

How about its attempt to strengthen its maritime claims and control of armed features? This has taken several forms. So, first, China has encroached on coastal states, exclusive economic zones, and this completely flies in the face of the tribunal's ruling because this ruling made clear that insofar as China was claiming economic rights to its Nine-Dash Line, no go. It simply has no right from the Nine-Dash Line.

And also, that none of the features in the Spratly Islands in the South China Sea actually are entitled to a 200 nautical mile exclusive economic zone. In other words, China should not be encroaching on its neighbors' exclusive economic zone.

Second, China has also increased its presence around territories occupied by its neighbors. So, in the first half of this year, China sent hundreds of vessels to swarm the area around Philippines occupied T2 Island.

And that China has persisted in objecting to the U.S. and other allies' naval vessels, plying and asserting valid maritime freedoms in the South China Sea. And this is in direct contravention of the United Nations Convention on the Law of the Sea.

Now, China has repeatedly insisted that the situation in the South China Sea is calm and that the region is in harmony. This should be exposed for what it is. It's a pure fallacy.

The region is so-called calm and stable because countries are now resigning themselves to what they see they must resign themselves to. Namely, a situation where might triumphs over right.

And so, I would argue that an inversion of rules-based order in the region matters to everyone in the international community, including here in the United States because when the rule of law is undermined in one place, it's undermined everywhere. It undermines peace and stability in the region. And, surely this should concern not only the countries who live in the shadow of this behemoth, but also here, in the United States.

And in the context of the U.S./China rivalry, I think we should all be concerned because

perhaps the only thing that is keeping it from becoming a hot conflict is that countries decide to compete within the parameters of its international law. And I think that's what we should all be doing as an international community. Thank you.

MS. FORD: Great, thanks Lynn. Jonathan.

MR. STROMSETH: Yes, well, it's great to be here and I thank everybody for coming. I've had a great opportunity to live many, many years of my life in both China and Southeast Asia over the past 20-odd years. And during that time, I always notice that Southeast Asian countries, and friends, and leaders, and all of that, were very aware of China's presence; the, you know, great power to the north.

China, not so much, in terms of looking south toward Southeast Asia. And what I've really noticed in the last five or six years as I come and go from Beijing, is a rising interest in that particular region. And this isn't an accident.

I think what we're seeing is a new sort of, I wouldn't call it a grand strategy so much, as a foreign policy orientation, where shaping the surrounding region or neighborhood diplomacy is becoming more and more important to China's broader strategy. And they, themselves, see it as a platform for their rise more generally.

I also see -- and this is the title of my paper -- that they see Southeast Asia to some extent as a testing ground for practicing the ways of becoming a great power in a region that is full of small and medium powers, or very large countries demographically, like Indonesia.

In terms of the toolkit that they're using in the region, you can see both soft power and hard power elements; and the soft power elements sometimes have a hard edge.

But the soft power elements I would say, really, really focuses on economic state craft, in particular, and the Belt and Road Initiative specifically. If you look at projects that are both under planning, and also projects that are already underway, China has equipment of something like 250 billion dollars to the region. This is especially true in mainland Southeast Asia, in the Mekong Region in particular.

There has been unease and pushback from the region, but I think the last year in part, we've really seen an example of how Southeast Asian countries, Malaysia and others are basically learning how to negotiate better on China; they're renegotiating contracts.

China is also learning from its mistakes in implementation, and I think you see a kind of mutual learning dynamic going on in the region that is likely to make the Belt and Road Initiative, or the varied projects that are a part of it, more enduring and sustainable over the long-term.

Now, of course, the hard power, as well stated by Lynn, is primarily seen and illustrated in the South China Sea, and the land reclamation and the building of artificial island and so on.

But what I've noticed when I go to the region most recently, is a kind of thinking that maybe we focus so much on the sea, that we forgot about the land. That isn't to say that both aren't really important, and they're inextricably intertwined. But you definitely see, I think, China beginning to achieve its strategic goals in the region through economic state craft, and actually even influence, of course, of key AZEAN partners, like Cambodia and Laos, on the more strategic South China Sea issues.

Now, let me just kind of sum up. I think the conventional wisdom is China will one day come to dominate this region. And my answer to that is, well, it's not preordained, and it depends.

What does it depend on? First of all, the countries of Southeast Asia obviously have agency themselves. They're going to respond in different ways depending on geographic proximity, the opportunities they see with China economically, threat perceptions, history, and so on.

When you look at Vietnam, it's right on the front line of the South China Sea, but it also is receiving a lot of investment from China. It's engaging China.

My sense of Vietnam is that it's trying to balance against China without provoking it. It's a delicate and careful game they have to play, and we see relations with the United States, Japan, and India really taking off as part of that broader balancing strategy.

Also, Indonesia, which I discussed in the paper, maybe we can discuss more during the Q&A, has had a longstanding game of balancing major powers. And it's really taking advantage of the Belt and Road Initiative for its own economic interests.

Finally, I would just say that China faces what I think of as trip wires in the region. One thing that I'm following and tracking, and am quite concerned about at the current time, is China's effort to sort of reengage with the overseas Chinese, or the Chinese diaspora in Southeast Asia, which is a shift in longstanding policy that began with Yeo En Li, to help be a bridge for implementing, for instance, the Belt and Road projects, or realizing a broader Chinese dream of some sort.

And I think this is something that should be watched carefully, and China has to be very measured and careful or it could sort of lead to a backlash in Indonesia and other countries that I think could really cause problems for it in the future. Thanks

MS. FORD: Great, thanks Jonathan. And Evans, last but not least, because we saved the spiciest topic for last (laughter). You've written a paper on North Korea.

MR. REVERE: Oh yes. Often an interesting and often depressing subject.

First of all, thank you all for being here today. It's not often that I come down from my mountaintop exile in New Jersey to Washington. So, it's a special delight to be here, particularly in this very important occasion. And once again, thank you all for being here.

North Korea obviously remains one of the most important dimensions of Chinese foreign policy. And it's also, of course, a very critical factor in China/U.S. relations. And I think the memory of what happened in 2017 is all still very much with us, when as the United States and north Korea seemed to be approaching a possible military confrontation.

Not only did U.S./North Korea relations go up to the brink, but as I argue in the paper, so did China/North Korea relations for some interesting overlapping reasons.

The Chinese were deeply concerned that North Korean actions, North Korean provocations, North Korean nuclear and long-range ballistic missile testing, were creating the conditions for a possible military confrontation on its border. Beijing was not happy, predictably.

They retaliated in very interesting ways, directly and indirectly, including rhetorically increasing their support for cooperation with the United States on the Korean Peninsula, but more practically, throwing their weight behind some very important and unprecedented international sanctions that were applied on North Korea during 2017.

But then, of course, as you remember, early in 2018, something changed (laughter). An outburst of very interesting and unprecedented diplomacy on the Korean Peninsula left Seoul and Washington in the driver's seat when it came to relations with North Korea, and meanwhile the Chinese were sitting there a bit nonplussed wondering, what, in heaven's name, just happened.

A senior Chinese official told us in Beijing that there were real concerns that North Korea was, quote, drifting out of our orbit, unquote.

There were also concerns uttered by Chinese officials that the Chinese were concerned about the possibility that North Korea would start to cut its own deals with the United States and North Korea without reference to China's interests. Once again, not a very happy thing if you're a Chinese official.

The upshot of all this is that China went into a diplomatic overdrive. Five summits between Kim Jong-un and Xi Jinping, three of them within a 100 day period. Think about that, an almost unprecedented diplomatic outreach.

The Chinese were determined to do what I call, to implement the Five R's, Repair, Refurbish, Renormalize, Relations with North Korea, as well as Reestablish their influence in Pyongyang, and also remind South Korea and the United States, and North Korea, that China has interests on the Korean Peninsula, and was prepared to do what was necessary to make sure that others understood what those interests were.

The upshot for the United States, as I mention in the paper, is that denuclearization for the Chinese has always been a second or third priority when it comes to North Korea. The rhetoric is always there and you're all familiar with it, but the reality is that the Chinese have always been focused on maintaining stability and predictability with respect to their next door neighbor, mostly out of concern that the North Koreans could, as they almost did in 2017, create a major crisis, or even a war.

I argue in my paper, including some interesting quotes from unnamed officials, that that priority for denuclearization has now slipped. The Chinese have moved closer to the direction of, not so much acknowledging North Korea as a permanent nuclear power, or nuclear weapons state, but realizing that denuclearization is almost certainly not going to happen, and therefore, China is going to have to learn to live with -- however reluctant they may be about doing that -- live with a nuclear armed North Korea, probably in perpetuity.

Meanwhile, the other upshot for the United States is that because of a deteriorating U.S./China relationship, the high water mark of U.S./China cooperation on North Korea has long since passed. It passed in late 2017.

We will be very hard pressed to elicit Chinese cooperation in the future in pushing North Korea, in pressing North Korea, in imposing additional sanctions, especially on the United Nations

Security Council on North Korea.

As a Chinese colleague said to me a few months ago, we are no longer going to be doing you Americans any favors on the Korean Peninsula.

And then the final upshot is that we can now expect as a result of this repaired, or refurbished, China/North Korea relationship, that China and North Korea will make common cause in the months and years to come in a number of very interesting and delicate areas, including efforts to try to weaken the U.S./South Korea alliance. They will try, either individually or collectively, to drive wedges and our security partners in Northeast Asia.

Ultimately, they would hope that they might find a way to push the United States off the Korean Peninsula, and also will try to take advantage of a perception in the region of declining U.S. influence, a U.S. abatement of leadership and dominance in the region. And a number of U.S. security alliances that -- to put it politely -- are not in the best of shape. Let me end there, thank you.

MS. FORD: Okay, thanks very much. So, in the time that we have, three issues that I wanted to talk about. The first is trying to tease out some of the implications I think that you all get at in your papers about what China wants, what its ambitions are in its own neighborhood in East Asia.

The second, some of, I guess, the tools in the toolkit that we see Beijing using, because I think there are some interesting commonalities that come out, even though we're talking about different parts of East Asia.

And the finally, thinking about the choices and the agency that other East Asian countries have because we often come at these questions from the China angle. But Jonathan, I think your paper points out very well, that we ought to be talking about the strategic choices that other countries are making as well.

So, starting at the top with the idea of what China wants, we hear a lot of discussion about a China dream, a community of common destiny, which all sounds lovely, but it can be hard to parse out exactly what that means.

So, Jonathan, I wanted to start with you, can you just break down for us in practical terms perhaps, if we're trying to figure out what a community of common destiny actually looks like, and how that might be a different sort of concept for an East Asian security order than what we see today.

What practical changes do you think countries in Southeast Asia would see, for example, based on the activities and some of the strategies that we see China using toward its Southeast Asian neighbors right now.

MR. STROMSETH: Boy, that's a tough one (laughter). Well, the community of common destiny, as described, really stresses inclusiveness, win-win cooperation. There are speeches that Xi Jinping has given say, to the Indonesian Parliament about a community of common destiny between China and Southeast Asia, in particular.

Of course, there are concerns -- and I would say, suspicions -- that it also looks almost like the past, the deep past; and are they trying to create a kind of tributary system of many, many centuries ago.

I think that's a little bit overblown and I do think that China is trying to create some kind of broad narrative that is different from the American narrative for how the region can act together. And somewhat together, to the exclusion of external powers, like the United States.

So that's I think sort of the key thing, but I'm not actually all that worries about a community of common destiny because I don't think it's very actionable at the end of the day. And I do think, to some extent, China's more assertive behavior, which may or may not be trying to bring it about, has sort of led to a counter-reaction in the region.

And so, you see, as I mentioned in my presentation, Vietnam sort of diversifying it's relations, not just to the United States, but other powers. And other countries, in some ways, taking advantage for their own purposes, of some of the elements of that community for, say, their own economic goals.

So, I'm kind of maybe just setting the table here, but I'm very much interested to hear now what others have to say on that topic as well.

MS. FORD: Great, thanks Jonathan. Evans, I want to follow up with you here. North Korea is an interesting case, I think, always, but in this specific conversation, because you talk about in your paper that China has looked at its relationship with North Korea as both, sort of a buffer in a way, but also a vulnerability.

In the United States, we often talk about an advantage that the United States has

strategically, is we have these close security alliances and partnerships. China, if anywhere has tried to have that kind of relationship, it's with North Korea, and yet it's been relatively fraught.

So, what do you think that tells you in terms of how China will seek to manage security relationships with countries on its own periphery?

MR. REVERE: Looking around the room I see some familiar faces, and some of you are in the room and we had a remarkable exchange with a senior PLA officer, and I asked her the embarrassing question, what is the nature of your military relationship with the DPRK?

And in her response, she gave me a long list; she gave all of us a long list of the things that North Korea and China **do not do** together, as allies. It was a remarkable answer, and that tells me, among other things, that the relationship has close as lips and teeth, has not been as close as lips and teeth in a long time.

For those of you that have read my paper, you'll see I actually have some fun talking about the origins of that phrase.

But in any event, you used a very interesting word, manage. The Chinese are managing as best they can with an irascible neighbor who often cannot be trusted, cannot be depended on, has nuclear weapons, is almost certainly not going to give them up.

And I would suggest that that relationship is really sui generis, as you look around the region. There's nobody else that the Chinese have quite that difficult and complicated a relationship with.

Look back at 2017, every time Xi Jinping tried to chair a major international meeting, whether it was in Shanghai or Beijing, the North Korean managed to schedule a nuclear weapons test or missile test to commemorate the fact; driving the Chinese crazy.

The North Koreans know that China is their lifeline, but they also know that they have a certain bit of influence in Beijing and they can get away with things.

So, I don't know that I would use the China/North Korea relationship as the basis for making any assumptions about any other pair of relationships that China has in the region.

MS. FORD: Fair, thank you. Moving on to sort of how China manages relationships. Richard, I want to turn to you for a second because we've heard a bit about various sort of tools, economic inducements, coercion.

In the Taiwan situation, I think Taiwan is interesting because you can look at it much like Jonathan said, as sort of this test case for how Beijing may try to wield certain tools of influence.

And one that we've certainly seen in the Taiwan case is thinking about how to try to influence domestic political debates to hopefully see domestic political leaders align more closely with Beijing's perspective.

You mentioned that, for now, we seem to be in this just right, Goldilocks kind of intimidation strategy, but we have an election coming up in Taiwan. Here in the United States, the U.S. and Taiwan relationship at times appears to perhaps be getting closer.

MR. STROMSETH: Mm-hmm.

MS. FORD: Do you have any concerns that Beijing may rethink exactly where it needs to land on this intimidation, sort of, strategy, and to what degree will it try to work more actively to shape the domestic conversation in Taipei right now.

MR. STROMSETH: If it happens that Tsai Ing-wen is reelected and the polls suggest that she will be, I think that it's going to require some degree of reassessment of how well the strategy and tactics work. And, particularly the part about cooptation and try to sort of create allies within the Taiwan political system; or, did that actually work to Tsai Ing-wen's advantage.

I don't know where they're going to come out on that. My guess is that they will double down on what they were doing, what they've been doing, and play for time.

But, some of the things, at least, that they're doing can be deployed to other places in the region, creating stronger business ties with local business elites, buying up newspapers to project a positive view of China, supporting politicians to their liking; that can be reexported, I think.

MS. FORD: And Lynn, you in the South China Sea case, I mean, some of the things that Richard is discussing here, we see similar kinds of techniques being used in Southeast Asia as well.

To what degree, when you look forward in the South China Sea, do you feel like Beijing feels confident about how well some of these, perhaps, inducements, have been working in the South China Sea. I mean, perhaps, if you're looking at The Philippines right now, you're feeling okay about where things are; less so, perhaps, if you're looking at Vietnam.

So, how well would you assess that, I guess, some of these positive inducements have

been working in the South China Sea right now?

MS. KUOK: Let me first start off by looking not at the state level, but at the population level. And I think what has been really interesting to me as a lawyer working on these issues is, how much sway Chinese arguments -- and they are not just any arguments -- these are Chinese legal arguments. They are making a case on the basis of law.

MS. FORD: Mm-hmm.

MS. KUOK: And these arguments play very much of a role in convincing the local populace in Southeast Asia, many of whom have a local Chinese community, they have been incredibly persuasive for these people.

And even in the case of Hong Kong; when I first heard that Beijing was actually accusing the United States of being this invisible hand on protestors, I just thought, that's absurd. You're insulting the protestors because they're so many of them and they're clearly concerned about real issues that are facing -- I want to say their country, but that would not be the right word. Yes, it might be in this sense, but I thought it was such an impossible argument for China to be seeking to make.

But I've heard so many people approach me asking about the Hong Kong issue, and once they heard that the U.S. was involved, and once they read that the U.S. was involved, they said, "Oh, that explains it. That makes sense now, because otherwise why would all these protestors be on the streets? It's not in their interest." So, they do see the invisible hand of the United States.

So, I think China has been quite effective in using some of these domestic influence operations in both outside of the South China Sea, but also in relation to the South China Sea as well. Lots of people buy the arguments that China makes on the South China Sea.

And in terms, you know, how confident is China that it's inducements -- it's positive inducements in the region -- have worked. I think China should be quite proud of itself because if we look at The Philippines, the Philippines has not talked about the award. I mean, it raises once in a while in a perfunctory way with China, but then moves on.

And what The Philippines now is looking forward to and hoping to conclude is a cooperation -- they've signed a memorandum of understanding for cooperation on oil and gas development, and The Philippines is looking forward to concluding such a deal with China to cooperate

an oil and gas development.

I think The Philippines is quite optimistic that it'll get China to agree to a deal that would implicitly recognize Philippines' sovereign rights in The Philippines' exclusive economic zone. Whether China actually agrees to that, is a different case altogether. But I think China looking out to The Philippines should be quite reassured.

Looking out to Vietnam, I think it shouldn't too perturbed either because at one stage, in response to a Chinese survey vessel in the Vietnamese exclusive economic zone, Vietnam sent out the coast guard, but at one stage there were reports that it was actually a Vietnamese naval vessel. And when I spoke to Vietnamese officials about this, they poo-pooed that story and said, "No way. That would be way to escalatory to send out a naval vessel to protect our waters."

So, you know, Vietnam, even though it's the most forward leading in the sense of all the South China Sea claimants, Vietnam as also been also quite restrained. As Jonathan mentioned earlier, it does not want to provoke China.

And one country that we don't talk about often enough is another Southeast Asian claimant in the South China Sea, and that's Malaysia. And I think Malaysia -- many thought that under the new Prime Minister Mahathir, that Malaysia would be more -- it would be less accommodating towards China.

But I haven't seen that at all. And in fact, in some of the statements that some of the officials have made -- so, for instance, Prime Minister Mahathir has talked about how countries need to maintain an equidistance between China and the United States. As if somehow their acts, at least in the South China Sea, were equivalent. It sort of surprises me a little bit.

And then recently we had its Deputy Defense Minister also come out to say that perhaps we shouldn't be talking about Asia Pacific, or Indo-Pacific, we should talk about Asia. But that really just buys into China's narrative of Asia for Asians, as opposed to, you know, a rules-based grouping that all countries should adhere to.

So, there are some concerning signs if, you know, if one is concerned about the rule of law. But if I were China, I would be rather happy and patting myself on the back right now because I think it looks like it's going pretty well.

There are some exceptions, of course, and I think U.S. freedom of navigation of operations, or U.S. assertions of maritime rights and freedom, together with allies and partners, I think that's an important development recently and we shouldn't take away credit for that.

So, that's pretty important. But by and large, I think in terms of the long-term (inaudible) trajectory, China, through positive inducements, through coercion, etc., is in quite a happy state.

MS. FORD: Wow, that's uplifting (laughter), but I want to turn it over to questions from the audience.

We've got time for a few. So, I will start with the gentleman right here in the second row. If you could identify yourself. And I'm going to ask folks in the interest of time to please frame your question as a question, and not a comment, please.

MR. STANG: All right, my name is Charles Stang.

I'm the Chairman of the Brazil/China Chamber of Commerce, Senior Fellow of the Center for China globalization in Beijing, and member of the Ferdinand Braudel Institution of World Economics in Sao Paolo, Brazil.

We've talked a lot about Asia. I'd like to ask the question if what's happening in Latin America, how you see it applying to China's relation with Asia. President Bolsonaro from Brazil was very much against China when he was a candidate, and he was very outspoken about his thoughts -- negative thoughts -- about China.

He recently visited China and came back so pleased with China that he said that the Chinese citizens will no longer need a visa to go to Brazil. And he just received, two weeks ago, the Huawei CEO in Brazil, in his Presidential Office.

So, I wrote an article saying that Latin America and the Caribbean are growing a Chinese garden because China is investing massively into the region, and helping these countries develop and grow and prosper.

Bolsonaro was of course, very cozying up to President Trump and he made a love statement to President Trump, but now he's making a love statement to President Xi.

So, because of Chinese investments that Latin America and the Caribbean desperately need, like the president of the Dominican Republic told me why he needed to have relations with China,

isn't the same thing happening throughout Southeast Asia?

MS. FORD: So, similarities between Latin America and some of the partnerships China has is building there and what we're seeing in East Asia. Who wants to take this one?

MS. KUOK: Well, I'll take the first shot at it. I mean, there are certainly similarities. I mean, if we look at Southeast Asia, the Asian Development Bank estimates that the region needs to spend 5.7 percent of its aggregate GDP up till 2030, to tackle poverty, address climate change and address poverty as well.

So, there are great development and needs in the region, there's great need for infrastructure development.

And as a result, I think this gives China -- it opens up a role that China can play, and I think that's actually a good thing.

I actually think that development in all regions -- not just my own -- is important, and I don't think we should be poo-pooing any such offers. But I think what does need to happen is, first, I think there needs to be complimentary options that will actually help and ensure the Belt and Road Initiative deals, competitive, transparent, etc.

Andi think also what needs to happen is, you know, I think part of the reason why there's so much concern over Belt and Road Initiative projects is because China's actions in certain other areas, or in certain other issues, have generated a bad taste in mouth.

So, something that could conceivably be a wonderful thing in terms of helping countries in the region, in my region and elsewhere, has this shadow of doubt over it because of China bad behavior in certain other respects.

So, I would just, you know, start off with that observation.

MS. FORD: Thanks Lynn. I think we have another question right here.

MR. ELSLER: John Elslar. I think Lynn is the solution to this growing sense of competition between the United States and China.

It's true, China is going all over the world and investing.

But it's also true the United States invest all over the world. And I think the idea is a cooperative effort by the United States and China, and the United States saying, "Say, how can we help.

Let's get in and help.”

You know, I can't understand why the United States pulled out of Ti Pi Pi --

MS. FORD: That's a good point.

MR. ELSLER: Yeah.

MS. FORD: Just in the interest of time, is there a question in there.

MR. ELSLER: Yeah, sure. The question is, what are the chances of cooperation between United States and China in these developing countries.

MS. FORD: Okay, Jonathan? Sure.

MR. STROMSETH: Well, one of my great concerns, you know, I stated that I wasn't that concerned about a community of common destiny because I don't think it's particularly actionable.

But I am, in fact, very concerned about how China is leveraging economic state craft and the Belt and Road Initiative to achieve its strategic goals in the region more broadly, and often to the detriment of a U.S. role. But I think we're also shooting ourselves in the foot.

As you pointed out, we pulled out of Ti Pi Pi, and over the last year, we've seen the United States constantly branding China across the world as engaging in predatory economics, debt trap diplomacy that is actually true in some cases.

But what we've seen, as I mentioned, in Southeast Asia, is, you know, better negotiation from Southeast Asian countries, and moving to sort of engage China, I think, in a tougher, stronger way.

Now, if you look at the U.S. side of the equation, the Trump Administration has also done some interesting things on the economic side. For instance, about a year ago they entered into an agreement with Japan, which actually gives more infrastructure financing to Southeast Asia than China -- but few people know that -- with Japan and Australia to help develop mechanisms and actual projects for high quality, good governance, good environmentally sound infrastructure projects.

And I hope that the Trump Administration will help to operationalize and accelerate this trilateral cooperation, but not to create a bifurcated region between China on the one hand, and the U.S. and its likeminded partners on the other. I'd like to see them succeed in that effort and then reengage China from a position of strength.

MS. FORD: Okay. We've got one last question, and I'm going to go to the gentleman in

the back there. Yes, Sir.

MR. HERWITZ: Thank you very much for a very good presentation. I'm Elliot Herwitz. I'm retired. The panel discussed very extensively the role of the PRC in the South China Sea, and the parameters of international law. Would anyone like to discuss the fact that the U.S. is not a signatory to the Law of the Sea.

MR. STROMSETH: Maybe the lawyer could let us know (laughter).

MS. FORD: Lynn, do you want to take this one

MR. REVERE: Sounds like a legal question.

MS. FORD: It is a legal question (laughter).

MS. KUOK: I think the short answer to your question -- and it's a valid one -- is that even though the United States has not acceded to the United Nations Convention of the Law of the Sea, it adheres to the principles set out therein as a matter of customary international law.

So, that's like the direct response to your question; but really, what I would really like to add to that is also my own question, which is why hasn't the United States acceded to the United Nations Convention of the Law of the Sea (laughter)? Because I think it makes eminent sense.

It would take away a large criticism that China has validly leveled towards the United States. Namely that it's hypocritical of the United States to expect adherence to a convention that the United States itself has not acceded to.

So, I think it makes every sense that the United States should do it.

So, if anyone can tell me why it hasn't done it so far (laughter). I mean, that's an actual, sensible response, and I would be very, very pleased. Thank you.

MR. BUSH: The answer to your question, and to many questions, is the U.S. Senate (laughter).

SPEAKER: The answer is 60 Votes from the Senate (laughter).

MR. BUSH: Yeah.

MS. FORD: Sixty votes from the U.S. Senate.

MR. BUSH: To be precise.

MS. FORD: We'd like that for many things (laughter). We'll leave it there. Thank you all

very much for joining us today.

(Applause)

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