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BALANCING ACT: MAJOR POWERS AND THE GLOBAL RESPONSE TO US-CHINA GREAT POWER COMPETITION

A BROOKINGS INTERVIEW

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MODERATOR'S SUMMARY

The world's major powers are currently engaged in a careful balancing act when it comes to navigating the complex and ever-changing competition between the United States and China. This discussion focuses on the actors that have agency in this dynamic, and how each is approaching the escalation of U.S.-China rivalry.

The United States and China are now the world's clear number one and number two in economic scale, energy consumption, carbon emissions, military spending, and technology. For most metrics indicative of relative international power, there is a substantial and growing gap between the top two powers (the U.S. and China) and the rest (with the exception of gross domestic product, if you consider the combined GDP of the European Union member states).

The countries discussed in this interview all have deep ties with both the United States and China. They are faced with increasingly difficult decisions regarding their current and future relations with both great powers. How are these countries attempting to cope, survive, and shape the rivalry, and to what extent are there commonalities or divergences of strategy across these issues?

*In January 2020, **Bruce Jones** sat down with five other Brookings scholars — **Fiona Hill, Tanvi Madan, Amanda Sloat, Mireya Solís, and Constanze Stelzenmüller** — to discuss how U.S.-China rivalry is unfolding in India, Japan, the United Kingdom, the European Union (with a focus on Germany), Russia, and Turkey. In the interview, key areas of geopolitical competition, including technology, infrastructure development, trade, and sea power, are explored. The edited transcript below reflects their assessments.*

The interview was conducted before the COVID-19 outbreak became a global pandemic. While some might have thought that the outbreak of an infectious disease would have triggered patterns of cooperation, that has not been the response of Washington and Beijing when it comes to relations with one another. Rather, COVID-19 has both added fuel to the simmering U.S.-China rivalry, and turned global public health and health institutions into yet another battleground of that rivalry — to the deep discomfort of the other powers discussed here.

At the time of publication, international public attention is still gripped by the dynamics of the COVID-19 crisis, and the incipient recovery from the first wave of that crisis by many countries in the global North. The health crisis has added to, not assuaged, geopolitical tensions. And when the COVID-19 crisis recedes, as it eventually will, the pre-existing tensions in the U.S.-China dynamic will return, only heightened. For other leading powers, navigating U.S.-China tensions is an increasingly fraught part of their foreign policy — and now even of their domestic health and economic recovery plans.

The highlights:

- *India has seen China as one of its primary strategic challenges since the late 1950s. In terms of U.S.-China relations, India benefits from a "Goldilocks" or just-right rivalry between the two great powers. If U.S.-China bilateral relations deepen and become warmer, India will matter less to both countries and a "G-2" can even harm its interests. If U.S.-China rivalry becomes too cold and competitive, India fears the destabilizing effect in Asia and that it will be pressured to choose a side — a decision Delhi would be loath to make. India will make choices, even join coalitions, but those are more likely to be issue-based than "bloc"-based.*

- *Japan finds itself in a challenging position, wedged between the United States and China. Japan's economy remains highly integrated with China's, while Tokyo still relies on the United States for its physical security. As China aggressively asserts its claims in the region — including through increased arms acquisition and naval deployments — and Washington proves unreliable in the Asia-Pacific, Japan has great cause for concern. Even as Tokyo is increasingly at odds with China's aggressiveness in the region, they are too economically integrated with China to activate a full-scale decoupling. Japan can still leverage its primacy as a major player in infrastructure finance in Asia as a tool for international economic statecraft.*

- *The U.S.-China debate is particularly salient across the entire European digital landscape. The United Kingdom, eager to upgrade its domestic infrastructure after leaving the European Union, ignored Washington's admonitions against partnering with Huawei for its 5G network infrastructure. Do European nations have the internal research and development capabilities to compete with China's bigger, more advanced, state-sponsored telecommunications giants, who can offer 5G wireless networks with greater reach and lower costs than any American or European firms?*

- *Though its members continue to engage China on a state-to-state level, in 2019 the European Union collectively acknowledged China as a "systemic rival." While the EU remains the chief investor in Europe's infrastructure, China is closing the gap, and Europeans are becoming increasingly aware of and concerned by China's ability to challenge and shape their continent. Europeans find that Washington's current approach to China is overly aggressive, and they do not want to be squeezed between the United States and China.*

- *Germany is the fulcrum of U.S.-China competition, due to its deep economic ties with China and political and economic ties with the United States. Through the lens of their individual bilateral relationships with Germany, both the United States and China see Germany as proving grounds to pursue their geopolitical strategies. Germany, in its own right, has started to develop more wide-ranging strategies toward dealing with China. Over the last decade, Berlin has developed Central Asian and Indo-Pacific strategies and is actively pursuing closer ties with India. At the same time, Beijing itself views Germany as a model for how a nation can reinvent itself after a period of great turmoil.*

- *In this era of great power competition and fragile international order, international institutions are increasingly caught in a bind, reluctant to criticize either one of those two powers, even with strong backing from one of them. That is weakening public confidence in international institutions, although the governments discussed here tend to a realist view of the role and limits of international institutions.*

- *Turkey, which could be a jewel in the crown of China's Belt and Road Initiative (BRI), has presented a unique challenge for Beijing. There are slowly growing economic ties, yet their relationship remains marred by competition and mistrust. President Recep Tayyip Erdoğan, who has been accused of human rights violations at home, has publicly voiced concerns over China's treatment of the Uighurs, a Muslim and Turkic minority group. Sitting at the crossroads of Europe and Asia, and with key shipping routes across the Black Sea, Turkey remains an interesting space to watch how U.S.-China competition unfolds.*

- *Russia has an adversarial history with the United States, but an even older and more complex relationship with its neighbor, China. Russian officials are wary of possible Chinese expansion into Russian territory and China's naval designs on the Arctic, an area long seen as Russia's domain. Despite tensions in their bilateral relationship, Russia and China share interests and a mutual distaste for the United States operating in their own backyards. Short of a formal alliance, we can observe increasing Russia-China policy convergence, designed to take advantage of weakness in the West.*

THE FRONTLINE: NAVIGATING U.S.-CHINA RIVALRY FROM DELHI AND TOKYO

BRUCE JONES: There's increasing talk about a "bipolar world," with the United States and China as the two dominant powers. But of course, the reality is that there is a second layer of countries and actors who are still sizeable players in the international system.

With this discussion, I would like to explore how these countries are approaching the intensification of the U.S.-China rivalry; how are they coping with it, responding to it, trying to survive it, and trying to shape it, and to what extent there is commonality or divergence of strategy.

We are going to start with India which has perhaps most thoroughly thought through the question of where they want to sit between the United States and China. Next, I'll come to Japan, another frontline state, so to speak, and then turn to Europe — in its full sense — the EU, Britain, Turkey, Russia — where this is obviously playing out in very different ways.

As neighbors, China and India must have deeply integrated economies. Yet, strategically, this places India in a very difficult situation. As the rivalry between the United States and China intensifies, how is this playing out in Delhi?

TANVI MADAN: For India, China has been viewed as its most crucial strategic challenge, in conjunction with Pakistan, since the late 1950s. This needs to be kept in mind while assessing how it sees current U.S.-China relations and the intensification of their competition.

A second point is that India is actually not as deeply economically integrated with China as a number of other countries, but their economic ties have been increasing. India primarily sees China through a security lens, even though they are engaged economically and in other ways.

India, when it comes to U.S.-China relations, has always had a "Goldilocks" approach — it wants to see U.S.-China relations not too warm and not too cold, it wants them just right. If U.S.-China relations are too warm, it actually makes India less important to both the U.S. *and* China, because they have seen that whenever China thinks about India in conjunction with the U.S., it actually takes India more seriously.

India also worries that if U.S.-China relations get too icy, they'll be forced to choose a side, and as we know, India does not like to make these kind of bloc-based decisions. They also feel that U.S.-China competition can create instability in the region, and they need peace for their own economic development, which is their major priority.

India does not mind the Trump administration's more assertive view and some aspects of its approach toward China — it helps them maintain balance against China. But at the same time, Delhi worries about other aspects of the Trump administration's approach toward China, particularly on elements like tariffs which can hit India as well, as collateral damage. If forced, India will make choices. These will likely be issue-based rather than bloc- or ideology-based. India may even align itself with the U.S. under certain circumstances (in some ways, it already has), but it will not form an alliance.

The choices India will face will not be the same as those in the Cold War. In the Cold War, India did not have direct disputes with either (relatively distant) superpower, so it could play one country against the other and could walk a middle path more easily. In this current kind of competition, India has one country, the United States, that arguably has been its most important strategic partner in recent times. In China, India sees an important partner and a neighbor, but also, frankly, its main adversary. *[For an update from Madan on the June 2020 border clash between China and India, see reference 1]*.[1]

BRUCE JONES: In the Indian debate, do the stark differences in the political systems between the United States and China figure in, or is this just pure statecraft?

Clash in the Galwan Valley

On June 16, India's army said 20 of its soldiers had been killed in clashes with Chinese troops at a disputed border site, in a major escalation of a weeks-long standoff between the countries.

Source: Reuters

Staff, 17/06/2020

REUTERS

TANVI MADAN: It's statecraft in terms of government-to-government relations. Delhi does not necessarily discriminate on the basis of regime type. A good example is India's relationship with Russia, which is not a democracy in the way that America is, but has been a close partner of India's for many years.

The way it does play in, is that there are links between the United States and India that have been greatly facilitated by openness, including in terms of people-to-people ties. There's a certain shared values element to their strategic understanding of the other (for example, for multiple U.S. administrations, India's democratic nature makes it important as a model, as well as a contrast to China), and even economic links have been facilitated because of their open systems.

Those links, whether they are people-to-people or civil society or business or even at a government-to-government level, that's actually a key element I think in how the U.S.-India relationship is shaped and bolstered in a way that's missing with China. For two neighboring countries, China and India have had rather limited engagement and connectivity — especially at the business, civil society, media, and people-to-people levels.

BRUCE JONES: Flipping geographies to another state that shares a (maritime) border with China and has an even longer history of worrying about China in strategic terms — Japan. Though Japan and China share a complicated history, they are deeply and substantially economically integrated. Mireya, how do we see Japan navigating this space, and what's similar or different from how the Indians are looking at their relationship with China?

MIREYA SOLÍS: I think there's a lot to be learned on how Japan is carrying out a delicate and skillful balancing act as a frontline state. To be sure, they face a difficult situation — a disengaged United States and an increasingly assertive China.

It's tough enough to navigate the strategic rivalry, but it's even tougher when your security guarantor is very critical of financial arrangements for hosting the troops and the economic architecture that has lifted Japan. At the same time, China has in some ways has taken the gloves off. The encroachments of Chinese vessels in the waters near the Senkaku islands have become much more frequent. China is actively challenging Japan's administrative control because they feel that by doing so, they begin to weaken the American commitment to aid Japan in armed conflict. So, Japan is really being squeezed in both directions.

As you mentioned, Bruce, Japan is also very much integrated with China economically. One of their chief concerns is getting caught in the economic crossfire between the United States and China. The tariffs and economic uncertainty have hurt Japanese companies and the stagnation of the World Trade Organization is of great concern to them.

I don't think that Tokyo is a believer in wholesale decoupling from China by any means. The Japanese want to sustain economic integration with China because of the pull of the Chinese market. They would like China to change, of course, and to embrace more market-oriented reforms. They have a different view from the Trump administration on using tariffs as leverage on China.

In contrast to most Southeast Asian countries, Japan really does have a set of tools of economic statecraft at its disposal. For example, Japan has employed development finance as a powerful lever for economic statecraft. I recently wrote a paper for Brookings's "Global China" series and one of the key findings was that for the past four decades, Japan has been responsible for financing more than 40% of all economic infrastructure projects financed by industrialized countries.[2]

So, if there is one major player in infrastructure finance, it's Japan. There's enough awareness of Japan's vast infrastructure finance, and that's important because it gives alternatives to China for developing Asia. Japan is now having to balance economic internationalism, economic security, and defensive measures on the technology sector vis-à-vis China. So, the relationship is very complex and not all black and white but will come down to how we navigate the nuances of these new situations.

Japan and China's disputed islands

Japan and China are locked in a territorial dispute in the East China Sea over a group of uninhabited islands.

Source: Reuters

Staff, 07/02/2017 REUTERS

BRUCE JONES: Is there a substantive dialogue between Tokyo and Delhi about this topic?

TANVI MADAN: Very much so. This precedes the present day and has been a bipartisan effort between Japan and India in developing a deeper relationship over at least the last decade, or more. So, it's not just an Abe-Modi thing, i.e. the oft-referenced "bromance" between those two leaders *[Japanese Prime Minister Shinzo Abe and Indian Prime Minister Narendra Modi]*. And the relationship is greater than just a shared concern over China, there is an economic dimension to it as well.

In recent years, at least in India, there's a sense that Japan has been more willing to engage with India and be more proactive in the defense and security space — not solely because Tokyo's concerns about China have grown for the reasons that Mireya outlined, but also because Japanese uncertainty about the United States has increased. Beyond the bilateral relationship between India and Japan, there are active trilateral mechanisms between India, Japan, and the United States. There is also an emerging Australia–India–Japan trilateral. There are active discussions within these bilateral, trilateral, and even quadrilateral formats (involving the Australians, Americans, Japanese, and Indians) to discuss their concerns about China, and increasingly, to discuss how to go about dealing with it. Beyond their dialogue, we've also seen increasing coordination and even operational cooperation, as well as a greater ability to work together via working-level mechanisms or agreements enhancing military interoperability between this set of countries.

Narendra Modi, India's prime minister, shakes hands with Shinzo Abe, Japan's prime minister, during a bilateral meeting ahead of the Group of 20 (G-20) summit in Osaka, Japan, June 27, 2019. Kiyoshi Ota/Pool via Reuters

THE DRAGON IN THE ROOM: EUROPE, 5G, AND HUAWEI

BRUCE JONES: Switching gears to Europe. Amanda, before we got underway, we started talking about the United Kingdom's decision to accept Huawei 5G. Here you have America's closest intelligence partner and strategic ally taking a decision that looks like a "have your cake and eat it too" approach to sustaining economic and technological engagement with China, while the burden still falls upon the United States and Canada on security issues. Could you offer a brief comment on how you see the 5G issue before we move on to the broader Europe discussion?

AMANDA SLOAT: I think what's happening with Huawei is reflective of a larger challenge that the European Union — which the United Kingdom is of course now leaving — finds itself in vis-à-vis China. There is still an openness in the U.K. to Chinese economic investment because, following Brexit, they need to expand their markets. [Prime Minister] Boris Johnson historically has been fairly open and publicly supportive about the utility of Chinese investment.

And from the British government's perspective, they've been making the case on Huawei that this was not a snap decision, but the result of a lot of in-depth research. They believe they've come to a compromise that will keep 5G operating on the periphery of the network where there's already a certain amount of investment and away from the core of the network.

It's actually moving the United Kingdom in a direction that Paris and Berlin look likely to go to as well. So, the larger challenge that the U.K. is going to face after Brexit is whether to align itself with the U.S. or the EU. In this case, it looks likely that they are going to stay more closely aligned with the European Union.

There are questions on the American side about continued U.S. intelligence sharing. There had already been comments suggesting this decision might affect British participation in Five Eyes or curtail some of that intelligence sharing. It's already gotten a reaction in Congress with some of the more hawkish Republicans suggesting that this will make them look less favorably on the ratification of a free trade agreement with the United Kingdom.

BRUCE JONES: Fiona, is there anything you want to add on this?

FIONA HILL: Yes. From the U.K. perspective, there are other considerations than just the relationship with China, which actually came out in some of the ongoing discussions between the U.S. and the U.K. about this issue. Part of it is really the absence of alternatives for the equipment and the technological base that is necessary for creating a whole new digital economy. And, in fact, moving into the next levels of wireless communication and the whole idea that pretty much everything in our future economy is going to be wireless-based.

There are obviously some other technology players in the mix here. But Huawei was really synthesizing all of the various components into one package. A lot of these are actually U.S. components and systems from other European players. But Huawei is offering a cheaper "one-stop-shop" by bundling the technology for countries.

What would be required in the absence of Huawei, or in competition with Huawei, would be something along the scale of effort that we saw during World War II, where various technological leaps forward in military technology were made by pooling resources across the Atlantic. And those discussions — about how you might pull together say an Ericsson or Nokia, Samsung, Cisco Systems, you name it, from different parts of Europe and the United States — were barely off the drawing board when the decision about 5G had to be taken in the United Kingdom.

Another of the problems that we've faced is the rhetoric about this. The Brits and others have vocally stated that technological decisions should not be tied into the U.S. versus China debates.

In fact, 5G is less even a debate about China in the U.K. than it is really a debate about the future of the digital economy and how you move a country like the U.K. forward. And like many other European countries, Britain felt that it had aging infrastructure. It had barely gotten past land lines and installing its broadband and wireless systems before, suddenly, there was this huge technological leap forward. And Britain, like other European countries, is a fraction of the size of the United States, which has a similar problem to the U.K. in rural areas. Britain had already sunk a lot of investment into the national health system, which is a much larger public sector in the U.K. Every hospital is integrated, as are the mainframes, banks, and universities. These are not all private institutions that are making discreet decisions, as they might be in the United States or elsewhere.

So, it was the sunk cost issue and the fact that the U.K. had already made commitments before the United States jumped in with their security concerns. On Five Eyes, we've been using a coercive model. Those who were really trying to dissuade the U.K. have been trying to push them away from this choice by threatening security cooperation. But U.K. interlockers were also pushing back on the United States and challenging the U.S. to find alternatives, none of which were coming up fast enough. And frankly with all the changes in personnel inside the administration, the initial people the Brits were talking to in the U.S. government just kept on disappearing.

There was a sit-down discussion about this last summer between the two national security advisors, John Bolton and Mark Sedwill — and then Bolton was removed. And I would think that some of the decision making in Britain was due to the loss of key interlocutors — in the sense of Britain not wanting to start the conversation all over again, having already had technical discussions with counterparts in the United States and in Europe, but still figuring out whether there could be some mitigation of some of the security concerns that were brought forward.

So, I think this is actually a complex issue. Obviously, it has to do with China and the lack of trust in the integrity of Chinese systems, and the ability of the Chinese government to manipulate information. But at the root of this is the dilemma that many countries face; of already having sunk costs into certain kinds of infrastructure, and the huge costs involved in making that next technological leap in the absence of an integrated alternative system.

A sign reading "Boris Stop Huawei" is seen next to the M40 motorway, following the outbreak of the coronavirus disease (COVID-19), Tetsworth, Britain, May 1, 2020. REUTERS/Eddie Keogh

BRUCE JONES: So, abstract from the 5G discussion, do you have the sense that in London and maybe Brussels, people look at these questions and think, "alright, there are two actors out there and we have to try to figure out how we fit into this changing dynamic, that we in the West have to figure out how to handle China?" Do they think they are a battleground for U.S.-China competition? What is the psychology of this in London or in Brussels?

AMANDA SLOAT: My sense of the underlying sentiment in Europe is that it does not want to get squeezed between the U.S. and China, and it doesn't want to be forced to choose between the two. Over the last couple of years, the change in attitudes in Europe towards China has been striking. I think Europeans still believe the U.S. is being overly aggressive in its approach toward China, as Fiona was laying out. The U.S. has been somewhat aggressive and contradictory in some of its messaging to Europe about China. But there is at least recognition now in Europe of the challenge that China creates.

This was seen most strikingly last spring when the EU put out its new EU-China strategy. For the first time, it described China as a “systemic rival” and a “strategic competitor.”[3] This was a fairly significant shift in the way the EU was at least talking publicly about China.

But then for all the reasons we were discussing on Huawei and trade, you still have a need for research and development in the region. You have a lot of countries in southern Europe that were going through the financial crisis and were being forced to privatize by the International Monetary Fund and other institutions. The U.S. and Europeans were not providing the investment and China filled that void. China invested in central and eastern Europe and the Balkans for similar reasons, which gets them closer to the Belt and Road.

All of that leads the EU to come to slightly different conclusions about how to respond to China. But at least we’re on the same page about some of the strategic threats, but there remains a very strong desire in Europe not to be forced to choose.

FIONA HILL: And one of the issues for the EU is very similar to what Mireya mentioned about Japan. The EU is actually the largest investor in infrastructure in Europe. And China’s set up this “17+1” format — 17 central and eastern European countries, plus China — to give the impression that China has an exclusive set of economic and trade infrastructure relationships with these countries. And at the EU level, and actually at the level of many other European countries, there was a great deal of irritation about this. Because the largest investor in this region is the EU itself — through various investment funds, structural funds, and infrastructure funds. Japan is actually a major investor in some of these countries as well.

The other biggest investors are Austria and Germany, and not to mention, some of the other European countries on an individual level. But the problem is that they have failed to create a specific framework to overcome some of the infrastructure deficits in eastern Europe that are not binding eastern and western Europe together. And what China is really looking for, of course, is “south to north” trade routes, bringing Chinese goods across the land space from Asia, and then up through eastern Europe and coming up to northern European ports. China’s plans are also not binding eastern and western Europe together. And compared to the EU, China has been a lot more agile in talking about these issues and willing to inject capital into these projects because they create a lot of fanfare. They’ll show up with literally hundreds, if not thousands of Chinese performers from the Chinese circus and opera to put on gala performances to celebrate Chinese culture. Like they did in Iceland, almost bringing in more people than there are in Iceland.

They’ll come in with lots of incentives and big trade delegations and they’ll make a lot of noise about their investment. Whereas, European bureaucrats tend to bury the information, just like the Japanese do, in rather mundane reports over in some dusty corner of a website somewhere in outer cyberspace.

So, the Japanese, like the EU, are both realizing that they’ve got to do more in trade and investment promotion for their infrastructure funding to counteract the idea that China is the only country bringing all of these new goods to Europe.

GERMANY: A BATTLEGROUND FOR RIVALRY, A MODEL FOR NATIONAL REINVENTION

BRUCE JONES: Let’s go to Germany. There does seem to be a change in the tenor of the debate in Germany about China. Constanze, what are your concerns that Europe, rather than being a geopolitical actor in this landscape, is a terrain for geopolitical competition?

CONSTANZE STELZENMÜLLER: I would like to make one comment on the U.K. part of this. On a trip to London about three years ago, I was struck by a distinct feeling of British unconcern about the challenge presented by Chinese involvement in London. That was in fact the strongest impression I came back with. And everything since then about U.K. politics towards China has reinforced that.

It frankly strikes me as of what we Germans call "whistling in the dark." In other words, whistling up your own courage and perhaps overrating your own resilience vis-à-vis Chinese influence and pressure.

It shows how vulnerable even the big three powers in Europe are to the Chinese, when the Chinese are really going for the win. Which brings me organically to the Germany issue.

I think perhaps it might be useful to talk about what I think is Chinese intent, as opposed to Russian intent. In a world of great power competition, Europe has become a major theater of that competition. That's not something all European citizens are sufficiently aware of.

Specifically, Russia, China, and — unfortunately — America are competing in Europe, with each other, with the EU, and with individual European actors. Among the latter, Germany is seen as the fulcrum by the Russians, Chinese, and Americans, because of its deep business and political relationship with China. And so, Germany is where pressure needs to be applied from the point of view of these actors in order to pursue their purposes.

The difference between what Russia and China is doing in Europe and in Germany, is that Russian behavior is not imperial. At best, Russian behavior is directed at establishing a sphere of influence in parts of eastern Europe and the European periphery. It is destructive, but it is ultimately defensive. It's also about stopping Russian assets, including human capital, from flowing out. The message from the Kremlin to its own citizens is: "the Europeans are not as good as you think they are, stay here."

The Chinese effort strikes me as far more strategic and imperial — and that is slowly dawning on the Europeans and the Germans. It's imperial in the sense — if you'll forgive me for using a somewhat stark metaphor — that the Chinese need the host animal to stay alive for their purposes of establishing a worldwide physical and digital infrastructure dominated by Beijing.

BRUCE JONES: The Russians can happily play on the course.

CONSTANZE STELZENMÜLLER: Yes. For China it is extremely useful that the EU has something that no other trade zone in the world has: a unified trade, regulatory, and infrastructure space which is increasingly becoming a unified digital infrastructure space. This is of enormous advantage to Chinese strategic purposes, not just in Europe, but beyond. And therefore, EU unity and functionality are of use — as long as they're not in the way, in which case the Chinese are also very good at playing us against each other. So on the whole, the Chinese game is a little more complex than that played by the Russians.

That said, from the vantage point of Berlin, you're looking at a perfect storm in every possible way. Germany has the EU presidency in the second half of 2020 and [Chancellor Angela] Merkel will be hosting an EU-China summit in Leipzig in September; the plan is to sign an EU-China trade agreement which presumably will include a lot of these complex issues, particularly in the digital infrastructure space. *[Due to COVID-19, the summit was postponed].*

The Trump administration, meanwhile, has threatened trade coercion vis-à-vis Europe and Germany multiple times.

Within Germany, a huge fight is taking place about Huawei as a provider of the 5G network. Interestingly, Merkel — who has been unwilling to exclude Huawei as a supplier — is facing a revolt not just from some in her own party, but from her coalition partners, the Social Democrats, who are taking an unusually strong position on this.

So, on this point, the Social Democrats are actually right at the forefront of the debate. Merkel, at this point, looks as though she is holding the door open for Huawei on her own, and I don't think that this can last.

The EU recently published its 5G "toolbox" to deal with the questions of how to manage security-relevant outside providers.[4] And in classic EU fashion, it's a fudge. On the one hand, the digital commissioner is saying if external providers don't toe the line on certain issues, they will be excluded, but it also leaves individual national powers the option of regulating specific issues on their own. Which means that Germany remains in the driver's seat on this, and remains a key actor for the Chinese to influence even after this decision. And Brussels and the national capitals are going to kick this ball back and forth.

America's assassination of Iranian general Qassem Soleimani in early January has dialed up the heat in the Middle East in ways that raise the temperature for Europe as well. And very clearly, this is creating an additional security vacuum in and around Iran where the Russians and the Chinese are flowing in.

The Berlin Conference on Libya[5] and its ambivalent output, its non-resolution of the conflict, showed that the same was true for North Africa. All of this raises the risk to the infrastructure of Europe's energy supply, as well as of new refugee outflows towards Europe — at a time when Europe has an incredibly tense and unproductive relationship with America. Will China take advantage of this? I would think so.

BRUCE JONES: If this were even five years ago, certainly 10 years ago, it would have been the London Conference on Libya or the Paris Conference on Libya, or the Washington Conference, or even the Rome Conference on Libya, but not the Berlin Conference. Does the fact that Germany chose to play that role in this changing geopolitical landscape indicate a sense of "we are going to have to do more?"

CONSTANZE STELZENMÜLLER: Germany must move forward, yes. And actually, in all of this somewhat dire scenario, I'm seeing a lot of signs in Berlin, that people are saying: "we have to step up to this because this is looking really awful for us." If we don't have a forward leaning posture, all these problems will come to us.

On the Libya conference, I read somewhere in the English language press that this had been hastily put together — that's not true. It took them months to negotiate. I think it's meaningful that the Germans developed these relationships over time. [German Foreign Minister] Heiko Maas went to Benghazi to talk to [Libyan National Army commander Khalifa] Haftar and persuaded him to come to Berlin. It was a fairly remarkable diplomatic achievement for both [Fayez] al-Sarraj [the chairman of Libya's United Nations-backed presidential council] and Haftar to come to Berlin, and for [Russian President Vladimir] Putin and [Turkish President Recep Tayyip] Erdoğan and [U.S. Secretary of State Mike] Pompeo to come to Berlin as well.

The power relationships on the ground are such that one conference won't resolve the problems, of course. Still, it created a framework to exert further pressure. But without European unity on this — without the French, the Brits, the Germans, and the Italians playing together — I don't see this going anywhere beyond this particular conference.

U.N. Envoy for Libya Ghassan Salame, United Nations Secretary-General Antonio Guterres, Germany's Chancellor Angela Merkel and Germany's Foreign Minister Heiko Maas attend a news conference after the Libya summit in Berlin, Germany, January 19, 2020. REUTERS/Axel Schmidt/Pool

FIONA HILL: I want to add to what Constanze said about the long genesis of this. There are several developments here that have been building up for a considerable period of time, stretching back more than a couple of years, and certainly going back to the migration crisis in Europe. And Germany was most singularly on the front line.

Germany has been well aware that the next wave of migration, in fact, the wave that's already in progress, is coming across the Mediterranean through Libya from both the Sahel and sub-Saharan Africa, with terrorism issues in the Sahel that the French have been trying to deal with unilaterally.

Germany really tried to mobilize other European countries to get ahead of the next crisis. Merkel has made a major effort to push for greater EU investment in Africa — this is why China and Russia have entered, as not necessarily productive players, to exploit the gaps.

Russia is sending out the Wagner Group, one of their paramilitary forces, which is ready to be the "Russian foreign legion" for warlords or local governments who are facing political consequences. This is different from China coming in, in a sort of a neo-colonial way, seeking minerals, rare earths, and other resources to keep the Chinese economic machine going. It's not obviously the same approach as Russia, but both China and Russia view Africa as an object of exploitation, not somewhere that needs to be stabilized and developed over time.

Germany was watching this in alarm — including the fact that Italy and France had started to squabble over who had the lead in Libya. France because of Total and the prospect of energy investments. Italy, from its longstanding linkages with Libya, which go back to the Roman Empire. Britain has been out of the picture on this issue for some time — notwithstanding BP's prior investment in Libya and other historic roles in Africa. Russia and China are the real actors to watch in this case. It's really China that is jumping into Africa, but actually doing nothing to resolve the fundamental problems in Africa.

BRUCE JONES: One of the phenomena that I'm watching is different actors in this second layer of power stepping up in certain issue spaces — Japan, Germany, the post-Brexit U.K. I'm watching closely to see how that evolves, and what happens as those actors see more space, more risk, more void. How much does that drive to a "step up and try to fill this space" mentality?

TANVI MADAN: I think the discussion we've had about Huawei is reflective of a larger point. Which is that when countries are near neighbors — whether maritime or territorial with China — they have a longer history of having direct conflict. If you think about the debate in Japan, in India, in Vietnam, and now even in Australia over the last two years, it's very different from what it is in the U.K., Germany, and France.

To some extent, recent changes have opened up space for China's Asian neighbors to work together. And you're seeing this even with France doing more in the maritime space in the Indo-Pacific. And there is some hope that the U.K. will do more now post- Brexit. But it also shows you where the limits are going to be. Because, to put in bluntly, in a number of countries, there is still a sense that the Europeans can still be pretty naïve about China or are too focused on economic gains or are not motivated enough to challenge aspects of Beijing's behavior.

Now, that's actually natural. You're going to be more concerned with the people you have direct security concerns with. But I do think it will have a real impact. There are areas of potential collaboration like infrastructure — where Japan and India are talking about working together in Africa. There are also suggestions of the U.K., France, and India doing maritime exercises in the western Indian Ocean region.

So there are ways to collaborate, but I think there are still real limits in many cases. And there has been concern that Britain would be less forward-leaning on the China challenge because of Brexit, and potentially the British need for an economic agreement with Beijing. There's been positive change in the French and German perceptions of China from the Asian (especially Australian, Indian, and Japanese) perspectives. But I do think they're watching the Huawei debate very carefully as reflective of the choices that will be made.

I do think all these powers — Asian and European — would agree that public pressure from the U.S., especially the tone in which the Trump administration delivers it, is highly counterproductive. This kind of public pressure is unpalatable to these countries and even unhelpful in their internal debates about Huawei/5G.

I do not agree that there aren't alternatives. When even Vietnam is finding alternatives pathways, I find it hard to buy the line. To Fiona's point, the cost element is crucial. And that is something that European and Asian partners should be discussing directly with the U.S. — not just how you develop alternatives. But also, this question of rethinking, as we did in the Cold War, the state's role in facilitating research, development, and innovation, and then underwriting the cost of rolling it out in the countries involved, but also in the developing world where these choices will be made.

CONSTANZE STELZENMÜLLER: In Germany, that is the core consideration driving Economics Minister Peter Altmaier's industrial policy. It recognizes that much of this Chinese activity is heavily subsidized and, in fact, supported by a national state strategy which goes well beyond an economic strategy, and is political at its core. And therefore, we need a response that is economic — but also political and strategic.

This is at odds, of course, with Germany's postwar tradition of a market liberal attitude to industrial policy; whereas the French have always had a state industrial policy. But for Germans, that's a significant shift, which is why it's been rather heavily criticized internally.

This may also be a reaction to the fact that Germany did have its own neoliberal moment, in which the government was, say, telling municipalities that they all had to privatize their public utilities, maybe even to sell them off to outside bidders, like Indonesia. Then people started discovering that "guess what, this is critical infrastructure, it can be hacked." So now it's being bought back from Indonesia. So, there's a larger context of recovering the critical infrastructure of the state and making sure that it is resilient and defensible against external interference that's not just economic, but political.

BRUCE JONES: And that's interesting because when Mireya and I were in Singapore together *[in October 2019 for a Brookings, Lee Kuan Yew School of Public Policy, and China Centre for International Economic Exchanges symposium on the United States and China]* we talked to a number of Southeast Asian countries about a similar theme. One of the themes that came up, and particularly from Malaysians and Indonesians, was a sense that the United States is not going to be able to sustain the kind of security alliances and dynamics that it has without giving up on some aspects of the Washington consensus. You can't have a purely neoliberal market approach and succeed in this space against China.

TANVI MADAN: And remember, the U.S. and European countries have happily subsidized farmers for years. So why not subsidize, or think about how to underwrite, at least, the development of new technology and critical infrastructure?

MIREYA SOLÍS: And on a broader question from earlier of how middle powers should deal with the China challenge, and trying to think about the lessons from the way in which Japan has approached this — proximity breeds pragmatism. And what I can read from the Japanese approach is that there is no blanket approach towards China. Japan therefore is really coordinating a different set of initiatives that on one hand would seem to point to an improvement of relations, and on the other, would seem to point towards defensiveness.

Japan is able to keep China engaged in a double game. For example, 2019 was a year when Japanese investments peaked again in China after years of cooling. This is currently a year when — depending on what happens with the coronavirus — [Chinese President] Xi Jinping was expected as a guest of state in Tokyo in April. *[Due to COVID-19, this visit was postponed]*. And there's a lot of conversation about bringing stability to Japan-China relationship.

But Japan took Australia's line when it comes to Huawei. It has decided that the cybersecurity risk is too high, especially in light of the Chinese cybersecurity law that gives the Communist Party access to Chinese telecom. Japan is aware that that risk will only grow, and therefore, they adopted a law that by all purposes, bans Huawei from government contracts, and private suppliers are going to go along with that.

Japan also recently tightened its screening of foreign direct investment with a desire to keep China from acquiring critical technology. This came at a cost to Japan. The private and foreign investors are up in arms decrying the move, saying that with this, Japan is stepping away from its corporate governance improvements, that it will not foster innovation or productivity, nor boost foreign investment in Japan.

So, Japan is doing all of these things, and it has increased its capabilities. Recently, the National Security Secretariat opened an Economic Security Division, that could truthfully be relabeled the "China Challenge." But at the same time, Japan is also engaged with China, inviting Xi Jinping as a guest of state. I think there's a lot to be said for that multi-layered nuance and rejection of an "all-in or all-out" approach.

BRUCE JONES: I'm struck by a comment that came up in the Britain conversation as well, that at what cost a country is willing or able to bear to navigate this space? I think about in the United States, there's all this debate about rare-earth minerals. We have ample rare-earth minerals in California. But at home, they are incredibly expensive and dirty to mine, so it's much more convenient to outsource that to China, which we've done over the last 40 years. But we can still take that cost back if we wanted to.

AMANDA SLOAT: And it's also a question of how long they're prepared to wait. Part of the messaging that's coming out of Britain is that it would take a long time to develop alternative technology. And you've got Nokia, Ericsson, and other European companies who are doing this.

Somebody challenged a British official this week about whether or not they were concerned that investing in Huawei would affect their ability to negotiate a free trade agreement with the U.S. The official pointed to Boris Johnson's desire within the next 10 years to make the country a "Silicon-Valley-like tech hub." And they said that frankly was much more important than importing slightly cheaper meat. So there is a sense that delivering post-Brexit a highly-networked, highly-technological country is worth more than the risk of upsetting the Americans.

CONSTANZE STELZENMÜLLER: The Australians have also been quite rude about British confidence with regard to Huawei. It's the Australians' intelligence agency that has been most scathing about British policy — which I take very seriously.

RUSSIA AND CHINA: COMRADES OR COMPETITORS?

BRUCE JONES: I want to pivot to a different Eurasian country that looks at this question of where it sits in the U.S.-China relationship differently. It also borders China, also has concerns about China, but obviously occupies a very different global space. Fiona, could you say a word about how you see the Russians thinking about the dynamics of the U.S.-China rivalry, and what it gains and what it risks.

FIONA HILL: Russia, in some respects, is not dissimilar from India in the sense that China has always been there. Russia expanded outward in its imperial era with an increasingly large border in the east, and, along the way, Russia also absorbed some Chinese territory in parts of its imperial expansion. But for an awfully long time, Russia didn't take China particularly seriously. China was being predated over by the European powers, and Russia was along with them in terms of thinking about China more as a place for exploitation, rather than a rival, or even an ally at the time.

Things obviously change rather dramatically with World War II in so many different ways: the rise of Communist China, China getting the bomb, Mao Zedong really turning China around and making it a player.

We eventually saw enmity and a shooting war between China and the Soviet Union in the late 1960s, and a period of extreme tension in the 1970s. And then of course as the Soviet Union is running towards its demise in the Gorbachev era, we have Mikhail Gorbachev's fateful visit to China — and this is really one of the precursors to Tiananmen Square, and China finding reason to push back against the Soviet Union and Russia, initially, for fear of further contagion in terms of Russia's own democratization collapse.

Now, we've found a whole series of developments here that have really led to a wholesale reassessment of the fact that Russia and China might be heading off into the sunset together arm-in-arm. Russia is willing to cooperate with China because deep down it is concerned that China may want to reclaim some territory from Russia. Russian dignitaries, when they go to Beijing, see lots of red bleeding into maps north of the Amur River and across the old Chinese imperial territories that are now part of Russian territory. This is why Russia was very much focused on concluding a border treaty with China in the '90s, and around 2000, that leads to a friendship treaty.

And then for a long while, nothing really happens in Russia-Chinese relations, because there's such a mismatch — China growing technologically, urbanizing, becoming an industrial powerhouse, and Russia basically becomes a raw materials provider for fueling China's rise. The increase in Russian oil and gas production is commensurate with the growth of China's economy, and we have a whole period of discussion on whether Russia would just simply and literally become China's gas station. And Russian scholars very much feared that instead of Russia becoming the raw materials appendage and the gas station to the West after the collapse of the Soviet Union, it was now becoming that to China in the East. So there's lot of ambivalence about China and Russia for quite some time, until we get to this whole period that we are in now, the last three or four years, or since 2014 and Russia's annexation of Crimea. Now, the Chinese didn't like that because this suddenly put a spotlight on Taiwan and the old imperial territories that it would like back, but it also raised questions about the ongoing threats to its own sovereignty. Russia's action in Crimea also drew an awful lot of attention towards China in the East China Sea. Then after Russia's intervention in our political system in 2016, the animosity towards Russia naturally grew in the U.S. The escalation in sanctions cut off so much of Russia's trade and economic activity, not just with the United States, but also with Europe. This has really pushed China and Russia together.

Russian crude to China

After introducing Siberian crude to Asia's market a few years ago via a mega pipeline to the east coast, Russia is taking a big chunk off the market and selling it in direct term deals to China.

Sources: World Energy Atlas; Reuters

W. Foo, 11/02/2014 REUTERS

Russia and China now feel they're very much in the same boat in terms of looking at the United States and the shifts in the world. And Russia is losing a lot of confidence in the future of Europe and the EU as an independent player. Obviously, Russia has got a hand in this too.

On the topic of nuclear issues — we've started to push Russia and China together on the nuclear front in terms of our discourse. I think that is a natural outgrowth of the complexity in the world now, where there are so many nuclear powers.

On Japan and the whole changing nuclear and the strategic posture in the Asia-Pacific region: We often forget, in this context, that Russia isn't just as the Obama administration put it, "a regional power" in European security, but actually has a stake in the Asia-Pacific as well. And Russia also wants to have a say in whatever it is that we're thinking about our nuclear posture in that region. We've opened the door to that in recent times, by having to involve China in discussions about any future nuclear arms arrangement.

So, I'd just like to bring everybody else into this part of the conversation. What we are actually facing — particularly since 2016-2017 — is the prospect that Russia and China are really developing a more strategic relationship than we would have thought possible previously.

BRUCE JONES: It seems to me that we've had that discussion and dismissed it in part because we used the concept of non-alliance and all the issues that are in the Russia-China relationship that ensure it will never rise to an alliance. But if we were to use a concept more like a concert designed to weaken the West, it seems we're awfully close to a Russia-China concert right now.

FIONA HILL: Right.

BRUCE JONES: It brings me to another issue. One of the places that I watched this concert dynamic take place is in the naval space. I see this in the Indian Ocean, I see it in the Arctic, I see it in the Pacific. If we think about the countries we're talking about here — less so Germany right now, but Britain, France, Europe viewed as a whole, and Japan — if I look at the countries around the table, we've got nine of the 10 largest navies in the world. India obviously has huge stakes in this, Japan has very significant naval capacity to constrain China, Europe has some residual naval capability, and actually one of the places the EU functions in security terms is in the naval space.

And then also the United States and China at the top, and with Russia as a close number three. But one of the things I worry about, is that there is some alignment between where China is starting to build its bases and port infrastructure, and where there's a Russian base very, very close by. And I think we would live suddenly in a very different world if Russia and China were to pull their naval capabilities into closer alignment than they are right now.

FIONA HILL: One major arena where can see a major wedge developing between Russia and China is the Arctic. Because, Russia is the Arctic power par excellence, the bulk of its maritime territories is in the Arctic or the sub-Arctic territory. China calls itself a "near Arctic power." And Russia has often been aligned in this regard with Canada, Norway, the U.S., and other littoral states of the Arctic, as it really wants to keep everybody else out. You might recall that the Russians were not keen at all in having China as an observer to the Arctic Council, and in fact they promoted India and South Korea as well, as an alternative back around 2012-2013. And so the Russians watched China's moves into the Arctic with certainly a bit of a baleful eye, and they have militarized in the Arctic, because they don't really know what else to do. It's not really a commercial proposition for Russia in the Arctic.

BRUCE JONES: A great energy proposition.

FIONA HILL: Exactly. It's the bulk of all of their energy and any future offshore and onshore energy exploration. They are nervous that if China gets too much of a foothold there, it will be like an Antarctic play, and that stakeholders will push for the Arctic to be more of a "global commons" and the Russians don't really want the dynamics to shift.

It's one area where the Belt and Road maritime strategy comes into play, as China pushes to connect the Pacific and the Atlantic through the Arctic. We keep forgetting that for certainly Japan and China, when we look at their maps, the Arctic is just simply an extension of the Pacific Ocean, up and around into the Atlantic, and that this is an ultimate pathway to the markets of Europe and everywhere else that everyone wants to be. The Russians are very mindful of this.

I'm worried that the Russians won't be able to command control over the high seas. Luckily for them the North Pole seems to be moving into their territory eventually through regular natural migration. But the Russians are really concerned about who has domain there, so we're seeing an awful lot of them planting flags and laying claim to the continental shelf. For Russia, it's about making sure that nobody forgets that Russia was here first.

Russian President Vladimir Putin delivers a speech during a session of the International Arctic Forum in Saint Petersburg, Russia April 9, 2019. Sputnik/ Mikhail Klimentyev/Kremlin via REUTERS

TANVI MADAN: On that, countries like India — and we've seen it in Japan with Prime Minister Abe, and even France with President Emmanuel Macron — really hope that some of those tensions between Russia and China grow.

For India, the stakes are very high. The last time it fought a war with China, the Soviets gave intelligence to their Chinese partners on India, and also held up the delivery of military equipment in the midst of a war. And while India is diversifying away from Russian military equipment, it still depends on Russian equipment, and also, more strategically, depends on — or at least would like to see — Russia as a balancer against China.

This budding, not just strategic Sino-Russian partnership, but also, increased collaboration in international institutions has real implications for India's options. Arguably, the Indian response is often that the way to create a wedge between China and Russia is for the U.S. and Europe to look at Russia differently. Of course, that would require a change in Russian behavior.

But there is a concern that they have been pushed into Chinese arms, and that the longer they stay there — particularly with defense and technology collaboration — the harder it's going to be to create that wedge and for them to revert to playing the balancing role against China that they did during part of the Cold War (in a way that was helpful to India).

On a recent diplomatic visit to Delhi, Russian Foreign Minister Sergei Lavrov chided the Indo-Pacific Strategy as being about containment of China. For Delhi, which signed a treaty with the Soviets to contain China five decades ago, this is quite striking. You had the Indian Foreign Secretary subsequently respond that the Indo-Pacific is not a U.S.-imposed vision on the region, another assertion Lavrov had made. It is indeed a vision and a concept that's come from the region — this was a message not just to China which complains about this, but to Russia as well.

FIONA HILL: And Japan, I think Mireya would say, is in exactly the same position as well. Suddenly over the last few years, the Japanese have been very keen to resolve the territorial dispute of the "Northern Territories," the Kuril Islands, with Russia. This has been part of forging a new relationship with Russia, really to dilute — exactly as Tanvi is pointing out — the emerging axis they see between Russia and China; and Japan is really feeling China's existential threat, as Mireya described earlier.

But they want to make sure that Russia wouldn't do just what Tanvi has talked about — the Russians reverting to Cold War strategy and siding with China, or at least not doing anything to mitigate something that China might do — say, take any kind of military action, or put very heavy political economic pressure on Japan over any number of disputes.

And I think the Russians played with that for a while. They were even suggesting to the Japanese a couple of years ago that, "we could be the people who smooth things over with China for you." North Korea, however, was a wrench in the works for that plan.

BRUCE JONES: Right.

FIONA HILL: Because the Russians were basically describing China as being the existential threat for regional players, and that's of course when North Korea stepped up and showed that it had made huge steps forward on its nuclear arsenal.

And that brought the U.S. back into regional diplomacy in a way that made the Chinese and the Russians both very uncomfortable, not to mention everyone else. This completely changed the whole perspective. Had that not happened, I think we would have been in a very different situation in the region, with Russia actually trying to win over Japan, and potentially even India, at the expense of the United States, as the guarantor of their relations with China, by playing the mediator and trying to help them navigate out of a precarious situation.

MIREYA SOLÍS: I think it has been in Japan's long-term interest to make sure that there is no Russia-China concert. I also think that for Prime Minister Abe, the diplomatic game with Putin is also about a personal legacy, because he wants to see the mission of his father accomplished.

But I think it's a game where he's likely to fail. Putin is not going to give any territory — if there's one option, it would be a peace treaty, but no territory. And whether he can go for that or not is the question. But this is a diplomatic effort where he has invested tremendous political capital and gotten very little out of it.

CONSTANZE STELZENMÜLLER: A small footnote, and then a larger point, if I may. The small footnote is that over the last decade, the Germans, oddly for them, have been making real efforts to develop strategic relationships in the region around China. For example, they have been developing a closer relationship with Mongolia. They have a Central Asia strategy. They also now have an Indo-Pacific strategy, and they're paying much more attention to India.

And that's not just a foreign policy strategy, it's also increasingly a defense strategy. The German Defense Ministry is currently thinking about how to put a German frigate in the Pacific. You could say that's a laughably small number — but the fact that we are even thinking this way is quite an interesting development.

My larger concern is that human rights and civil society issues keep getting left out of the great power competition debates.

And we've seen this now in Iran. The downing of the Ukrainian plane in Iran was so significant, because its passengers represented all that is best in Iranian society. The number of academic degrees on that plane was astounding. Ordinary Iranians realized that their best and their brightest had been disappearing off to Canada — and now they had been killed in the attempt by their own people.

We may be about to see something quite similar happen in the Chinese space with the coronavirus. The Chinese are less concerned about the well-being of the Tibetans or the Uighurs, but Han Chinese being treated badly by the Chinese regime is a different thing. We may be about to see whether Xi Jinping's regime has the consent of the governed. We've seen protests in Russia as well. The least calculable element of this new dispensation is the social contract between these authoritarian regimes and their citizens.

Now, that doesn't necessarily make things easier for America or for Europe, but it is an additional imponderable in what is already an extremely complex calculus, at the very least. It certainly requires our diplomacy to speak to civil society, as well.

TURKEY, CHINA, AND THE FORGOTTEN DISCUSSION OF HUMAN RIGHTS

AMANDA SLOAT: The issue of human rights might be an interesting place to bring Turkey into this conversation. Constanze just made the first mention of the Uighurs, and interestingly Turkey is the country that has been most vocal on the Uighurs. This is striking, because Erdoğan is not necessarily known globally for his human rights concerns. But this is one issue, where there's an affiliation with the Turkic people, on which Erdoğan has been particularly active. It's put Turkey in a very interesting place, vis-à-vis its relationship with China, as well as with Russia, Europe, and the United States.

There has been concern about whether or not Turkey is going to leave the West, there's talk about whether it's pivoting toward Russia, and there's talk about whether it's pivoting toward Asia. Erdoğan has talked about whether or not Turkey should join the Shanghai Cooperation Organisation, but I really think this is an effort by Turkey to try to diversify its relationships.

Turkey has significant problems with the West — with the United States over the Russian S-400s, the detention of Andrew Brunson, and in Syria, as well as challenges with Europe over its policies in the eastern Mediterranean, differences on migration, etc.

An ethnic Uighur demonstrator wears a mask as she attends a protest against China in front of the Chinese Consulate in Istanbul, Turkey, October 1, 2019. REUTERS/Huseyin Aldemir

But what's been quite interesting is the balance of Turkey's relations between the West and China. If you look at the numbers, the trade relations between the two countries are actually quite small, and there's a fairly significant trade imbalance in China's direction.

The Turks have gone to the Chinese on a number of occasions to ask for money, given their own domestic economic challenges. And despite the fact that China is very interested in Turkey as a place to invest as part of the Belt and Road Initiative, given where it's located, China has not been pouring a large amount of money into Turkey.

China transferred a billion dollars to Turkey last summer as part of some currency swap agreements that go back to around 2012, but there has not been a huge amount of money flowing in. One of the interesting geopolitical questions is whether you would end up seeing greater economic investment by the Chinese matched by a different political stance in Turkey on the question of the Uighurs. Turkey is a place where you really have politics and economics playing off one another.

FIONA HILL: I think what Amanda said is spot on. Turkey has been a bit of latecomer to the China game, as you're pointing out here. In fact, if we just go back a few years ago, it was very hard to actually see any kind of significant Chinese investment.

In fact, China was looking around every country in the region — through Central Asia into the Caucasus, also Greece. China seemed to be wanting to avoid Turkey. And it would be very interesting to see if that was, as Amanda is suggesting, rooted in some of the concerns about statements that Erdoğan has made about the Uighurs dating back over several years.

Although this was possibly more about thinking that Turkey was a bit of a risky investment. And of course, the Turks have been trying to take a leaf out of the Chinese book in terms of having this expansive Asian development and mega projects, and Erdoğan was much more keen on bankrolling these himself, pulling in money from within the Turkish system itself, creating an awful lot of corruption and overspending in the process.

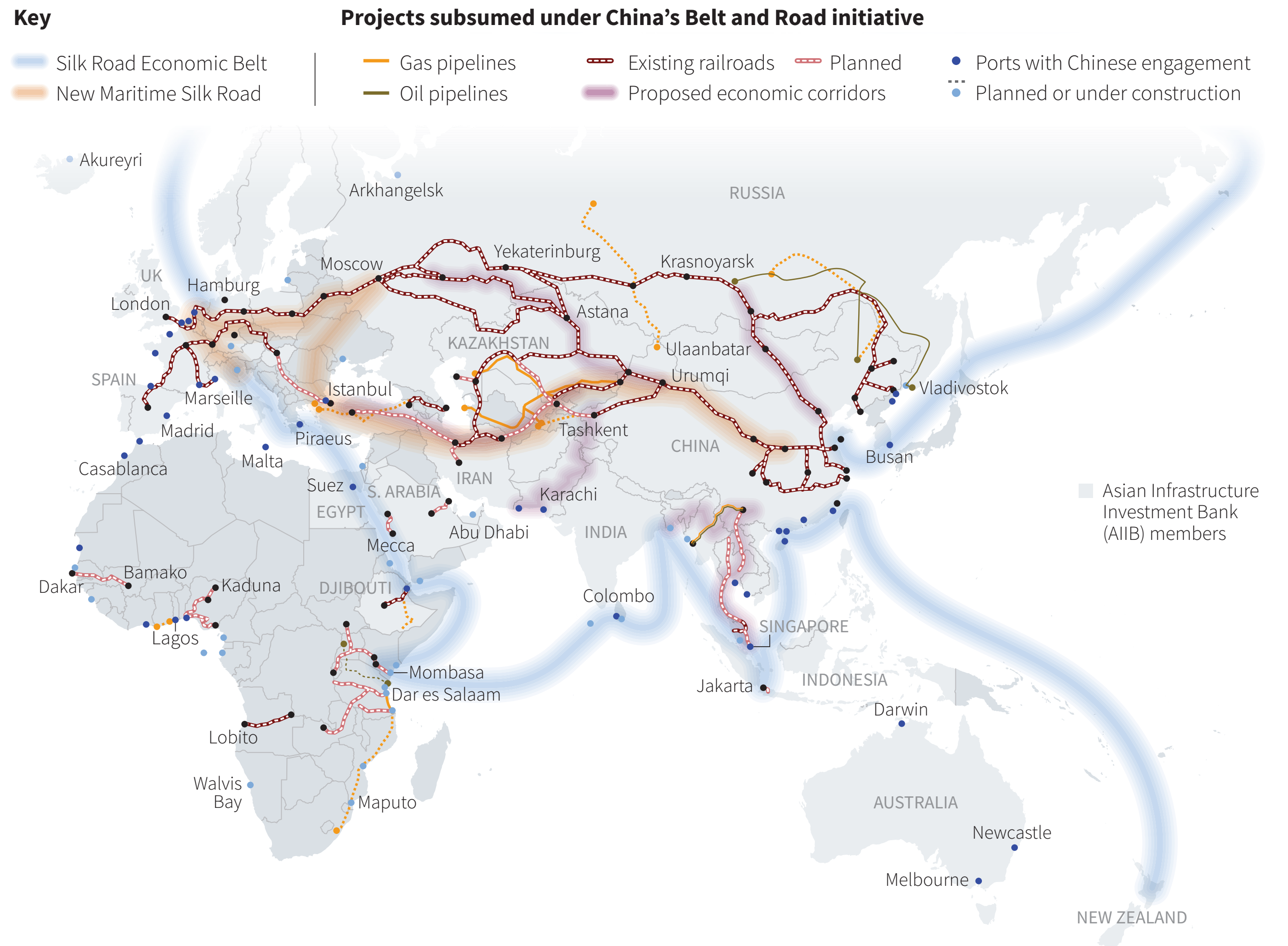
Perhaps in a way there wasn't enough room for Chinese interests at certain points in Turkey's growth projects. It will be interesting to see whether China views Turkey as any kind of regional prize in the way that it does with some of the other countries it's moving into.

China has tended to kind of go towards the Portugals, the U.K.s — countries where it's had centuries-old relations. Or Germany, a country it seeks to emulate. The Chinese talked about seeing the return of Germany to the global economic and political space, and seeing Germany as a trailblazer for how to reinvent themselves and restore a reputation after a long and difficult period.

And it's not clear what Turkey brings to that table apart from providing a transportation route across the Black Sea.

Reviving the Silk Road

Announced by Chinese President Xi Jinping in 2013, the Silk Road initiative, also known as China's Belt and Road initiative, aims to invest in infrastructure projects, including railways and power grids, in central, west and southern Asia, as well as Africa and Europe.



Source: Mercator Institute for China Studies.

C. Inton, 23/04/2018 REUTERS

AMANDA SLOAT: And you have elements of strategic competition there as well.

FIONA HILL: Exactly. So, Turkey might not actually be in the game in the same way. But certainly, the souring of the relationship between Turkey and the United States, in fact, the souring turning into an almost complete disintegration of our relationship — which has been underway since certainly the early 2000s — gave others opportunities. Getting back to what Constanze said earlier, it would be foolish for China not to see an opportunity in Turkey, in the way that a vacuum is emerging. Russia certainly has.

Russia views Turkey as the regional prize. And it's the old imperial relationship that is key here — the fact that Russia has long seen Turkey's strategic straddling of Europe and Asia, the Black Sea, and the Bosporus, as something it would like to control and influence. Russians have been thinking almost in a nostalgic sense about Turkey.

I think it's less clear how China might factor into that, but certainly the United States' relationship with Turkey in that region is in crisis.

TANVI MADAN: On the question of human rights and civil society concerns and great power competition, I think Constanze's point brings up several points to consider.

One, as Mireya was saying earlier, when we think about this competition, we tend to think a lot about defense and security, and what people can bring to the table. And when we talk about burden-sharing, that's usually what's brought up.

But this is where Germany can look to Japan as a model. Japan has contributed a lot, particularly in terms of the economic dimension, and is doing more than burden-sharing. It is really taking the lead there, whether it's on CPTPP *[the Comprehensive and Progressive Agreement for Trans-Pacific Partnership]*, or on development and infrastructure financing.

Similarly, I think it was some European countries that started talking about Xinjiang — even before the U.S. — and Hong Kong more recently. And despite the difference between the German chancellor and the German foreign minister about meeting Hong Kong activist Joshua Wong, the fact that he was even there, a number of countries wouldn't even touch that issue with a 10-foot pole.

And whether it's Sweden, or Germany, or France, there have been instances in the last decade or so, where they have taken a much more vocal stance on Tibet and related issues which other countries — whether in Asia or the United States itself — have not taken. So, I think human rights is one place where you can see Europe play a different, even leading, role in this competition.

Just like in the U.S., there might be a younger generation that doesn't care about great power competition in the security and economic senses, but does care about human rights, and about Xinjiang and seeing students out in the street in Hong Kong — that is changing the space.

Having said that, I'll broaden it to democracy and human rights. There are countries like the U.S. and India where the imperfections in their democracies are showing up. These are hardly people to point fingers, though they still have more of a moral high ground than non-democracies in this question.

But I do think great power competition is going to bring back another element from the Cold War, even as I think that many of the analogies between the Cold War and what's going on now are flawed.

I think, in one sense, we are going to see something return from that time, which is that, as this competition plays out, these like-minded partners that have concerns about China are going to increasingly have strange bedfellows, which means looking the other way on human rights and illiberalism questions, because they're going to want countries on their side. And they're also going to look away from imperfections in each other's democratic practices because they don't find it useful.

To give one example of how this is already playing out — if you think about the countries that have propounded free and open Indo-Pacific strategies, they're already now saying, "the 'free' in it is not about what goes on internally, but the freedom to choose."

BRUCE JONES: Two historical points — Richard Nixon's opening to China began in the same month as the start of the Cultural Revolution. The extent to which human rights inside China was completely and utterly irrelevant to America's strategic calculations at that point in the Cold War is just a reminder that for all of our rhetoric on this, we're perfectly capable, too, of making those kind of strategic issues trump the values issues.

I also spent a lot of my youth living in Africa during the Cold War, and I remember the days when the United States was hardly liberal in its development policy. So, when we get very heated up about what China is doing in these places, I do remember that we didn't always behave so nicely.

FIONA HILL: The European colonial powers were not exactly paragons of virtue either…

FLOATING COALITIONS

CONSTANZE STELZENMÜLLER: If I may take the debate past the Trump administration — I've been looking at younger conservative writers who are trying to take the American debate on the role of China, and America's relationship with China beyond the person of Trump.

As far as I'm concerned, the two key texts here were Senator Josh Hawley's speech at the Center for a New American Security[6] and the Elbridge Colby and Wess Mitchell piece in Foreign Affairs.[7] Both try to outline a Trumpian foreign policy without the Trumpism — in other words, without the erratic tweeting and the thuggery.

Both of these pieces are really important for Europeans to read, because they show that, on certain fundamental issues, conservative American thinking will outlast this particular president.

All three authors are in complete agreement on China being the key adversary that America needs to contain and if necessary put in its place. Interestingly, they also critique the fact that the administration ignores the consequences of interdependence. In other words, that attempting to use, or weaponize, economic interdependence, that's a two-way street.

They also agree with the Stephen Wertheims of this world — the advocates of restraint — that the next American administration needs to listen to and act upon the desire of Americans to disentangle the country from its "endless wars."

The consequence of that is most clearly articulated by Colby and Mitchell: America needs to get out of those regions that are no longer relevant to its security interests. Which is pretty much everywhere except Europe and China.

FIONA HILL: No mention of the Western Hemisphere?

CONSTANZE STELZENMÜLLER: None. What this means — firstly — is America retreating from Afghanistan, the Middle East, and North Africa. Seen from the vantage point of Europe, that means the disappearance of large parts of the U.S. security umbrella, and rising security risks are rising around Europe. It means, secondly — again, Colby and Mitchell state this quite clearly — the Europeans will feel more rather than less need for American support, in their own neighborhood, but also vis-à-vis China.

And so, say these writers, Europeans will have to "pony up." Not only does Europe's strategic threat environment become significantly darker — we Europeans are also being told, "if you want us to protect you against any of this, you're going to have to toe the line much more."

FIONA HILL: I haven't read the article, but the fact that they are not mentioning the Western Hemisphere suggests that there is a massive flaw in the thinking here, because we haven't mentioned China's influence in Latin America. And I know we talked about the Arctic — and Canada has huge trade with China. We talked about Venezuela — it's not just an issue of Russia sending in a few specialists, but of China's incursions there as well.

This shows me some of the flaws that we've had all the time in strategic thinking — forgetting the consequences of integration, but also the reality of global integration, and the fact that you can't just pick one region over another.

BRUCE JONES: When I'm talking to Europeans about what will and won't change if there's a new American administration in 2021, I always end by pointing out that the China policy will change. It will get tougher. The Democrats are tougher, and they argue that it's a mistake to think about the competition about China as being limited to the western Pacific and the Indian Ocean, that you almost have to take it as a global competition.

FIONA HILL: And one thing the Trump administration has not had is a comprehensive Western Hemisphere policy at all.

BRUCE JONES: The United States has never had a Western Hemisphere policy since the 1900s, but that's a different question. Although it's actually striking that — and the administration doesn't get credit for this — though there are flaws in the USMCA *[United States-Mexico-Canada Agreement]* in my view, in strategic terms, it actually makes it much more difficult for the Mexicans to go deeper into the China relationship.

CONSTANZE STELZENMÜLLER: This data plan is one of the biggest territories of competition right now, where American companies, including Microsoft, are attempting to get the Europeans and the Germans to buy American cloud data storage services, and the Europeans and the Germans are rebuffing them.

FIONA HILL: From the French perspective, the French would like their digital tax to help subsidize France's own digital sector — to create a European or French Microsoft, which they believe, is how it happened in the United States.

BRUCE JONES: I actually wrote about this issue in the Global China series on great power relations.[8] We see Microsoft, our most important artificial intelligence company in the United States, a key, frontier technology company, simultaneously signing a $10 billion contract with the Defense Department to provide cloud services to the U.S. defense industry, and doubling the size of their research base in Shanghai.

CONSTANZE STELZENMÜLLER: And that's exactly it. The cloud is clearly a significant area of competition.

TANVI MADAN: All this data shows that, for all the convergence on having concerns about China, within countries, and between countries, there are these differences that will shape, in a way, where this competition goes.

FIONA HILL: The Israelis, given their investment in tech and the digital space, were very keen on coming up with some solutions as well.

BRUCE JONES: Although if you scratch a little off the surface, there's an awful lot of Russian investment in the Israeli technology.

FIONA HILL: Even the Russians, if you got down to it, wouldn't want to just replace one hegemon for another. The Russians ultimately have the same concerns as everybody else, of China dominating the technology sector, which is an area that they themselves have always had some pride in. But the Russians would like to be pioneers in this world. So, it's not inconceivable that the Europeans could rope the Russians in this field in a positive way, if we can all get over the tensions.

TANVI MADAN: There was a discussion about the Huawei debate in India earlier this year. A point was made that in terms of different hegemons, the U.S. is going to find ways of using technology to have influence, China is as well.

It comes down to the question of do you trust the U.S. more, or do you trust the Chinese more?

FIONA HILL: The Russians don't even trust themselves.

BRUCE JONES: I think we are still in this phase where all the of sub-hegemonic powers, "tier two" powers, are exploring a variety of forms of relationships and light coordination. It's still in this very amorphous space. But it strikes me as a very important space for us to watch, as middle powers continue to read the signals and watch the dynamics unfold.

FIONA HILL: This is the multipolar world that the Russians kept talking about.

TANVI MADAN: "Floating coalitions."

FIONA HILL: That's a great way to put it.

ENDNOTES

1 China's unilateral attempts to change the status quo at multiple points of the China-India boundary since early May 2020 — and particularly the June 15 clash between the two militaries that led to the first fatalities at the China-India boundary in 45 years — will reinforce and indeed increase Indian concerns about China. They have already resulted in calls for a reassessment of India's China policy. These developments will also bolster India's desire to partner with countries like the United States that can help it build its own economic and military capabilities, and balance China — to what degree will depend in part on these partners' positions on China and India. See Tanvi Madan, "China Is Losing India," *Foreign Affairs*, June 22, 2020, https://www.foreignaffairs.com/articles/asia/2020-06-22/china-losing-india.

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