Transcript:

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| **Title Slide** 0:00-0:07 | The Institute for Freedom & Community  
Spring 2021 Series  
America After Trump  
Sheena Chestnut Greitens  
Minxin Pei  
Jonathan Stromseth ‘85  
China After Trump  
April 13, 2021—7:00 p.m.  
Virtual Event |
| **Introduction** 0:07-1:06 | *Edmund Santurri:* Good evening, everyone, and welcome to our event on *China After Trump* with our special guests, Sheena Chestnut Greitens, Minxin Pei, and Jonathan Stromseth. Our program this evening is the second of a spring term series of programs at St. Olaf College on the topic of America After Trump. My name is Edmund Santurri. I’m a professor at St. Olaf College and Morrison Family Director of the college’s [Institute for Freedom & Community](https://www.stolaf.edu/inside/outside/institute/), the Institute sponsoring tonight’s event and the spring series just mentioned.  
The purpose of St. Olaf’s Institute for Freedom & Community is to stimulate and support free inquiry and meaningful debate of important political and social issues among students, faculty, staff, and the larger public. By exploring diverse ideas about politics, markets, and society, the Institute aims to challenge presuppositions, question easy or comfortable answers, and foster constructive civil dialog among those with differing values and contending points of view. |
| **Acknowledgements** 1:06-1:58 | *Santurri:* For help in organizing our event tonight, as always, very special thanks go to the Institute staff, Assistant Director Erik Grell, Administrative Assistant Linda Carlson, and Student Assistant Jess Horst. Thanks also to Jeff O’Donnell, Joshua Wyatt, and the St. Olaf Broadcast Media Services crew and to Andrea Gaalswyk, Dan |
Hollerung, and Kari VanderVeen of St. Olaf Marketing and Communications. Thanks, finally, to St. Olaf faculty and students who have integrated their study with our program this evening, particularly participants in the Public Affairs Conversation supported by the Institute, the International Economics course, the Asian Conversations program, and other Asian Studies courses at the college. To remind our virtual audience members, you are invited to submit a question at any point during the discussion this evening by using the participate tab on the streaming page.

**Introducing Distinguished Guests**

1:58-5:03

*Santarri:* We are honored to have with us as our guests tonight Sheena Chestnut Greitens, Minxin Pei, and Jonathan Stromseth.

Sheena Chestnut Greitens is an Associate Professor at the LBJ School of Public Affairs at the University of Texas at Austin, where she’s affiliated with both UT Strauss Center and Clement Center for National Security. Her work focuses on authoritarian politics, East Asia, and American national security. Her written work on China and North Korea has appeared in prominent academic journals and in volumes in English, Chinese, and Korean, and in major media outlets. Her book, *Dictators and Their Secret Police: Coercive Institutions and State Violence*, received the 2017 Best Book Award from both the International Studies Association and the Comparative Democratization section of the American Political Science Association. She holds a doctorate from Harvard University, an MPhil from Oxford University where she studied as a martial scholar, and a bachelor’s from Stanford University.

Minxin Pei is the Tom and Margot Pritzker ’72 Professor of Government at Claremont McKenna College and is an expert on governance in the People’s Republic of China, US/Asia relations, and democratization in developing nations. He’s the author of three books. First, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union, China’s Trapped Transition: The Limits of Developmental Autocracy*, and *China’s Crony Capitalism: The Dynamics of Regime Decay*, all published by Harvard University Press. Pei has also been a contributor to a number of important scholarly and popular journals and is a frequent guest commentator on CNN, National Public Radio, and other news outlets. He earned his bachelor’s degree in English from the Shanghai International Studies University, master’s degree and PhD in Political Science from Harvard University, and an MFA in Creative Writing from the University of Pittsburgh.

Jonathan Stromseth has broad experience as a policy maker, scholar, and development practitioner. He is currently a senior fellow at the

There is much more that we could say about our distinguished guests. Our web page for this event contains further information. But for now, Sheena Chestnut Greitens, Minxin Pei, and Jonathan Stromseth, welcome. We’re so pleased to have you with us.

### Question 1: How should President Biden be thinking about China after Trump? How should any of us be thinking about China after Trump? 5:03-9:59

*Santurri:* One sometimes hears these days from certain China experts, people like Elizabeth Economy of the Council on Foreign Relations or Evan Osnos, who writes on China for the *New Yorker* magazine. One sometimes hears from such China experts something like the following general analysis of US/China relations. Since 1979, when President Jimmy Carter normalized US relations with China and up until the time Donald Trump became president, US policy toward China had been based on the idea, or at least the hope, more or less, that after a long period of China’s international isolation under Mao Zedong, the more the US engaged China as a respected player in the global political and economic game, the more cooperative and fair-playing China would turn out to be. The more open, internally, China would become. The more liberal, economically, it would become. And all of this would serve American interests, Chinese interests, and international interests in the long run.

So this analysis goes, things haven’t quite turned out this way. Under current preeminent leader Xi Jinping, according to this view, China has taken an authoritarian term domestically and its international behavior has become troublingly ambitious, expansionist, aggressive. At the very least, Chinese international comportment in this account hasn’t measured up to what some take as reasonable standards of fair play, equity, and reciprocity with respect to things like information and technology sharing, access to markets, trade agreements, and the like. Again, this is a familiar analysis these days, however controversial an assessment it might be.

In 2017, Donald Trump became president, offered his own critique of China’s behavior, and what he deemed as US complacency in the face
of that behavior, zeroed in particularly on what he saw as unfair trade imbalances between the US and China, imposed tariffs on Chinese imports to rectify the trade imbalances, and generally adopted a more confrontational approach to China than what we had seen in recent presidential administrations prior to his own. Critics of Trump said the tariffs hurt the American economy, instigated a trade war, and heightened hostilities between the two nations. All of this was made more intense by Covid-19 and China’s handling of the pandemic, which Trump criticized relentlessly. In addition, Trump’s America First policy prompted a revisiting of American alliances with other nations bearing on relations with China. For example, Trump pulled the US out of the Trans Pacific Partnership because he judged it wasn’t a good deal for the US, but critics thought that was a mistake since the partnership could have been exploited to exert leverage on China in various ways. More generally, critics argued, Trump’s foreign policy was too transactional, narrow, myopic. Treating foreign relations on the model of isolated business deals without a larger sustained, forward looking strategy for advancing US interests. In addition, according to his critics, Trump’s China policy didn’t pay enough attention to human rights, which allegedly were sacrificed too often as part of the Trumpian art of the deal in international negotiations.

Now Joe Biden is president and one might think this ought to signal a new state of affairs, but it’s early yet. The signs are mixed and complex, and the trajectories are uncertain. Just last week, President Biden’s Commerce Secretary, Gina Raimondo, said that the Trump tariffs on Chinese goods “helped save American jobs.” She said that there is a place for tariffs, and Biden himself has said the tariffs wouldn’t be removed right away. But for President Biden, tariffs are just one part of a larger strategy in what he characterized recently as, and I quote, “a battle between the utility of democracies in the 21st century and autocracies.” A battle that calls for, among other things, investment in technologies to compete with China’s own ambitious investments, the development of critical supply lines that do not depend on China, and an insistence on adherence to universal human rights in China’s dealings with Hong Kong, the Uighurs in Xinjiang, and others. We’ve got to prove democracy’s work, Biden proclaimed, in his first presidential press conference. This is the way President Biden is thinking about, or at least talking about, US/China policy after Trump, but now to our experts, how should President Biden be thinking about China after Trump? How should any of us be thinking about China after Trump? First, Sheena Chestnut Greitens.

Dialogue That Opens Minds
**Answer to Question 1:** China has become more repressive at home and assertive, even combative, abroad.

Our security strategy is based on democracies, but we also have strategic alliances with countries that do not value democracy and we have to learn how to balance that.

9:59-21:10

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**Sheena Chestnut Greitens:** Thank you very much, and let me just say it’s really a pleasure to be with all of you tonight and I look forward to the conversation. I think that as we think about the Biden administration, it’s important to think also about the history of where China has come from in the last five to ten years. And under Xi Jinping, I’d agree with your characterization from a few moments ago, that China has taken a more authoritarian turn and also a more personalist turn in the powers increasingly concentrated in the person of Xi Jinping himself. But that affects a lot of different facets of China’s behavior and overall. China has turned to be increasingly repressive at home and assertive, even combative, abroad. In the last five to ten years, what we’ve seen is that China has intensified repression in Xinjiang, tightened control in Hong Kong, it has engaged in an armed clash on its border with India, it has engaged in island reclamation and increasingly more assertive behavior in the South China Sea. Something I think we’ll talk more about later in the evening. And it has increased economic and military pressure on Taiwan with some of the recent flights and air packages being sent along the midline, Taiwan’s Airspace being sort of the most recent development, and some of that occurring even this weekend and earlier this week. That extends to actions taken against the United States and Europe as well, where in the course of a week, we saw the Chinese party state apply sanctions and threaten lawsuits against reporters, academics, research institutes, and political actors in Europe, the UK, Canada, and the United States in very swift succession, which sort of catalyzed a transatlantic conversation about how to handle some of the pressure that China is placing on academic freedom. Not now only within its own borders, where there have always been significant academic restrictions, but also on the international scholarly community. I think it’s really important to start from there and to remember, when we think about the Biden administration’s strategy, we’re thinking about a strategy that has been developed in the face of a real evolution in Chinese behavior. My own view is that some of that goes back to Xi Jinping’s conception of what he calls either national or state security and this concept of comprehensive national security that he premiered in 2014 and 2015. Part of that, China had never written down in official, national security documents, but in 2015 for the first time the politburo approved a national security strategy. It’s not public. We don’t know exactly what it is. We have media reports about it, but it seems really focused on assuring party primacy. It is the core of the national security concept is political security, which is the leadership of the Chinese Communist Party with Xi Jinping at the core. And it seems...
to really be concerned about external developments insofar as they have the potential to threaten party control at home. That has produced this whole set of behaviors that I just described. Increasingly repressive at home and assertive, even combative, abroad. Much of that behavior began at the end or the second half of the Obama administration when Biden was Vice President, but a lot of it really accelerated in the time of the Trump administration. For example, the escalation in mass detention and collective forced reeducation in Xinjiang really took a sharp uptick in the spring of 2017.

I think that’s a really important backdrop to understand what it is that’s driving the Biden national security strategy. We don’t have a full national security strategy from them yet to outline how they’re thinking about China and where it fits in their view of the world, but they’ve issued an Interim National Security Strategic Guidance, which is about a 15-page document that actually talks quite a bit about China and about Asia. It does, as you mentioned, say authoritarianism is on the march, that this is a threat to the United States, and it views democracy not just as a value to be defended, but also actually as a strategic asset to be deployed. Which is kind of a new way of thinking about or framing the importance of democracy in American national security policymaking. That’s something—it talks about autocracy as posing an asymmetric threat and the need for democracies to adopt what they call an offset strategy. In other words that there are certain tools that autocracies and authoritarian regimes have to take advantage of and erode the democratic advantage. The key task for the United States and like-minded democracies is to use the unique strengths that democratic political systems have to try to offset those advantages. That is a whole range of things around strengthening democracy at home, strengthening competitiveness, but also reinvigorating democracy abroad and really focusing on the alliances that are defined in terms of these shared democratic values and an interest in democracy.

Again, it’s pretty clear from that Interim National Security Strategic Guidance that China is a key motivator for this way of thinking about the world and this so-called democratic offset strategy. That’s the term that was used by a think tank report that was developed by a taskforce and about half of that taskforce is now in senior positions in the Biden administration. So I think it’s actually been a pretty good guide so far to the way they’ve approached policy.

Let me conclude by identifying two things that I think are going to pose challenges to that way of framing American national security strategy vis a vis China and in Asia. I think that we need to be realistic, that
every national security strategy has its downsides. Every strategy has costs. Every strategy has drawbacks. So this is not necessarily saying that they’ve adopted the wrong strategy, but we do need to think about where that strategy is going to run into challenges. When I look at policy in Asia, I see two.

One is that because China has adopted already a really ideological framework for thinking about state security, the emphasis on democracy and human rights is going to be really acutely concerning. Especially if they see that as in any way, whether it’s intended to or not, destabilizing of party control or even trying to put boundaries or limits on party control that the CCP might not want. Then that very framework could be seen as threatening to the CCP’s interests and it heightens on the Chinese side, the sense that there’s a zero sum competition going on. I think it can make some compromise and reassurance harder. Again, I see a lot of the drivers of that as actually being in the framework that China adopted under Xi Jinping, really starting back in 2013, 2014. I’m not sure there’s much that the United States or anyone else can do to change that framework. It’s just something we have to be aware of and live with as the United States implements this strategy.

The final thing that I’ll say is that this also poses some challenge for the United States both in Asia as a region in the Indo Pacific, but also globally. Because there are some pretty long-standing and important US strategic alliances and strategic partners that are not democracies. It was interesting in this Interim National Security Strategic Guidance that I’m talking about mentions NATO, it mentioned Australia, Japan, and Korea, kind of in the context of dealing with the challenge from an authoritarian China. The two alliances it didn’t mention are the ones in Southeast Asia, and that’s the American alliance with the Philippines and with Thailand. Both of those alliances actually predate the signing of the alliance agreement and the mutual defense treaties with Japan and Korea, but those countries have struggled more with their liberal democratic frameworks or are outright autocracies. That’s a problem that American foreign policy in general is going to encounter. Even if you think about the Middle East, there are a lot of American long-standing allies and partners in the Middle East that are also not democracies. So for the United States to frame its approach to the world in terms of democracy is going to potentially heighten some of the tensions and contradictions in US policy when it comes to countries like Saudi Arabia or Bahrain or other places.
Again, this is a global issue and one of the things that I think we’ll see the Biden administration trying to work out on a case-by-case basis over the coming months. But it is a really important point to remember and I would add, I guess, even some of the countries in East Asia that are themselves democracies, such as South Korea, don’t necessarily want to be forced to choose outright either the United States or China. They look to the United States for security, to China for a lot of their economic prosperity, and a choice would be very difficult for them to make. I think we’re going to see that this attempt to operate on the basis of shared democratic values produces some really interesting alignments, interesting progress, but also is going to pose some key challenges. It may be an effective tool to try to get a country like India to avoid democratic erosion, but it also, again, is going to open the United States to some pressure from civil society in some of these countries or from a question about how coherent its strategy is if there’s a partnership that’s really critically important but the current regime or administration in that country is not living up to its democratic promise. That’s one of the most interesting wrinkles in the implementation of this strategy, and it will be interesting to see where the administration takes it. I will stop there and look forward to hearing what my colleagues have to say and discussing these ideas further with them. Thank you.

Answer to Question 1: The political elites in both countries are in a sort of Cold War like situation. It’s an open ended conflict and it will take at least 30-40 years for them to return to normal relationships.

Santurri: Thank you, Sheena. Now Minxin Pei, how are we to be thinking about China after Trump?

Minxin Pei: Thank you so much, Ed, and I want to thank the audience for having me here tonight. Of Trump’s foreign policy legacies, US/China relations is the most consequential and is going to be the longest lasting legacy. A lot of my colleagues and myself, included, believe that we are entering probably a full generation of very hostile, sometimes very dangerous, confrontation with China. This is a very different world compared with 2016. This is an opening remark. That’s because the elites in both countries believe, and I’m talking political and to a lesser extent economic elites, that these two countries are in a sort of Cold War-like situation. An open ended conflict and it will take at least 30-40 years for them to return to some kind of normal relationship. Because of this perception, Chinese leaders have developed a set of strategic assumptions and countermeasures. They are mobilizing this open-ended, Cold War-like strategic competition or whatever you want to call it. What are they thinking about this relationship? Based on their recent behavior, most of us are surprised that the Chinese leaders are throwing away an opportunity to cooperate.
with the Biden administration, to lower the temperature, to show some good will, and build some kind of off-ramp. I think this kind of behavior is closely connected with their assumptions and their strategy going forward.

What about their strategic assumptions? There are two sets of assumptions. One set of assumptions deals with their perceived strengths for China. The other is a perceived weakness. So what are the strategic strengths Chinese leaders believe that they possess in their drawn out strategic competition with the US? I want to briefly mention three. In this discussion we really have to keep in mind the history of the Cold War, because going forward, both countries will be informed and heavily influenced by our interpretation of the Cold War and by the history of the Cold War. So the Chinese leaders believe that they are much better positioned than the Soviet Union in dealing with the US.

Because of two things. One is that the Chinese economy is a much more productive economy than the Soviet economy. The Soviet command economy was real horrible in terms of its efficiency. The Chinese economy is not as productive as the US, but it is a lot more productive than the Soviet Union. Secondly, they also believe that they have stronger growth momentum. The Chinese economy, the growth potential is about 60 cents a year. The Chinese per capita income is still about a third of the US. The US is a very controlled economy. There’s a limit to how far the US can grow. So if the Chinese economy does not collapse then it’s not really a possibility as far as I can see, then it’s a mathematical certainty that they are going to surpass the US. So when you are looking at the Soviet Union, at its peak, the Soviet GDP was about 30-50 percent of US GDP. So if you think that the size of the economy matters, it matters in two ways. Again, this is from the Chinese perspective. One is that they care much more effectively, or they can afford to finance a drawn-out geopolitical competition in general, and an arms race in particular. I was reading Gorbachev’s memoir. It’s a book I actually highly recommend you read because it has a lot about China’s future. Gorbachev said that the Soviet economy, the Soviet Union was spending 20 percent of its GDP on the arms race. And just because the Soviet Union was 30-40 percent of the US economy. And that is a game that’s going to bankrupt the Soviet Union with a high degree of certainty. But the Chinese leaders believe that they are not conforming to that. Even if they need to invest a huge amount in the arms race, they can stay in the game long enough.

The second is that the psychological change that comes with the perception that Chinese [inaudible 26:55] and that already is
unimpaired political power parity. I think we’ll shift to strategic
calculations. So they first count economically. Secondly, also looking at
the Soviet Union and Cold War history as it quickly would [inaudible
27:17]. This time, it would be very difficult for the US to build a
broad-based alliance against China. That’s because China is deeply
embedded in the global economy. The Soviet Union was really isolated
from the global economy. So other countries will have to pay an
upfront bill if they want to join the US alliance and Australia is not
being forced by China to pay the bills. So they believe that in this
globalized world, a fight in the Cold War would be very difficult for the
US. They also think that US/China competition is all about raw power.
I think that’s why it is quite smart for the Biden administration to
reframe this conflict. Because if the US/China competition is thriving,
it’s framed to dependent countries in all the rest of the world as a pure,
raw struggle for power. Then those other countries will not join.
Because few countries have any interest in seeing just one colossus
over the other for the reason of attaining global hegemony. But if that is
the case China pleads, that not many countries would join the US.
Because China is not a security threat to most countries in the world,
unlike the Soviet Union. The Soviet Union was a security threat and
also an ideological threat. Except Japan, India, Taiwan, and maybe
Vietnam, China’s growth in military strength does not pose a real
problem. All the countries really don’t feel the same level of threat.
And on top of that, most countries would believe that the bigger the
threat to humanity is climate change. And they will have genuine
trouble thinking about China as an existential threat.

So these are the strategic assumptions. Whether they are correct or
wrong, I think, will be seen. Personally, I think they have some basis in
reality. But the Chinese leaders also know that they are very vulnerable,
a lot weaker relative to the US. Just by a broad trajectory. That is first
of all militarily. Their military is actually a lot weaker than the US. The
US has a very capable fighting force, battle tested and thanks to the end
of the Cold War. If there has to be a fight, it’s unlikely China would
prevail. They would be lucky to have a draw in this kind of military
conflict. So China’s strategy is to avoid the short- to medium-term
direct military conflict with the US. That, I think we should bear in
mind. Because we hear a lot of loose talk about China trying to use its
military force to take back Taiwan. It is highly unlikely because that
will be almost suicidal for China to do within the next decade.

Another weakness China has is really its weak technology. China may
have some niche technology that is pretty good or close to the US level.
For the most part, Chinese technology cannot compete with the US. In the last two years, US technology perceptions are having an effect on China. Just take the case of Huawei. Huawei used to be number one in the world. Now it’s dropped to number five as a result of US sanctions. And China is aware, painfully aware actually, of its technological weaknesses in existence. So going forward based on these two assumptions, China is going to develop and formulate and put into effect a largely domestic-based strategy. China believes that if it was to stay in the game, it has to sustain economic growth and overcome its technological disadvantages. So in the last National People’s Congress, they have the next idea plan and [inaudible 32:08] and it really has two focuses.

One is to reorient economic growth from external demand to domestic demand. That is because the Chinese economy is already [inaudible 32:25]. They believe that if they can sustain the growth, they can do five to six percent for the next ten years, they would be much less vulnerable to trade wars. The other is they’re going to invest massively in domestic technological development. [inaudible 32:48]They want technological sufficiency because they want to achieve resilience and self-reliance in some critical areas of technology, especially computer chips, avionics, engines. So these are areas where the US leads China by a huge margin. This is where they are headed.

Now what can go wrong with it? I point out three. That is, even though they are strategic assumptions [inaudible 33:26] they still want to avoid a military conflict with the US. There are two sets of very dangerous [inaudible 33:32] that could actually make this conflict more likely than they would otherwise like to see. [inaudible 33:42] China comes into this geopolitical conflict with a definitely weaker military. So it would be quite understandably [inaudible 33:55] ramp up investments in arms, an arms race. So we’re going to see an arms race. An arms race itself is very dangerous.

And second is Taiwan, because the foundations that have maintained stability in Taiwan have collapsed. So escalating tensions between the U.S. and China [in this regard] So that’s one. The other is that the economic strategy may not be successful. Because they’ve been talking about domestic [inaudible 34:28] since [inaudible 34:31] ages, for at least two decades, and they’ve not really made that much progress. So it’s doubtful that they’re going to do [inaudible 34:39] at this time. And third is that they should not assume [inaudible 34:45] American allies will stay neutral. I think Chinese conduct can actually drive them towards the U.S.. Because they have to be very, very helpful if they
want to stay [inaudible 34:59]. So I guess I’ll stop here and leave the floor to my other colleagues.

**Answer to Question 1: We should compete with China in some realms, cooperate with it in others, and confront the Chinese where we must. The US needs to up its economic game in Southeast Asia with allies and partners. We should consider joining the TPP. We should engage China on climate change initiatives.**

35:07-47:22

_Santurri:_ Thank you, Minxin. Now Jonathan Stromseth, how should we be thinking about China after Trump?

_Jonathan Stromseth:_ Let me start by thanking you, Ed, for the invitation and I also wish this was in person, because if it was, I wouldn’t be just coming back to my alma mater, but actually the town that I grew up in and could see my parents after this event and have a glass of wine with them. But hopefully we can do that next year. I’d like to start by saying I really appreciated how you framed your opening remarks, and I think I’ll touch on a couple of those points myself, and then transition into what the Biden administration is doing or could do.

First, I think the debate that we’ve heard a lot about in the last few years about changing China, and perhaps overly ambitious notions of that, is somewhat misplaced from my own personal experience. For instance, I lived in China for eight-and-a-half years until six or seven years ago, heading up an American NGO where we looked at environmental protection issues, women’s empowerment, but we also supported Chinese legal reforms and governance reforms. Sometimes these were very significant. Reforms to create open government information, greater transparency, public participation, and sometimes we were able to measure reduced corruption and that kind of thing. But while it was an exciting time, I was never really under the illusion that this was going to create systemic change or that big change was around the corner. I kind of understood China’s political system for what it was. Similarly, in my time with the Obama administration in the second term, it’s true that we tried hard to create areas of cooperation with China to help address global threats and challenges like climate change, global health issues like Ebola, but frankly we always started from the premise of, what is the US interest? Seeing if there’s overlap with China in those interests. Then trying to mobilize Chinese resources for American foreign policy goals that we had already predefined. Sure, we saw the problems and we also continued to push back where there were differences, and there were many. But I just see a little more of a through line, I’d have to say, compared to some others.

Then, of course, as you pointed out, we had the Trump administration and a lot changed. We appeared, as Henry Kissinger has said, in the foothills of a new Cold War. This is particularly true in the part of the world that I tend to focus on most these days, which is Southeast Asia, which is a very dynamic region of 650 million people, 10 countries,
and is sometimes seen, and I see it, as a sort of testing ground for China’s rise in the world more generally. And it’s a hotbed or epicenter of the US/China rivalry and competition in the world. There, China is trying to basically realize its longstanding territorial claims in the South China sea, as Sheena mentioned. But what I’ve really noticed in the last few years is that China is achieving its strategic goals in the region through what we sometimes call economic statecraft. Or just economic activities and influence through the Belt and Road Initiative, new trade initiatives, for instance, and also just incredible integration economically. Not just in trade, but also in supply chains. In that context, the Trump administration really presented a choice to Asia about, and this was literally in their national security strategy and defense security strategy, about encouraging the region, effectively, to choose between a free or repressive vision of regional or world order. It also talked about China as practicing predatory economics, debt trap diplomacy, preaching to a region that needs about $210 billion a year in infrastructure support just to maintain their current level of economic growth. This provoked a mantra from the region that we heard, which isn’t always constructive. But it was, don’t make us choose. I think in the past, they’ve long felt that, and they felt it equally toward China and the United States. But at least in the Trump administration it was certainly pointed more in Washington’s direction.

Today now, the new Biden administration, of course, is in the White House and I’m very pleased, if I can say, that we have a very sophisticated and experienced team back in charge. Rather than alienating allies and partners, they’re engaging them in an effort to try to build leverage and more effective competition with China. The administration has specifically said, and I quote, or paraphrase, that we should compete with China in some realms, cooperate with it in others, and confront the Chinese where we must. So far, I think, and I think you hinted at this in your remarks, Ed, we’ve seen mostly confrontation. While, as I understand it, a big China review is underway within the administration. So it’s very early days, and we’ll see how it turns out. I certainly agree that the US should stand up to China when it violates international law, say in the South China Sea, or threatens democracy in Hong Kong. But I think it’s also important, as there’s all this talk of a new Cold War, that as a colleague of mine, Ryan Hass, recently wrote in Foreign Affairs, we should remember that China is not 10 feet tall. It’s also important to right-size China in order to get a proper diagnosis of what we’re competing against and get our own China policy right. I would say, for example, look at the kind of democracy debate that you also, I think, brought up in your remarks.
Obviously democracy is very challenged around the world. It’s very challenged. There was a New York Times story just yesterday about the challenge of democracy in Southeast Asia, whether it’s Thailand, the Philippines, or of course, Burma. But I think we have to be careful not to jump too quickly to the conclusion that this is all because China is promoting some kind of authoritarian model, whether in its own likeness or otherwise. Personally, as someone who’s lived a great part of my life in Southeast Asia, frankly I’m very sympathetic to a view that looks at historical and domestic drivers as the key problems. Sure, there may be indirect effects. I think China’s certainly trying to undermine notions of Western democracy by highlighting its flaws through their own propaganda. I think that it’s also exporting surveillance technology, which I don’t think is the primary driver of authoritarianism in Southeast Asia, but indirectly, it may be perhaps supporting already-existing authoritarian trends or inhibiting a democratic consolidation in some cases. But you can see, for example, in the tragic coup in Burma just recently, I think people were quick to think, oh, it must have been because of China. Well, in fact, China had been trying to have warming relations with Aung San Suu Kyi before she was overthrown because it saw that pathway as the best way to basically ensure its own strategic interests in Myanmar, whether it is Myanmar’s active participation in the Belt and Road Initiative or its access to ports and that kind of thing. Meanwhile, the Burmese military, which has a very deep historical role in Burmese politics had long standing suspicions of China. Now that could change. We’ll see how the chips fall as China watches and sees and sees what is it’s best play going forward. But personally, I think as the United States and the Biden administration starts to rethink some of its policies in the region, including foreign aid policy, I think it’s just if not more important to look at these internal drivers and problems as it is focusing or overly fixating on the China threat to democracy.

Let me just close with a couple thoughts on specific policy recommendations. I said earlier that I think China is really achieving a lot through economic statecraft, or otherwise achieving foreign policy goals through economic means and mechanisms. I really believe that that’s true and for the United States to be able to compete effectively with China in Southeast Asia, again the region that I worked on the most, I really think that it needs to up its economic game in the region with allies and partners, particularly Japan, perhaps Australia, Singapore, and others. In Southeast Asia, the region that is becoming so closely bound to China these days is the Mekong subregion or mainland Southeast Asia, which is really Vietnam, Cambodia, Laos,
Thailand, and Burma. Vietnam is quite fiercely independent, Thailand, in fact, in some ways, they all are, but there’s a lot of economic investment there.

I think one thing the US could do, for instance, the Trump administration made some efforts. They tried to up the economic game by creating trilateral mechanisms or agreements with Japan and Australia and others in order to improve the US footprint. But these weren’t really operationalized and few projects have resulted. I think that the Biden administration could help to basically operationalize and accelerate some of these agreements. Not to necessarily confront BRI, or the Belt and Road Initiative in Southeast Asia, but to create alternatives and then perhaps reengage China from a position of strength.

I also think the Biden administration should try to at least begin the exploration of joining the TPP or what’s called the CPTPP. That’s a heavy political lift, but it would give the US a lot of leverage vis a vis China in the region.

Finally, I think there are opportunities to engage China on climate change. This could send a real positive signal to Southeast Asia, which is a region that is very vulnerable, as a maritime region, to global warming. That some kind of cooperation is possible between the United States and China going forward. I don’t think this necessarily needs to be a bilateral initiative. It could be done in an international or multilateral context. For instance, the World Bank has a lot of trust funds that might be a two-country trust fund or a multi-country trust fund. Something like that could be set up, supported. I think it’d be great if it did have the sort of US/China bumper sticker so people could see that cooperation. And then third countries who are trying to mitigate climate change or just deal with the problem could apply for those funds to basically help meet their commitments under the Paris Agreement, for instance.

Those are just some ideas I have going forward. But happy to now participate in some discussion.

Question 2: How does the Biden administration’s taking a stand on human rights violations in China and imposing
sanctions relate to the concern about being pragmatic, being sensitive to the fact that some of the allies are authoritarian in their sensibilities and systems? What do you think about how the Biden administration came out on that fairly strongly?

| Sanctions on Chinese officials for interfering with Hong Kong’s democratic processes. But then subsequently, there was the meeting in Alaska between US and China representatives where the Chinese reps objected to US lecturing of China on human rights as an overstepping of national sovereignty boundaries and as hypocritical given, in this objection, US violation of human rights within its own borders. In this context, one of the Chinese representatives cited Black Lives Matter and American police brutality in support of its indictment of the United States on human rights. Nonetheless, the Biden administration insisted calling China out on human rights violations would continue. What do people on the panel think about that? Let’s just start with Sheena. Do you think that they came on too strong, too early on that matter, or was that something that the Biden administration says, here we stand. We can do no other. This is such an important matter. We have to take a stand here. We can’t back down on it. How does that relate to the concern expressed about being pragmatic, being sensitive to the fact that some of the allies are authoritarian in their sensibilities and systems? What do you think, Sheena, about how the Biden administration came out on that fairly strong? |

**Greitens**: I think it’s a great question. It seems to me, it strikes me that this really is a core values commitment on their part. I would say that includes President Biden himself. One of the other areas I work on is North Korea and President Biden, when he was Senator Biden, was pretty instrumental back in 2004’ish in passing the North Korean Human Rights Act. This is a principle and a set of commitments that I think he brings to the office and he has a team that shares that. Many of them had spent four years thinking about how to operationalize that in a strategic sense. It’s very clear from what they’ve said that they also believe there’s a lot of work that needs to be done to reinvigorate American democracy at home. The national security strategy actually has a fair amount about American domestic politics and what’s needed to build and strengthen American democracy.

My sense is that they see that as a sort of shared global project. That democratic erosion or concerns about defending and safeguarding democracy include the United States. As they said in Alaska, I take them at their word that their response is, we know it’s not perfect. That’s in the strategic documents that they had issued. And they see that as an area where there’s still a lot of room to partner with other imperfect or flawed democracies to still try to improve the quality of democracy and improve public services, public goods provided to citizens. I was really actually interested and heartened to see that the

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**Answer to question 2**: It’s a core values commitment on their part including President Biden himself. They also believe a lot needs to be done to reinvigorate American democracy at home. They see it as a shared global project. Cities often adopt Chinese surveillance technology to quell crime, but instead it increases repression. But we will have to confront that the Chinese critique of
Quad [Quadrilateral Security Dialogue] focused on emerging technology, which is an area that I’ve looked a little bit at. I’ve looked at Chinese exported surveillance technology. That’s a really important area where I think we do need to come up with a democracy-compatible alternative to some of the technologies that China’s exported. Some of the work I’ve done, including a paper that was published by the Brookings Institution, I looked at the spread of Chinese surveillance technology. One of the things we see is that cities and provincial governments in countries often adopt that technology because they’re looking for a solution to urban safety problems and violent crime. It turns out the technology doesn’t work very well for actually fixing violent crime problems. This is part of the [inaudible 52:04] project I’m doing now and it does actually increase or facilitate repression. Now maybe those regimes, to Jonathan’s point, were democratically backsliding and becoming more repressive anyway, but the technology does appear to facilitate human rights abuses when it’s adopted.

I was really heartened to see that the Quad identified emerging technology as an area to work on. Same with vaccine provision. This is a global public good. It’s important to the United States that the world gets vaccinated, not just that the United States does a good job. The whole lesson of the pandemic is that public health issues that start overseas can have a huge impact on the United States. Those two areas strike me as really important. If I have one concern, it’s that at times, the United States has shown up in countries in Southeast Asia or around the world and wanted to talk about China before it talks about the interests or developments in the country it’s actually sitting in and having this conversation in. For example, in Malaysia, before the United States, the first thing out of the United States diplomats’ mouths, and we have very talented diplomats. I’m not saying that this is always what happened, but at times, some of the rhetoric from the administration was too single-mindedly focused on China rather than looking on a country-by-country basis saying, what are the shared interests we have in this specific country. Where is there room to work together? And China can be a part of that puzzle, but not the sole driver of the United States’ relationships with other countries.

In terms of the emphasis on human rights, clearly there are massive human rights challenges in China today, particularly, but not limited to, Xinjiang. I think some of the critiques also that we heard from Chinese diplomats are things that China has been saying in a quieter way, for example in the human rights report it writes on the United States every year.
year, for some time. Criticism of racial politics or inequality are pretty long standing Chinese complaints. It’s unusual to have these aired in that kind of public discussion, but I think given the direction that relationship had gone, some of that tension is going to be unavoidable given the way that the Biden administration is approaching this and I think those are sincere commitments. To me, I don’t see really a way around confronting that this is an area where there really is growing tension given the importance the administration places on that and the direction that China has chosen to take those issues.

**Question 3: How much does the Chinese population know about what’s happening with the Uighurs in Xinjiang?**

Santurri: Thank you. Here’s a question we’re getting from the Asian Conversation Program at St. Olaf and it relates to the human rights issue. How much does the population of China know about what is happening in Xinjiang with the Uighurs? Minxin?

**Answer to Question 3: There is censorship, but the Chinese people are generally behind the government and buy into the propaganda.**

Pei: I don’t think they know that much because there’s a lot of censorship about what’s going on. But just based on really no scientific surveys, just based on my reading of Chinese social media and so forth, more or less Chinese people are behind their government on this. This is a very regrettable thing to say, but Chinese people seem to have bought their government’s propaganda that there’s a serious problem of terrors in Xinjiang and the government is doing its best to maintain stability. And the West has singled out Xinjiang, not because of problems in Xinjiang, but because Xinjiang is such a cudgel with which they can hit China. So that is the situation within China as far as Xinjiang is concerned.

**Answer to Question 3: The US needs to stand up for its values. We need to compete, cooperate, and confront all in one and still have an effective relationship with China. We need to be able to coexist and cooperate and**

Santurri: Thank you. Jonathan, what’s your take on the Biden administration’s human rights issues as part of the larger diplomatic project?

Stromseth: I’m just trying to get rid of that echo. I really can’t add much to what Sheena said on that. I think the US does need to stand up for its own values in these situations. I think what we have is, as I mentioned in my opening remarks, kind of three balls in the air right now. It’s how to compete, cooperate, and confront, all in one, and still have an effective relationship with China in terms of managing friction and achieving some level of cooperation on global governance issues. This is going to remain a feature of this administration. I think it’s something they’re committed to and I think it’s something the Chinese are going to have to get used to. We’ll just have to watch it from that...
that will likely be about climate and global health issues.
56:27-58:56

perspective and see whether or not it’s possible for the Biden administration to thread the needle. Former Secretary of State John Kerry is now, of course, the US Climate Envoy to the world. He is in China this week and it’s the first high-level visit. We’ll see if he’s able to isolate this issue and create some progress while this other stuff is going on. It’s a work in progress. Many of the people who now have high-level positions within the administration have written in foreign affairs and elsewhere that we need to learn how to coexist with China and we need, ultimately, to find some way to cooperate. The question is, how will that happen. When are we going to turn to those things and what will they be about? I think odds are they’re going to be about climate and global health issues like pandemic preparedness.

Audience Question 1: Will Western companies will be able to continue to operate in China while maintaining a commitment to human rights?
58:56-59:43

Santurri: Thank you, Jonathan. I think now we’ll go to a question prerecorded on video, so let’s hear that.

Matthew Myers: Hi. My name is Matthew Myers. I’m a junior Math and Quantitative Economics major and I’m currently taking International Economics. My question is this. Western companies such as H&M and Nike are facing backlash and boycotts in China over their condemnation of the use of forced labor in the Xinjiang region of China. This has threatened their access to one of the world’s largest markets. Do you think that Western companies will be able to continue to operate in China while maintaining a commitment to human rights? Why or why not? Thank you.

Answer to Audience Question 1: It’s not an issue that we’ve seen a clear set of principles or strategy or plan laid out on. We can’t rely too heavily on China because, for example, the speech of one person can cause them to disengage as it did with the NBA. This is not an issue with easy

Santurri: Sheena, do you want to try that?

Greitens: I’m happy to try that, although my colleagues may have a few things to add. I think this is going to be increasingly difficult for US companies. At this point, there is such a lack of clarity about the use of forced labor in Xinjiang and there are so many suspicions of the supply chain that it’s very difficult for a Western company to have confidence in any operations in Xinjiang or that uses products from Xinjiang. I think as it relates specifically to Xinjiang, that’s going to be an ongoing issue and it’s now expanding to other issues like the issue of solar technology was in the news earlier today.

But I think the other issue that this really brings to the fore is the vulnerability that comes with operating in and developing reliance on the Chinese market, just as a matter of corporate strategy, if one wants to retain some sort of political independence or to disagree with or depart from agreement with Chinese practices. The United States and American companies are not alone in having this challenge. There have been economic boycotts and attempts at economic coercion applied to
answers and we need to see more of the administration’s plan.
59:43-1:03:28

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<th>Answer to Audience Question 1: China is a big consumer market for the US and a critical supplier. They can’t just write China off. It will be a problem for 10-15 years. If companies make a statement, they should coordinate because China will be careful if it has to deal with all the companies. China</th>
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<td>Santurri: Minxin, do you want to address this?</td>
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<td>Pei: I think Western companies are between a rock and a hard place. That’s because China is both a very big consumer market for them, but also a critical supplier. So they cannot afford to just write China off. I see this as a problem for the next 10-15 years. Because unless they find alternative markets for growth and production, they’re stuck with China. That’s their real problem. But they are now trying to find a solution to this. So China’s leverage will decrease over time. The other issue I think these companies probably should think about is that, if they want to take a stand, they better coordinate among themselves. China can pick one company off quite easily, but if it has to deal with all the multinationals, then China will be actually very careful. The third point I want to make is that China has to be careful because if it keeps only in Western companies, then it will be actually shooting itself in the foot. It will be engaging in a process of economic</td>
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Australia, to Norway, to the Philippines, to Taiwan, to South Korea. So the United States and US companies are far from the only ones to be facing this pressure, and it’s now become a feature of China’s economic statecraft. It’s the counterpoint, I think, to some of the issues that Jonathan was raising earlier about China’s growing economic weight in Southeast Asia. That comes with this potential vulnerability to pressure if a country or a company takes a stance that is inconsistent with the preferences of the Chinese party state.

Again, I think this is something the Biden administration highlighted in some of its strategic guidance. It’s not an issue that we’ve seen a clear set of principles or strategy or plan laid out on. But I think it is an area that we’re likely to see conversations with allies and partner in Europe as well as throughout the rest of the world because this has become a repeated issue that has really affected and is seen now as affecting not only corporate practices, but in the case of the NBA, the speech of one particular individual then was used as a reason to hold the NBA’s operations in China in abeyance. That really has the effect of chilling speech and individual freedom of speech among the individuals in the United States or worldwide. I think this is not an issue where there are easy answers. We don’t have enough information about the administration’s strategy yet, but I do think this is an area that we’re going to see come up and be addressed at some point in the next four years. But I don’t know if Minxin or Jonathan have something they’d want to add to that?
must be careful to not decouple with countries around the world, not just deal with Western companies.
1:03:28-1:05:11
decoupling with the rest of the world. So we’re talking about a difficult situation and probably with some very diplomatic handling, they can find an interim solution to keep things under control.

| Answer to Audience Question 1: One possibility is companies having a China+1 strategy where they move some factories to other countries, but that will happen very slowly. China’s economic relationship with other countries has both inducements and threats. So countries want the economic benefits of dealing with China but are also wary and concerned about how China could react to provocative behavior on their part. 1:05:11-1:07:56 |
| Santurri: Thank you, Minxin. Jonathan, you want to add anything to that? Stromseth: I could just add that I think it’s a really good question and it’s actually going to become a bigger and bigger issue as the Olympics approach, where I think it’s really going to put, as Minxin said, American companies between a rock and a hard place. Whether they’re standing up for some values in this case, or the bottom line and access to the Chinese market or Chinese production platforms. One possibility that we’ve been seeing already emerging is that a lot of companies have a kind of China +1 strategy, meaning they’re starting to put some of their operations, if they actually have factory and production platforms in China, to other countries in Southeast Asia. Vietnam has been a great beneficiary of this. You also see Thailand and other Southeast Asian countries. But at the same time, I think China still basically produces about 20-25 percent of global value added. So while shifting some operations to Southeast Asia can be a huge boost to those countries, I think there’s a limit to how quickly this can happen. It’s going to be slow. I would finally just agree with Sheena very much about how China’s economic relationship to other countries, which we call economic statecraft, it has both inducements like this board for infrastructure development and often, at least sometimes, positive two-way trade relationships. But it can also, as some of these companies are finding, have threats. So it’s a combination of inducements and threats, and certainly some countries in Southeast Asia have experienced this when they stopped buying bananas from the Philippines or there’s a cutoff, especially of tourists, which can really devastate economies in Southeast Asia. So they’re used to playing this game, and it’s one reason why most countries are both wanting to have the economic benefits that come with a strong relationship with China, but they’re also wary and concerned about what some provocative behavior on their side could produce in terms of China’s behavior back towards them. |

Dialogue That Opens Minds
| Audience Question 2: Will countries boycott Beijing’s Winter Olympics because of internal affairs in China? | Santurri: Thanks, Jonathan. You mention the Winter Olympics and we have another question from the Asian Conversation Program. There was some controversy related to the Winter Olympics in Beijing. Do you think countries will boycott because of internal affairs in China? Jonathan, you want to take that? |
| Answer to Audience Question 2: I think countries will participate. | Stromseth: I think that most countries are going to go through with it and participate in the Olympics. I haven’t been following this terribly closely, but that’s my gut sense. There will be an effort to isolate and separate official policy versus the interests and plans of the athletes themselves. |
| Answer to Audience Question 2: I think a partial boycott with no Western advertisers or political leaders is more likely than a full boycott. | Santurri: Minxin, you have any response to that? Pei: There was a story in the Financial Times about a week ago about the US State Department spokesperson talking about looking into this issue. Then within 48 hours, the White House shut it down. I think the likelihood of a full boycott is still low. Of course, something can happen in between now and February next year. But something like a partial boycott, that is, Western companies will be asked not to advertise and no Western political leaders will go, that is far more likely. |
| Audience Question 3: What is your perspective on the Belt and Road Project? | Santurri: Thank you, Minxin. Let’s move to the next video question. Michael Parades: Hi. I’m Michael Parades. I’m a junior here at St. Olaf majoring in Quantitative Economics and Political Science. I’m asking this question on behalf of my International Economics course. In recent years, China’s been developing its Belt and Road Project, providing a lot of financial assistance to developing countries along its Belt and Road route. I’d like to know your perspective on the Belt and Road Project and whether we should see any change in China’s role in these developing nations given the new Biden administration? |
| Answer to Audience Question 3: There was a lot of effort in the Trump administration to demonize the BRI, but they realized that wasn’t playing well as policy. | Santurri: Jonathan, you’ve been pressing economic statecraft, so what do you think of that? Stromseth: Excuse me a second. My colleague, David Dollar at Brookings, I would encourage you to look at his writing on the Belt and Road Initiative, which is expansive. Both his writing and the initiative itself. He tends to focus on where China is really investing their money as compared to what are the officially designated Belt and Road countries around the world. But when the Belt and Road Initiative first came out, there was a lot of concern, including in the developing world, |
There are only debt issues with Laos and Cambodia. In the past few years, Southeast Asian countries have been getting smarter in the way they negotiate with China. They make sure BRI projects they accept are supporting their own priorities for infrastructure.

and again, I focus primarily on Southeast Asia, that it may actually result in some debts and other things. In Southeast Asia, we see that particularly in Laos, maybe a little bit in Cambodia. But I think while there was a lot of concern, particularly during the Trump administration, and effort to really demonize the Belt and Road Initiative, eventually even the Trump administration realized that this wasn’t playing very well as a policy. In Southeast Asia, for instance, as I mentioned, it’s really only Laos and Cambodia, and primarily Laos, that are facing debt issues in terms of its debt ratio and so on. What you saw over the last three or four years is Southeast Asian countries getting smarter in the way that they’re negotiating with China. Indonesia has done that. It’s basically taking great strides in trying to make sure that whatever Belt and Road Initiative projects they accept really are supporting their own domestically determined priorities for maritime infrastructure, for instance. In Malaysia, there was a celebrated case where when Mahathir came back to power, he tried, well he successfully renegotiated a railway project. I think he brought the project about a third down in price. What we’re finding is that in this case, in this region, Southeast Asia is successfully getting smarter about basically how they’re dealing with China, negotiating with China on BRI. And the Chinese are recognizing their implementation mistakes and preempting criticism in advance. In that region, both sides are definitely getting smarter, which in my opinion, means that it’s likely that we’re going to see a more enduring possibility for the Belt and Road Initiative. A more sustainable aspect of it.

The one thing I would add to play off of one of Sheena’s comments where she was talking about the Quad, or what’s called the Quadrilateral Security Dialogue, which is really coming up fast toward the end, or making a comeback toward the end of the Trump administration and now especially during the Biden administration. The Biden administration has tried to expand this group, which includes the US, Japan, Australia, and India, beyond just security issues and it also includes, as Sheena mentioned, work on technology, a vaccine working group, and also a climate working group. As much as some other region of bodies like the Association of Southeast Asian Nations in Southeast Asia might be a little suspicious of the Quad because it’s kind of stealing its thunder, they’re at least encouraged about a greater focus on economic issues. I would hope that they might even think about creating an infrastructure working group, where some of those platforms I mentioned, agreements between Japan, say, Australia to the US, agreements between the US and Singapore, et cetera, could be operationalized and accelerated so that there’s more alternatives for
infrastructure in the region, which involves the United States and it’s not just all about BRI.

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<th>Audience Question 5: If the US bans a Chinese company like Tik Tok, will China retaliate by banning a US company? 1:14:53-1:15:42</th>
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<td>Santurri: Thank you, Jonathan. Next video question.</td>
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<td>Nathan Pelant: Hey, how’s it going? Thanks for joining us. My name is Nathan Pelant. I’m a senior here at St. Olaf College and I’ll be asking this question on behalf of my International Economics course. Over the summer, a hot topic was TikTok and how the US was considering potentially banning it in the US over data privacy issues and possible connections to Chinese government. I guess a follow-up question off of that would be, if the US ever did go to the lengths of banning a Chinese company from operating within the United States, do you think that China would retaliate in a sense and consider banning a US company from operating in China? Or how do you think that would shake out? Thanks.</td>
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<th>Answer to Audience Question 5: China has pre-retaliated. American tech companies cannot operate in China. So from a retaliatory perspective, banning Tik Tok would already be justified. But Trump’s reasons for wanting to ban it are not that good. 1:15:42-1:17:56</th>
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<td>Santurri: Minxin, you want to take that?</td>
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<td>Pei: The TikTok issue is really interesting. That’s because the Trump administration’s policy so far has suffered legal setbacks. There’s a legal injunction against the administration banning TikTok. We will see how the Biden administration will handle this issue. Actually, China watchers are looking at the Biden administration’s decision very carefully, because it can mark a significant change from the previous administration. In substantive terms, the justifications the Trump administration gave for banning TikTok are not that strong. Because all the data problems, the technical problems, can be addressed. Interestingly, China actually doesn’t care that much about TikTok being banned in the US because TikTok is not this vital technology company that has a lot of direct usefulness for China. In response to your question whether China will retaliate, the sad truth is that China has already retaliated before the US did anything. US tech companies cannot operate in China. Google, for example. Similar tech companies that can collect a lot of data, they really can’t operate. The infamous Great Fire Wall of China bans American technology or internet companies from getting to China’s market. So I think one thing you can say about banning TikTok is that, well, if you want to follow the rule of reciprocity, then it is a justified action. But if you want to cite some not really well founded national security concerns, then you actually will be skating on very thin legal ice.</td>
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<th>Audience Question 6: What impact will an aging</th>
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<td>Santurri: Thank you, Minxin. Here’s a question from John Grotting, Class of 1971, from San Diego, California. It appears that China faces challenges of an aging population and residual impact of one-child</td>
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Dialogue That Opens Minds
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<td><strong>Answer to Audience Question 6:</strong> It’s a problem which is why China has relaxed to a two-child policy and is considering relaxing it even further. The two-child policy has not increased the birth rate as much as leaders thought it would.</td>
<td><strong>Greitens:</strong> Sure. Happy to. This is a challenge that has gotten a lot of attention including from the Chinese leadership for an extended period of time. There was just a recent piece in <em>Foreign Affairs</em> about China’s demographic problem. One way it’s sometimes referred to is a 4-2-1 family structure, where you have four grandparents, two parents who may, at this point, be nearing retirement age, and one child responsible for supporting those adults. In a place where China’s welfare system is uneven across urban and rural areas and not necessarily as advanced, progressive welfare state in all parts of China, I think this is something the leadership has put a lot of attention to. That’s why we’ve seen efforts to relax the one-child policy across much of China. China switched about three or four years ago to what was, in essence, a two-child policy. So it wasn’t, hey, have as many children as you would like to have, but it was a shift to a two-child policy and there’s been discussion about relaxing that further. Some of the issue is that sort of formal relaxation hasn’t actually produced the increase in birth rate that maybe the authorities were expecting, which is why I think we’ll continue to see this as an area of discussion going forward.</td>
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| Audience Question 7: If the Biden administration removes the current tariffs how will it impact US companies and how should it be communicated to minimize damage to stakeholders? | **Santurri:** Thank you, Sheena. Next video question. **Jobanjit Singh:** Hello. My name is Jobanjit Singh and I’m a junior from the Class of 2022. I would like to ask this question on behalf of my International Economics class. Although there are no current plans for the Biden administration to remove tariffs that are in place right now, if these tariffs are removed in the future, how do you feel like this might impact US companies and specifically stakeholders in the manufacturing industries? And how do you feel these changes should be communicated to minimize the damages to these stakeholders? Thank you. **Santurri:** I’m not sure who to pick on for this one. Anybody inclined of the three? Minxin, go ahead. **Pei:** I’ve thought about this issue quite a bit. I think the damage for the tariff, by imposing tariffs, is already done. That is, companies have now built into their long-term strategic planning that China is not a safe, secure place to put their plans in. So the relocation of the supply chain... |
can become as competitive and efficient as China, which will take about 10-15 years. 1:20:33-1:22:02

will continue. The pace may slow. So that is the reality. Companies understand this. The Biden administration probably understands this, too, if I know this. And the Chinese definitely understand this. The real issue is not about tariffs. It’s about whether other alternative production sites can become as competitive, as efficient, as China. It will take about 10-15 years. In the interim, tariffs will impact how American consumers behave, but it would not really impact a lot about whether supply chains will move as fast.

### Audience Question 8: Regarding the closing of one Chinese consulate and one US consulate in July, 2020, why did each government stop at just one consulate? 1:22:02-1:22:44

Santurri: Thank you. Here is a question from Sam Bailey, Class of 2021, from St. Olaf campus. Back in July of 2020, the US closed the Chinese Consulate in Texas on short notice due to its alleged use in espionage operations. In response, the Chinese government closed the US Consulate. What prevented the series of diplomatic actions from escalating and further degrading bilateral relations? Why did each government stop at just one consulate? Sheena, you want to take a shot at this?

### Answer to Audience Question 8: It was already a pretty severe partial rupture in the bilateral relationship to close those consulates. This is an issue where a lot of concern persists in the Biden administration but I don’t know what they’re planning to do yet. 1:22:44-1:27:20

Greitens: I’m happy to take that. First, I think it’s important to recognize that that’s a pretty severe partial rupture in the bilateral relationship already, to go ahead and close a consulate in each place. I think on the US side, this gets to a lot of the concerns, particularly that the Trump administration had, and a problem that they really focused on much more intensively and systematically than previous administrations, but which has also gotten a lot of attention in Congress as well, and that is the risk of illicit tech transfer, whether it’s espionage or a talent program. Essentially siphoning intellectual property and competitive technology, cutting-edge technology, from the United States to the People’s Republic of China. So this was part of a set of policies like things like the Department of Justice’s China Initiative, which looked specifically at these cases of illicit tech transfer. Again, this is something that was of interest to a lot of folks in the Senate and in Congress as well. For example, I remember the question of China’s engagement in subnational diplomacy in the United States and Chinese, what Senator Marco Rubio called Chinese influence operations, on American campuses, was I believe one of his first questions to the now Director of National Intelligence, Avril Haines. So this is an issue where I do think there’s concern that persists beyond just the Trump administration. We know that the Biden administration is reviewing essentially all of the Trump administration’s policies, including some of its treatment of Confucius Institutes and the DOJ’s China Initiative. My guess is that we may see some difference in messaging and attempt to
partner more effectively with academic institutions, but as somebody who sits in higher ed, I think this is actually emblematic of a whole set of decisions that US higher education is going to have to make. In some ways the pandemic forced some of these decisions more abruptly, whereas they might have otherwise been gradual. But a lot of US colleges and universities had become financially dependent on revenue from Chinese students. The pandemic has obviously thrown a wrench in a lot of that. It’s not clear exactly, to me, how much of that student inflow will resume in the aftermath of the pandemic, in particular given how much Chinese media has highlighted concerns about anti-Asian racism and just general safety issues in the United States.

I think this was a pretty big step already. I don’t have any inside information as to whether there’s been a conversation about what it would take to undo that step on either side. Because the United States also lost the consulate in Chengdu, which provided visibility on a lot of parts of West Central and Western China that I think was helpful to the United States. This is a really important, but unresolved, question, and it’s not quite clear to me where the Biden administration is going to come down. It’s an area where I’d expect some difference, but also that we’re not going to go back to the status quo. We’re not going to go back to just saying, oh, go do your thing, universities. I think there’s enough broad-based concern about tech transfer, about illicit or nontraditional collection at American universities, particularly in STEM fields, that we probably, some of that systematic rethinking of China’s role and how China’s engaged in higher ed takes place. Those conversations and that redesign is going to continue.

Audience Question 9: Do you think the Biden administration is under pressure to rejoin the TPP and are there any circumstances in which they would do so?

Santurri: Thank you, Sheena. I think we have time for one more question. So the next video question, please.

Pollen Khoza: Hi. My name is Pollen Khoza. I’m a junior Quantitative Economics major and I’m asking a question on behalf of my International Economics class. My question is regarding the Trans Pacific Partnership, or TPP in short. Trump decided to withdraw the US from TPP in 2016, which would have been worth 40 percent of global trade and could have put the US in a position to counter China’s use of economic tools for geopolitical reasons. Considering that China recently signed the Regional Comprehensive Economic Partnership, do you think that the Biden administration is under pressure to rejoin the Trans Pacific Partnership or sign a similar agreement? Are there any circumstances in which the Biden administration would rejoin the TPP or sign a similar agreement? Thank you.
**Answer to Audience Question 9:** It won’t happen in the first Biden administration, but maybe in the second. Not if Trump is elected, but maybe if another Republican is elected.

1:28:11-1:29:14

*Pei:* Okay. I think in the first Biden administration, that is the next three years, we’re unlikely to see this administration go back to the TPP. Because it will become the election issue for 2024. Too much political risk. But I’m sure the administration will be exploring possibilities to return. If it’s going to happen, it will happen in the second Biden administration. If Trump comes back or if a Republican is elected, then it would be interesting. Trump would not get the US back into TPP but another Republican might because it will significantly transcend American presence and economic engagement in that part of the world.

**Closing Comments**

1:29:14-1:30:57

*Santrri:* Thank you, Minxin. Sorry about the technical difficulties, Jonathan. We have come now to the end of our time. It hardly seems possible. It seems like we’re just getting started. Thanks to the audience for joining us tonight in this stimulating exchange with China experts Sheena Chestnut Greitens, Minxin Pei, and Jonathan Stromseth. And thank you so much, Sheena, Minxin, and Jonathan, for being with us and for sharing with us your views on China after Trump.

This spring term, St. Olaf College’s Institute for Freedom & Community continues its series of public events on the theme America After Trump. The next event in this series is on *Freedom, Populism, and Big Tech* with Professor of Economics at George Mason University and *New York Times* best-selling author, Bryan Caplan. That event will be on April 29. This spring, the Institute also continues its series of public events on the theme Diversity, Freedom, and Community. The next event in that series is on *Freedom, Open Enquiry, and the Academy* with two prominent critics of the academy, Helen Pluckrose and Ilana Redstone, who claim that there is a lack of intellectual or viewpoint diversity in the academy today. That event will be on May 11. Learn more about these and other events at institute.stolaf.edu. That’s institute.S-T-O-L-A-F.edu. We hope you can join us for these events, but for now, good night, be safe, and be well.