

**TAYLOR
FRAVEL:**

Welcome to today's MIT Starr Forum on the future of US-China relations. I'm Taylor Fravel, Director of the MIT Security Studies Program and the Arthur and Ruth Sloan Professor of Political Science. We're delighted to have you join us today for this important discussion.

I'd first I'd like to thank our co-sponsors, the MIT Center for International Studies and the MIT Security Studies Program. I also want to point out to our viewers that we will have Q&A at the end of the talk. Please find the Q&A feature on the bottom of your toolbar. This is where you can type your questions, and we will hopefully get to as many of them as possible.

In addition, please pay attention to the chat feature, also on the bottom toolbar, where we will be sending out resource links such as bios, upcoming events and other information that may be of interest to you. And now, let me introduce to you our speakers, all of whom are graduates of MIT's Department of Political Science. And I will introduce them in the order in which they will present.

First, Ketian Zhang, who received her PhD in 2018, is an Assistant Professor of International Security in the Schar School of Policy and Government at George Mason University. She studies rising powers, coercion, economic statecraft, and maritime disputes and international relations, and social movements in comparative politics, with a regional focus on China and East Asia.

Ali Wyne, who received his SB in 2008, is a senior analyst with the Eurasia Group's Global Macro practice, where he focuses on US-China relations and great power competition. He is the author of a forthcoming book, "America's Great Power Opportunity: Revitalizing US Foreign Policy to Meet the Challenges of Strategic Competition."

Finally, Eric Heginbotham, who received his PhD in 2004, is a Principal Research Scientist at MIT Center for International Studies and the Security Studies Program. He's a specialist in Asian security issues. Before joining MIT, he was a senior political scientist at the Rand Corporation, where he led projects on China, Japan, and regional security issues. Please join me in welcoming Ketian Zhang, who will speak to the diplomatic aspects of the future of US-China relations. Ketian, over to you.

KETIAN ZHANG: Great. Thanks, everyone, and it's really nice to be back, although virtually. So what I'm going to do today is that I'm going to introduce to you very briefly some of the issue areas in terms of US-China relations so that we can have more conversations in the Q&A session.

So there are several areas of tension in regard to US-China relations, and the first one is probably on the mind of everyone, which is Sino-Russian relations in light of the current affairs with regards to Ukraine. And then I'm going to move on to discuss the Winter Olympics, which was just concluded about a week ago, as well as the current COVID situation, and finally, Taiwan.

And Eric is going to speak more about the security aspects and military competition involving, in particular, Taiwan, and finally conclude with a little bit more optimism with regard to a potential area of cooperation.

So in terms of the first issue area that may be of concern to the United States, it's obviously the seemingly increasingly closer relationship between China and Russia. So just about a few weeks ago, China and Russia signed a joint statement which reiterates their support for each other's core interests.

So in the case of Russia, that's against NATO expansion and against color revolutions, and in regard to China's core interests that is mostly against-- both sides are against Taiwan's independence. And in addition, both sides are against what's called a closed, according to them, closed alliance systems in the Asia-Pacific region, as well as opposes external forces undermining national security and interfering with their internal affairs.

So obviously, the target here really is the United States. And the United States was mentioned in this statement as well, especially with regard to the Indo-Pacific strategy. In addition to this joint statement, China and Russia actually signed many additional agreements including in natural gas deals, which seems to me a Russia strategy to find exit options in light of what might be happening with regard to any sanctions involving or regarding the Ukraine situation.

So it seems that Russia is looking for an exit option in terms of its natural gas resources, and China obviously will benefit from energy diversification. So that seems to be a strategy that Russia is currently adopting. So you might wonder whether the current Ukraine situation is relevant, and what China's stance is on the current Russian invasion of Ukraine.

And although there is this joint statement, China is nevertheless quite ambivalent about its stance. So Chinese Foreign Minister Wang Yi actually made the statement that every state sovereignty is independent, Ukraine included, which seems to be a warning against the impending Russian invasion.

But at the same time, Chinese Foreign Ministry Spokesperson Hua Chunying actually noted that great powers should not be backed into a corner, which indicates that China was against NATO expansion. So it remains to be seen what China's actual stance is in regard to the current Ukraine situation, and it might be something that we'll discuss more about that in the Q&A session.

And the next issue area involves the Winter Olympics, which was just concluded. So many officials around the world, including President Biden, boycotted the opening ceremony of the Winter Olympics on the basis of China's human rights records, especially involving ethnic minorities, such as Xinjiang. So this creates a tension between China and the United States, and the Chinese government was quite upset about this boycott. And on the left-hand side of this picture, you see a Uyghur minority athlete, Chinese athletes being the torchbearer of the Chinese Winter Olympics opening ceremony. That's the lady on the left. So this Winter Olympics seems to be another issue area to suggest that human rights are still on the table in terms of creating potential tension between the two states.

And moving on to the third area of attention, which is the current COVID situation. So there are two issues revolving around the COVID issue. The first one is the tug of war over Twitter, especially as exemplified by Chinese Foreign Ministry Spokesperson Zhao Lijian's tweet. So he's one of China's foreign ministry spokespersons and tweets in official capacity on Twitter, and he's the one who makes the unsupported argument that COVID started from the United States. Especially, it was a man-made virus by the US military.

So this [INAUDIBLE] diplomacy, as some researchers would coin them, has been creating attention on their public diplomacy [INAUDIBLE] between the United States and China. And I would highly recommend everyone to read Peter Martin, who is a journalist at *Bloomberg* who wrote a really fascinating book about the rationale for this seemingly unprofessional behavior on the part of Chinese diplomats. And his argument is that a lot of it has to do with domestic politics-- i.e. to show allegiance to Chinese President Xi Jinping, as well as to appease the domestic public.

So the second area of contention, really, within COVID has to do with the ongoing restrictions on both sides in terms of people-to-people exchange, especially in the format of airlines and flights. So in January, China imposed harsh restrictions on US airlines' incoming flights from the United States to China, and the United States Department of Transportation retaliated by canceling all Chinese airlines' flights into China. So currently, neither side has direct operating flights.

So obviously-- and this probably will go into March, especially until after the Chinese winter. Not "the Chinese," the Winter Paralympics end. And this might not be obvious to you in terms of actual attention, but I think it's an area of concern, because it limits people-to-people exchange, which might have a further dampening effect on the overall health of US-China relations.

And finally, the last area of attention-- obviously, there are more areas of contention that I can cover here, and Eric will probably go more into detail about the security or military aspect of US-China relations, but the last area of concern, obviously, is Taiwan, because it is one of China's core interests, and the most important one.

And the example here is interesting, because although China coerced Lithuania harshly for establishing the Taiwanese Representative Office, as you see here, but what's interesting is that in the Chinese Foreign Ministry spokesperson's press briefing, she actually made a statement, a statement that external great powers were behind the behavior of Lithuania. So apparently, she was really referring to the United States. So even it does show that in all of the matters surrounding Taiwan, China has the belief that it was really the United States which was behind a lot of the actions that China deems as threatening its sovereignty over Taiwan.

So you might think that we've discussed quite a few areas of tension, but is there a potential area of cooperation at all between China and the United States? And I would venture a guess that climate change might be an area that both sides could proceed, and especially since the Biden administration and the Chinese government did reach out last fall with regard to combating climate change. But because of the aforementioned four areas of tension, the current climate change cooperation between the two states seem to be put on hiatus.

So just to briefly conclude so that we can move on to the more fascinating areas about US-China economic and military relations, I would conclude that the most serious concern between the United States and China is still Taiwan. And at the same time, there is uncertainty surrounding the new Sino-Russian Joint Statement with regard to how committed to both sides are with regard to their respective core interests.

And human rights issue, although not always the most important in terms of US-China relations, still remains on the table as a potential point of contention. And diplomatic tension, of course, is really reflective of the overall economic and security competition. And finally-- and unfortunately-- domestic politics in both China and the United States might actually make it even harder for cooperation and negotiation to come into fruition.

So with that, I will close my slides, and I look forward to the discussion.

PRESENTER: Tian, thanks so much. Next, we have Ali Wyne, who's going to discuss the economic dimension. Ali, over to you.

ALI WYNE: Great, thank you. Thank you so much, Taylor. I wish we were doing this event in person, but hopefully, hopefully next time, we'll do this event in person. But it's really an honor to be here virtually back in my alma mater.

And I told Taylor in advance-- and I hope that he'll allow a slight recasting of what I intend to present. So I'm going to talk about some of the economic dimensions of competition, but what I really want to talk about is, I think, a really critical element of competition, which is narratives-- stories, you could almost say plot lines.

And that is to say, there's obviously-- there are many elements, or many dimensions, to competition between the United States and China. There are military elements, there are economic elements, there are diplomatic elements, ideological elements. And I think that if you add them all up, I think that there's a competition of what stories or narratives the two countries are trying to tell themselves, what narratives they're trying to convey to one another, and what narratives, or stories, or plotlines are trying to convey to the rest of the world.

And I think that-- and so I'll talk a little bit about some of the narratives that I think are gaining traction within China, some of the narratives that are gaining traction within the United States, and I'll offer a few reflections on those. I do think that in China-- and I realize that when you refer to any country in a monolithic way, you're necessarily going to be oversimplifying and reductionist, so I apologize for that in advance. But just for simplicity's sake, I do think that in China, when you look at commentary by Chinese international relations scholars, when you look at statements by Chinese officials, you do get a sense that as time passes, there's more of a sense of-- at least externally-- more of a sense of confidence in the narratives that are being promulgated.

And I think we just saw the conclusion of the Winter Olympics. And the Olympics, they're a point for taking stock of a country's power, of a country's influence, and the host country is really telling something about itself. And I think it's interesting to look at the narratives that China was trying to convey in 2008 versus those it was trying to convey in this year, in 2022.

I think that the narratives that are increasingly taking hold are two, and they are mutually reinforcing. They're interlocking. The first narrative is that China is increasingly-- if not inexorably-- resurgent, and that the United States, its principal strategic competitor, is terminally declining. Now, I should say that those two narratives, the narratives themselves are not new, but I think that the prominence that they occupy in high-level Chinese discourse, and I think that the centrality that they now occupy in the Chinese foreign policy establishment, I think that those elements are different.

So in 2008, in the aftermath of the global financial crisis, you started seeing some percolation of this narrative that perhaps, maybe, the global financial crisis is sort of a real sign that the United States is about to embark on a period of terminal decline. So you started seeing some discussion in that vein, but there was a lot of pushback within, I think, among Chinese officials, among Chinese scholars, who said, well, perhaps, but it's premature. China, in terms of its aggregate national power, it's nowhere near the United States. The United States is resilient and bounces back.

And what we've started to see over the years is with the global financial crisis, with the vagaries and, really, the bitterness of America's domestic politics, with America's response to the pandemic, and then just objectively with China's growing economic power-- I think, in particular, its growing economic power relative to that of the United States, its growing technological capacity-- we're starting to see these narratives about inexorable Chinese resurgence and terminal American decline. They've really moved center stage. They used to, I think, occupy more of a fringe position in high-level discourse, and I think that they really now have moved center stage.

And then, I think in the United States, in terms of some of the narratives about China that have taken hold, I, at least, for one-- and I'd be curious what everybody else thinks-- I, at least, when I consume the news and I look at the Op-Ed pages, I experience something of an analytical whiplash. So I'll wake up in the morning, and I'll read a commentary about how China is on this glide path to global hegemony, and then, before I go to sleep, I'll read another commentary saying that China inexorably is going to come to the contradictions between globalization and authoritarian rule, and that perhaps it's been more of a potent challenger than the United States has ever faced, but it will, in time, collapse due to internal contradictions.

Well, those are, obviously, very difficult predictions to reconcile. So is China poised for global preeminence, or is it, at some point, bound to collapse? And the point that I really want to make in talking about these narratives that you see taking hold in China, these narratives that you see taking hold in the United States, I think that there's something misguided, really, in all of those narratives. But they have gained a lot of traction, and I think they're gaining more traction amid discussions of a great power competition between Washington and Beijing, amid discussions of the prospect of a new Cold War between the two countries.

Now, when you think of competitions-- whether strategic competition, great power competition-- but when you hear the word "competition," I think most people would say there are winners and there are losers. That's how we conceive of competition. And similarly, when we talk about a new Cold War-- whatever your judgments are on the merits or the limits of that analogy-- but when we think of the Cold War, we know how the Cold War ended. The Cold War ended decisively with the implosion of one of the competitors-- namely, the Soviet Union-- and it imploded in quite dramatic fashion in December of 1991.

And so when we think about, again, competition, the new Cold War, the terminology, the frameworks that we use to conceptualize the relationship, we think about winners and losers. And I think that that's why these narratives around China being inexorably resurgent, or China potentially collapsing, Washington prevailing, or Washington being in terminal decline, I think those narratives, they feed into this notion and are reinforced by this conclusion that this competition will resolve itself decisively-- that even if we can't quite articulate what victory would mean in this bilateral context, that one country will eventually come out on top.

And I would submit that I think that that conclusion is misguided. I think that neither the United States nor China is likely to achieve a decisive victory over the other. I think that they will have to coexist, to cohabitate, whatever your preferred choice is. And that reality is challenging for policymakers.

It's, how do you prepare for an ambiguous condition? How do you strategize for an ambiguous condition that you have to sustain in perpetuity? If you come to the conclusion that your principal strategic challenger isn't going to disappear, but it's going to endure, what do the parameters of coexistence look like?

And I suspect that you might be able to get some agreement between US and Chinese interlocutors about the imperative of cohabitation, but I imagine that US interlocutors would have a different conception of what cohabitation means or what it entails and similarly with Chinese interlocutors. But I think that the precondition-- I think that really, the fundamental precondition for strategic stability between the United States and China is that recognition that neither country is going to be able to achieve a decisive victory, however one conceptualizes it. Neither country is going to be able to decisively overwhelm the other, because each has unique competitive advantages that the other can't readily replicate.

So that's the top line judgment that I want to convey. And then, I'll just offer a few thoughts about what I think are some of China's competitive advantages, what I think are some of its competitive liabilities, and why, when you conduct a net assessment of sorts on China's competitive assets and liabilities, why I think that the United States should think of China not as poised for global preeminence, not as poised for a dramatic Soviet-style disintegration, but poised to be an enduring challenger-- but a manageable one.

So in terms of competitive assets, you know, Eric is going to talk in, certainly, a much more granular detail about the military elements of competition. But certainly, if you look at where China was in 1995 and '96 with the Taiwan Strait Crisis, if you look at China's military modernization in the intervening decades, it's been a very sweeping modernization. And whereas 25, 30 years ago, most observers, there wouldn't have been much of a debate in a hypothetical scenario involving a Taiwan contingency with the United States or China militarily prevailed, there wouldn't have been that much debate in 1995 or 1996. And of course, in the Taiwan Strait Crisis in '95, '96, in response to China's coercion vis-a-vis Taiwan, the Clinton administration dispatched two aircraft carrier battle groups to the Taiwan Strait. China backed down, and that really humiliating outcome, it was an impetus for China's military modernization.

So China's military modernization has been sweeping. It's proceeding apace economically. And getting back to what my original agreement for my remarks was supposed to be, I think that China's resurgence is most pronounced in the economic dimension. Here is-- we're marking the 50th anniversary of Richard Nixon's opening to China. I mean, in 1972, when you think about China is in the throes of the Cultural Revolution, highly isolated, highly impoverished, and if you think about China's economic progress in the intervening half-century, one could argue that there really isn't any other precedent. It's really staggering.

China now presides over the world's second-largest economy. Despite the COVID-induced slowdown deceleration in its growth, despite China's crackdown on big technology companies, I think that most forecasts suggest that China's economy will overtake America's in aggregate size, well before the middle of the century. China is increasingly a source of innovation in its own right. So economically and technologically, again, its progression has been very impressive.

And I think that when you put together its military modernization, you put together its economic progress, its technological progress, it really does feed into those narratives that I was talking about earlier-- this notion that perhaps China is on this inexorable path. And the reason that I keep emphasizing narratives is there's the objective strategic balance between the United States and China-- and observers can disagree on what that objective strategic balance is-- but narratives matter. Perceptions matter. How middle powers perceive that strategic balance between the United States and China matters.

So if you are a middle power trying to figure out how you balance your relationships with the United States and China, if you accept the narratives, or if you buy into the narratives that are increasingly being promulgated by China's leadership, even if you have significant apprehensions about Beijing's conduct, you might say to yourself, I see the writing on the wall. I see where the global strategic balance is shifting. And so even if I have apprehensions about China's conduct, I need to start making accommodations.

So there's the actual strategic balance, however you assess it, and then there's a perception of the strategic balance. So I think that China does have a lot of competitive advantages in its favor-- and I think narrative momentum being the most powerful of them-- but it also has competitive liabilities. And I'll conclude after discussing some of these competitive liabilities.

I think many of them are familiar to all of us. If you look internally, whether it's China's demographic outlook, which is quite bleak, you look at accumulating environmental degradation, you look at an increasingly inefficient model of growth-- so China has many structural difficulties internally. But I think that the real critical Achilles# heel, the real constraint on China's long-term trajectory, is this gap between its economic gravitational pull-- you sometimes hear that term-- but this gap between its economic gravitational pull on the one hand and the narrative momentum that's generated by that gravitational pull, and China's growing estrangement from the advanced industrial democracies that, while not collectively as preponderant, as it were, say, at the turn of the century, to nonetheless still do wield the balance of global military and economic power.

And it's quite dramatic. If you look at China's strategic position prior to the onset of the coronavirus pandemic, it was, I think you could argue, much more favorable than it is today. So prior to the onset of the coronavirus pandemic, the quad was kind of limping along. It wasn't able to make this transition from analytical abstraction in geopolitical construct. The economic relationship between China and the European Union was flourishing, and negotiations over the Comprehensive Agreement on Investment were proceeding apace.

And I think that China really felt-- and particularly with the convulsions that the United States was experiencing as a result of the pandemic-- there was really, really a sense that, again, these narratives that were percolating. And I think that what we're starting to see now, if you look at the picture today, the quad has a new lease on life and is proceeding with clear momentum. You look at the signing of AUKUS, the Comprehensive Agreement on Investment, it's now-- its ratification prospects are uncertain. Brussels is undergoing a fundamental recalibration of its position vis a vis Beijing. And, of course, the US-China relationship itself is deteriorating.

And so if China isn't able to establish-- I guess I should say "restore"-- a baseline of trust with those advanced industrial democracies, it's difficult to believe that, just on the basis of economic heft alone, that China will be able to overcome that gulf in trust. And so China, it has many competitive assets-- some of which I outlined-- but I think it has a critical Achilles' heel. Some of them are internal, but I think the major one is this gap between its economic goal and the diplomatic distrust that it's engendering.

And so for that reason, I think that it's imperative for the United States to think about China not as poised for global preeminence-- I think that could sow consternation-- not to think that China is poised for collapse-- that could induce complacency-- but to think of China as an enduring competitor-- a manageable one, but an enduring one. And China, similarly, I think it behooves the leadership in China to think of the United States as an enduring competitor.

And so then, the real question, I think, for all of us is, as we reflect on the 50-year anniversary of President Nixon's visit to China and think about the next 50 years, what do the parameters of competitive coexistence look like for those two countries? Thanks.

**M. TAYLOR
FRAVEL:**

Great, Ali, thank you so much. Now turning the floor over to Eric Higginbotham to discuss the military dimension. Eric, over to you.

ERIC

Thanks, Taylor, and thanks, Ali, for your language of narratives here. If we're talking about narratives on the **HIGGINBOTHAM**:military side, over the last several months, there has been something approaching a war panic over Taiwan and pressures to change US-China policy, specifically on the Taiwan issue, to make more unambiguous security assurances or guarantees for Taiwan. Now, much of this is driven by dire warnings about shifts in the military balance of power. My own view is that much of this rhetoric is overblown. So I'll discuss today China's military modernization, the military balance, and what I think are the implications for the United States and US-China policy.

I should say I prepared these comments before last night, so I think we'll have a lot to talk about in terms of the implications of Russia's invasion today. All right, to understand priorities in Chinese military modernization, it's necessary to think about the uses to which military power might be applied. Second only to maintaining the Communist Party's grip on power, China's core national interests include the defense of sovereignty and national unity.

China has disputes with a number of states over islands and maritime rights in the South China Sea and the East China Sea and over parts of its border with India. The most significant dispute that it has is over the status of Taiwan, which it views as a wayward or renegade province that by rights is an integral part of China. The PLA is not always the most important means of advancing Chinese interests in those areas, but it can be used to demonstrate presence or peacetime control of contested areas during peacetime, to pressure or coerce states to cede ground, either literally or figuratively, and to demonstrate the capability to resolve issues more decisively through the use of lethal force if necessary.

Two additional points here. First, whereas the primary tasks of the Chinese military, the PLA, during the Cold War was the defense of continental areas, which required large land forces, many of the tasks today are primarily air and maritime in nature. And second, the major contingencies are around China's periphery. So all those areas I mentioned are around China's periphery. So the power projection requirements for China are more limited than they might be-- certainly more limited than those for the US military. China needs some type and extent of power projection capability, but the requirement is bounded.

A couple of important caveats are worth mentioning. Hu Jintao announced new historic missions for the PLA in 2004, sparking debate on other types of tasks, including the protection of Chinese interests and nationals overseas and the possible protection of China's sea lines of communication. And second, the increased range of conventional weapons today-- particularly missiles-- is forcing the PLA to consider a more distant or a deeper buffer zone. So even if China just had eyes for Taiwan, it would have to influence events farther east, lest an adversary launch counterattacks or counterstrikes from there. So overall, the Chinese military is generally focused on its immediate periphery, but that focus is being somewhat attenuated by more complex tasking and the evolution of technology.

All right, on to Chinese military modernization. After two decades of declining budgets, the PLA's fortunes changed pretty dramatically after 1996. That was really an inflection point. From 1996 to about the mid-2010s, annual budget growth surpassed 10% a year in real inflation-adjusted terms. Since then, it's slowed somewhat, but it's nevertheless been a little over 7% for each of the last several years. So Chinese defense spending in 2020 was about 600%-plus of what it was in 2000-- again, in inflation-adjusted terms. And by way of comparison, the US Defense budget increased by about 70% over that period. So as Ali mentioned, there's been a dramatic relative change in spending, at least, though US spending remains in absolute terms several times that of China.

All right, to review in sequence what China has done with that new money, it initially focused on what might be called "denial capabilities." Those are capabilities designed to frustrate the ability of US or other forces to operate in the theater. Those included land-based missiles, air defenses, and submarines, and it had a pretty good start on developing all those capabilities by about 2000.

China's conventionally-armed missiles are particularly notable. They can do immense damage to fixed installations like air bases and the aircraft located on them, or naval bases. And they also include anti-ship ballistic missiles. Now, those were the first in the world, and they can strike ships at sea-- at least in theory-- though the targeting problem would be difficult.

During the 2000s, China also began serious production of warplanes and smaller naval ships-- mostly frigates and corvettes and then, by about the 2010s-- the mid-2010s-- had moved on to the production of larger naval ships-- destroyers, cruisers, and aircraft carriers. That Naval buildup is continuing at what might be called a furious pace today, with China building new surface combatants faster than the United States. Most recently, it's moved to address remaining capabilities gaps.

So it's addressing anti-submarine warfare weaknesses, command and control and sustainment, things like aerial refueling and underway replenishment of ships. And, of course, China has also built robust electronic warfare, cyber, space, and counter-space capabilities. So it really has the full gamut today.

Now, when you're talking about China's military modernization, you know, you can talk about the glass half full-- in other words, the advances that have been made-- or the glass half empty, as each of those achievements or advances that I just mentioned comes with caveats. So Chinese production of fifth-generation or stealthy aircraft has been slowed by continuing problems in engine production. Its fourth-generation fighters have lagged in the installation of high-end electronics. For those hobbyists out there, [INAUDIBLE] radar and ground attack capabilities. And while China's navy has made enormous strides in producing powerful surface combatants, its submarines remain relatively noisy.

Beyond that, its actual inventory is thinner in some areas than others. It's produced only a handful of nuclear-powered attack submarines and to date, at least, two medium-sized aircraft carriers-- although another is building. And at least currently, it lacks the amphibious lift for a full invasion of Taiwan.

All right, command arrangements and training, too, are areas where one can either look at progress or at current standards, which remains somewhat problematic. Overall, the improvements in these aspects of military software have not matched the improvements in military hardware. Some would argue it's harder to change organizational culture and practice than it is to buy new toys, and I think I would agree with that assessment. So some achievements that are noted in the Chinese media are surprising, really, because they're fairly pedestrian, at least by US standards, than because they're truly remarkable.

So you have, for example, China's media noting the first eight-hour fighter sortie, which is something that US pilots have done regularly in actual combat for many years. Is it exhausting? Absolutely, but it's done as a matter of course within the US military.

All right, so where does this leave the US in the region? I'd make four points. First, Chinese military capabilities greatly outstrip those of other regional states. Actually, if you can flip back one slide to the comparison with Japan there, China's military budget is about five times that of Japan's, and I would use Japan here as the point of comparison since it has the region's second-largest budget.

You can see from the slide that Japan's military inventories are smaller than China's, and despite Japan's impressive technological base, its equipment is not uniformly superior to China's in quality. Much of Japan's military equipment is of an earlier generation, and it's not adequately modernized the older systems in its inventory. So while the best Japanese military systems are superior to China's, the bulk of the force structure, I would say, is inferior.

The comparison to the US is quite different. If I can get the slide here, as I mentioned earlier, the US military budget remains several times that of China, and its force structure has been established over decades, as well as its expertise. In many of the most important areas, including fifth-generation aircraft, nuclear submarines, and large warships, the US maintains a significant qualitative advantage-- I'm sorry, quantitative advantage. And for the most part, quality is also superior-- in some cases, very markedly so.

So everything I say today will have caveats. You can't really discuss capabilities without considering the circumstances of their use. War is not a sporting event where the venues-- or at least the playing field-- is neutral. So a second set of points has to do with geography.

The respective distance of China and the United States to Taiwan or other potential flashpoints in Asia obviously favors China. If you can flip the slide, please. About 10% of US naval and air forces are based in the Western Pacific. This excludes Hawaii, but just the Western Pacific-- Japan and Guam. The rest can flow into the theater, but San Diego is about 11,000 kilometers from Taiwan, and moving forces in large numbers would require weeks.

A second set of geographical considerations has to do with the interactions of local geography and technology. And that really operates in a very different way here. The geography of Asia, I think it's important to stipulate, does not favor wholesale invasion by one state against another. Given the same defense budgets, it should be easier to defend against invasion than to undertake one.

The terrain, the geography between China and most of its near neighbors, is poor for attack. There are no rolling plains here or gentle hills as there are in the Ukraine. Most of these areas include major water barriers, or jungles, or high mountains. Amphibious invasion is particularly hazardous, so those cases with water barriers are particularly difficult from China's perspective.

If we look back at the Falklands War, Argentina was able to delay a British naval landing by three weeks with just six anti-ship missiles, and it's now possible to buy those missiles by the hundreds. So last year, Taiwan purchased 400 Harpoon anti-ship missiles-- that's a very impressive inventory-- and the United States is buying missiles by the thousands. It'll buy 10,000 of a single type, the JASM, by about 2032. So I think what Ali said is absolutely true. We're not talking about an absolute standard of superiority here.

Again, with caveats. When you look at technology, it doesn't all work in one direction. Land attack missiles equalize the offense-defense balance to an extent. With land attack missiles, you no longer have to cross water to destroy or damage air bases and ports. And also, it's worth noting that a blockade strategy could be effective. Overall, however, the combination of terrain and technology favors the defense.

Really, though, the million-dollar question is how much material disadvantage technology and geographic factors can offset. So even if you accept the notion that the defense provides its advantages, to what extent can it tip the scales? So looking back at historical cases, in 1950 and 1940, Britain was on the defense. It managed to prevail in the Battle of Britain, despite the fact that its aggregate power was somewhat less than Germany's. But Britain in that case was able to produce fighters at about the same rate of Germany.

Japan's economy today is about 1/3 that of China's, and Taiwan's is about 1/20. So obviously, neither of those states is going to be capable of producing forces nearly the size of China. And there's reason, then, to doubt whether defensive advantages alone can offset those types of asymmetries in national power.

Finally, a third broad point is that geographic material and political considerations also make it difficult for Asian states to assist one another. So there's growing security cooperation between these states but no formal alliances-- certainly nothing like NATO. And they're not, in any case, contiguous like the states of NATO, but distributed around the perimeter of China.

OK, so finally, based on all this, I think we can conclude a few things. First, the US remains indispensable to regional security. And second, together with other regional states, the US should be capable of balancing Chinese power for at least the next decade and potentially longer.

Now, I'd use the word "balance" here fairly literally. We're not talking about decisive US military dominance in areas close to China. If there were to be a conflict, without doubt, US losses would be high. Based on my own war gaming experience, I think we could imagine that the US could lose several hundred aircraft if China struck bases in Japan, for example, and potentially a couple of aircraft carriers, 10 or 15 destroyers, thousands of soldiers or sailors and airmen, all in the span of a fairly short, sharp conflict.

So in other words, at least in the air and on the water, this would be a bigger fight than anything seen since World War II-- or, potentially, since this morning. We can talk about that. But overall, I think the risk to China in any sort of ambitious military action like an invasion of Taiwan would be extraordinary. Such an attack would produce-- could produce-- not just catastrophic military failure, with thousands of prisoners on Taiwan, but also bring enormous political risk. Moreover, if China conducts any sort of realistic wargaming-- which I think it does-- then the risks should be fairly evident to Beijing.

So if all this is generally true, then I think there are a few implications for US policy. A great power war in Asia is possible, but I think it would most likely involve one of two possible paths. The first would be miscalculation. If China believes that the prospect of US casualties would deter Washington from intervening, Beijing could pursue a course from which it would be difficult to withdraw if the United States did, in fact, participate or intervene.

The other path, I think, is if Beijing is left only with alternatives that look worse than the risk of military action. So this could occur, for example, if Taiwan declared legal independence, or if the United States recognized Taiwan as an independent state. Such events, I don't think, would necessarily lead to war, but they could. So all of-- I think my bottom line here is that the peace is for us to lose. It's not something that otherwise is in immediate jeopardy simply from the shifting balance of power.

So we should behave as a confident major power. We should continue to abide by our agreements with China on Taiwan and on other issues. We should maintain our policy of strategic ambiguity, neither committing in advance to fight for Taiwan, but making it clear that we might in the event of an unprovoked attack. And we should engage China and look for ways to cooperate with it on the large set of issues that are not zero-sum.

Finally, I think we should continue to maintain powerful military capabilities. We may or may not be able to maintain the defense budget where it is today, but I don't think we should cut it too deeply. So I do have some regrets about focusing so much on Taiwan, since I know that's an extremely complicated issue, and the military dimensions are only one aspect. But I'll stop and let others take me to task on that or anything else. Thanks.

M. TAYLOR

Great. Thanks so much, Eric, and Ketian and Ali as well. What I wanted to do is briefly throw some questions back at the three of you, and then open it up to the Q&A that we've got in the queue.

FRAVEL:

Let me start with Ali. Ali, can you help us understand what the parameters of coexistence would be? So it comes up a lot. It's come up in occasional statements from the White House. It's come up in writings by-- previous writings by currently-serving officials. But what would the United States and China each have to recognize and respect in terms of interests of the other for there to be a durable and stable coexistence between the two?

ALI WYNE:

Thanks, Taylor, and I'm going to give this-- I hasten to note that I'll give a very impoverished answer, just because this is-- I think you've asked the fundamental question, and I certainly won't pretend to have anything particularly enlightened to say. I guess I'll just revert back to something that I said in my opening remarks.

It's not clear to me that the United States and China have converged on what I think, I guess, the fundamental-- so even assuming that Washington and Beijing could agree on some parameters for what competitive coexistence would look like. So I imagine you could get some US and Chinese interlocutors to agree in the abstract that that's the desired steady state. They would have some disagreements over what would constitute it. But it's not even clear to me that the two countries have converged on what I would argue is the fundamental precondition for going down the path that would lead you to competitive cohabitation or competitive coexistence, and that is accepting that the United States and China, they're unlikely to undergo the kind of power transition that we're accustomed to thinking about, and that they're much more likely to endure, to cohabit.

And I think that that's why I mentioned in my opening remarks, I think that if we think too much-- if we conceptualize relationship too much in terms of, let's say, great power competition or a new Cold War, I think a lot of the frameworks that we use-- and these are frameworks that I think are-- they've gained a lot of traction in both capitals. As I said in my remarks, these frameworks, they incline you to think about decisive victories rather than ambiguous conditions, or rather than steady states.

And so again, when you think about a competition, you think about victors and losers. When you think about a Cold War, I think that one of the reasons that the Cold War is newly in vogue or newly fashionable, I think, for two reasons. One, it furnishes America's only example of long-term strategic contestation. And I think that there is-- when you have an n equals 1, you're going to milk that n equals 1 for as much as you can get.

But it also-- I think that it puts policymakers in a somewhat familiar, comforting frame of mind. And since we are-- since I mentioned the Cold War, one article that I found myself revisiting just over, and over, and over again-- I think it's very instructive in thinking about competitive coexistence-- is by George Kennan, no less than the architect, or at least the figurehead, of containment himself.

So if you'll allow me a brief digression, but I think that it's-- I really find it illuminating. So George Kennan, he gave a speech at the Council on Foreign Relations on the occasion of his 90th birthday. So it's 1994, and the Council invited him to reflect on containment.

So this is the heady 1990s. There's a lot of triumphalism. The Soviet Union has collapsed. And I think that a lot of-- I think a lot of the members of Kennan's audience expected that he would deliver-- and I think that he would have been, probably, justified in delivering-- a triumphal address. Here is the doctrine of containment that I helped to articulate, that-- granted, it's been implemented differently across administrations, but it's guided US policy for the better part of half a century. Here I am being asked to reflect on the doctrine that I helped to enunciate.

And instead of delivering the kind of triumphalistic address that I think many of those in attendance expected that he would deliver, he gave a much more measured, kind of sober address. And he said-- he issued a warning to his audience. He said that for the past 60 years-- so this speech is in 1994, so dating to the 1930s-- he said that for the better part of the past 60 years, US foreign policy has been so preoccupied with dealing with frontal, overt, existential challengers and achieving decisive victories that it actually doesn't know how to orient itself in the absence of that overarching existential challenger.

And so he warned his audience about the possibility of strategic drift. He warned of the possibility that absent the Soviet Union, which had guided US foreign policy, that US foreign policy might succumb to strategic drift or disorientation. And I bring up that example to say that when we talk about great power competition or a new Cold War, I think part of those indications, I think, it's partly, can we put ourselves in a frame of mind that allows us to think about a decisive victory?

And again, with the Cold War, the Soviet Union collapsed. So we know who won-- the United States. We know who lost. But so it's all a long-winded way of saying-- and I wanted to invoke George Kennan, his speech that he gave in 1994-- to say that before the two countries can even have a conversation about what competitive cohabitation would look like-- and I would have to imagine that both countries would have different interpretations of what its pillars would be and the pathway of getting there-- they have to both agree, get away from notions of decisive victory, decisive loss, and think more about accepting each other as enduring realities.

It's not clear to me that they've converged upon that recognition. But in order for them to have any hope of traversing that path, they have to first accept that basic condition.

M. TAYLOR Great. Thanks, Ali. Ketian, Eric, anything you'd like to add on the parameters of coexistence?

FRAVEL:

KETIAN ZHANG: Great. Yeah, thanks, Taylor. I just wanted to maybe add real quick that I absolutely agree with Ali, in particular in the sense that I feel like the bottom of the issue in terms of US-China competition might not necessarily be just the pure capability aspect, but more so with domestic politics and the narratives that Ali mentioned were centered on in his presentation, and that is both on the part of China and the United States.

So there are certainly people, I think-- at least from my understanding-- both in China and the United States that actually believe in the need for coexistence because it's a globalized production and supply chain, and they are aware of the fact that one cannot dominate the entire production supply chain. It's just nearly impossible. If you ask the economists, both in China and the United States, they'll probably agree. But the politicians, not so much. And I think, really, it's the narrative or the domestic politics that have been a major hurdle in this regard.

M. TAYLOR Great, thanks. Eric?

FRAVEL:

ERIC HIGGINBOTHAM: Well, I agree with both Ketian and Ali, so I don't have too much to add. I will say, if we think about great power competition and the possibility of war, since I'm handling the military topics here, I will say that even though we may be back to an era of great power competition-- or more resembling great power competition-- than we've experienced since the end of the Cold War, there is an enormous difference between today and the pre-nuclear era. We can never have a war that decisively settles any of the issues on the table, particularly in Asia.

So it only sort of kicks the can down the road, but under circumstances that are much more contentious and confrontational. So I think it goes without saying that our priority should be on finding areas of common ground and areas where we are not engaged in zero-sum competition.

M. TAYLOR Great, thanks. So Ketian, I had a question for you. In light of Russia's invasion of Ukraine-- which is not even 24 hours old-- but you did lead with the Sino-Russian relationship as a source of tension in US-China relations. So I wanted to ask you how you see the Russian invasion impacting US-China relations going forward.

KETIAN ZHANG: That is a very tough question, and I do not pretend to be an expert on Russian foreign policy or Sino-Russian relations, for that matter. And, of course, I don't mean-- or I don't want to make it seem like Sino-Russian relations, the relationship itself, is creating a source of tension to the United States. But it does seem that the more recent joint statement might point towards something closer than what it was in terms of Sino-Russian relationship, or to what extent they will cooperate in terms of defending or protecting their core interests.

So my own guess is that it still remains unclear despite the statement, despite the clear language against NATO expansion, or against Taiwan independence, et cetera-- which, obviously, are their respective core interests-- it's still unclear to what extent that there is commitment. And as I mentioned in my earlier talk, the Chinese Foreign Ministry-- at least I've been monitoring what they've been saying the past 20 hours, or four hours, or so, they do not seem to want to take a side. They want to step back and just observe what's going on.

So the foreign minister made the statement about Ukraine is an independent and sovereign country, and at the same time, the foreign minister's spokesperson said that Russia was backed to a corner, and therefore, it had to invade Ukraine. And on top of that, I think, Hua Chunying, Chinese Foreign Ministry spokesperson, said that China will not provide arms-- to either side-- not to Ukraine, nor to Russia.

So it seems that China was-- if we're trying to project something beyond the joint statement in February, China was not really doing anything-- at least at the moment. But, of course, it could change in the future. Maybe in just the next day, but looking back on China's foreign policy behavior, it does not seem to me that it will take it a step further. It seems always in the search for a Goldilocks choice, or a Goldilocks kind of solution, to these kind of issues, especially since Ukraine-- at least from my understanding-- is not a major concern for China. Europe is just simply not China's core concern.

M. TAYLOR Thanks. And Eric, I wanted to go back to one of your concluding points about miscalculation. Can you elaborate
FRAVEL: a bit more on what you think the most likely paths of miscalculation might be that could take the US and China into a war?

ERIC So I think there are a variety of circumstances-- really, an infinite variety of things that could happen in various
HIGGINBOTHAM: permutations and combinations. But for example, I think China views US relationships and propensity to involve itself in the events of allies and non-allies as being fundamentally different. So it may feel, for example, that it can undertake military action against a non-US ally with relatively little risk from the United States. And I'm not 100% confident that the United States would not involve itself in a conflict, even with a non-ally, were there to be some sort of action in the South China Sea, or some kind of blockade action or other military action by China.

So that is one type of miscalculation. Another might be over Taiwan itself. If there were circumstances in which China viewed US involvement as very unlikely-- I mean, we've already seen dramatic events on the world stage, between the election of Donald Trump as president, Russia's invasion of Ukraine, and the US withdrawal from Afghanistan and how that played out. So given a certain sequence of events and a certain mood in the United States and among the public, China might imagine that the United States would not involve itself when, in fact, the US can turn and then disappoint China.

So I think there are various paths that we could travel in which we would find ourselves in places that neither side might predict. It's probably a combination of different types of events that could really lead to war and circumstances in which China felt that it didn't have any options. For example, on Taiwan, I think, combined with miscalculation, would be the most likely avenue, in my view.

**M. TAYLOR
FRAVEL:**

Great. Thanks, Eric. So now I want to turn to the questions from the audience that were put in the chat. Not unsurprisingly, I think, given where we are today, a number of questions about Ukraine and Taiwan. And so I'm going to try to group a few of them together and then come back to each of you, and you can maybe pick or choose which thread here you want to pull on. But I think it's important to get these on the table.

And so I think one question concerns, sort of, the likelihood that the Russian invasion of Ukraine will be a pretext or an opportunity for China to take some sort of action against-- military action against Taiwan. And then, there's a more general question about how the response of the United States and US allies to Russian action will shape or be viewed by China in the context of Taiwan. So it doesn't change anything about Chinese perceptions of how the US might respond.

And so let me turn both of those back to you. You can choose to pull on one or the other thread here. And why don't we start with Ketian, and then Ali, and then Eric?

KETIAN ZHANG: Sure thing. I think they're definitely valid questions, and I'll try to answer both of them briefly. So to the first question about whether China will use the Russian invasion of Ukraine as a pretext, well, personally, I think probably not, in the sense that China's red line-- at least from what I can gather in regard to their current documents-- there at least needs to be a trigger in terms of a red line, or in terms of if, for example, Taiwan declares judiciary independence or something like that. I just think that without such a trigger, it's hard to imagine Xi Jinping rationally will start an invasion of, say, Taiwan, regardless of what the Ukraine situation is, just because Taiwan is a core interest for China. It's really important, and I think all of the decision-making surrounding Taiwan, they're very careful. I don't think that, when it comes to Taiwan, China is opportunistic. That is just my personal view.

And with regard to the second question about, again, US response or lack thereof in the context of Ukraine, and how will China reach that in regard to Taiwan, I personally wouldn't read too much into China's perceptions of Ukraine and linking that back to Taiwan, just because it seems that Taiwan is different. Especially when it comes to where is priority, it seems to be the Asia-Pacific region is more important than, say, Europe as it currently stands.

Although I do-- or elsewhere, I did make the arguments that China does watch US actions or lack thereof in regard to Syria or Ukraine and derive their credibility in regard to South China Sea land reclamation. So it's an article forthcoming at the *Journal of Strategic Studies*. But I don't think that can be applicable to Taiwan.

**M. TAYLOR
FRAVEL:**

OK, thanks. Ali?

ALI WYNE:

Thanks, Taylor. Yeah, I think I would reach to similar conclusions, but just a few thoughts. I think the first one is just a historical data point. I mean, there was this comparable discussion in 2014, and there was a concern that Russia's incursion into Ukraine, and then its annexation of Crimea, would precipitate a Chinese move on Taiwan. And we didn't see that.

Now, I'm not saying that I'm not saying that the failure of that linkage to obtain in the past-- I'm not saying that means that linkage wouldn't obtain now, theoretically. But I do think it's worth noting that data point-- that in 2014, we didn't see that linkage. That would be point one.

Secondly, it's not clear that China's coercive pressure against Taiwan, it's not clear that it was calibrated to the escalation of security tensions over Ukraine. And so if you look at the gradual intensification of multifaceted Chinese pressure against Taiwan, that intensification, it had been growing long before the emergence of this particular crisis. So I think if you just look at the timeline, if you look at the timeline of Chinese pressure against Taiwan, that's a much longer timeline, and I think that pressure has been accumulating at a much steadier clip.

Whereas the escalation in Ukraine, the timeline is much shorter, and I think the intensification has been very, very sharp in a very compressed period of time. So there's a mismatch between the timelines, suggesting that China's thinking about Taiwan is not really dovetailing with or aligning with what Russia is doing vis a vis Ukraine. And I guess the third point that the third point that I would make on this linkage is that I think that China, it doesn't betray, I guess, a particular urgency in its thinking about-- there has been some thought about China.

Has China's leadership maybe rendered the judgment that it needs to make a move on Taiwan by, say, 2027 or by 2035? It's not clear to me that, if you look at China's actions and statements, that they betray a great urgency. I think especially in 2022, I think that China right now is quite preoccupied with domestic politics. It just got through a very, very contentious Winter Olympics, and so I think there was a lot of focus among the Chinese leadership on getting through the Beijing Olympics, dealing with diplomatic boycotts, dealing with the possibility of an outbreak of COVID-19 within the Olympic bubble.

So now, the Winter Olympics has gone, but now you have the 20th Party Congress coming up. And that's, obviously, a major event in China's domestic politics. So my sense right now is that China's leadership, it's gotten through the Winter Olympics. It's looking ahead to the 20th Party Congress. It's thinking about how it can continue implementing the zero COVID strategy in light of this new highly-transmissible Omicron variant.

So I think that China right now is quite focused on a range of internal challenges it doesn't seem to me that China feels that now is the time to make a move on Taiwan, given those domestic concerns. And one last point I would make on the notion of credibility or resolve. We've seen some discussion saying that because the United States, its allies, and partners "allowed"-- allowed Russia to make a move in Ukraine, that China is going to feel that the United States and its allies and partners, they would allow China to do something similar.

But one, I think that most observers would agree that the United States places greater strategic priority on Taiwan than it does on Ukraine. And number two, I think that there's actually-- I would imagine that this thought has probably entered the minds of high-ranking Chinese officials-- that if Washington feels that perceptions of its credibility have diminished in response to its response to what's going on in Ukraine, if China were to make a move on Taiwan, perhaps the United States would feel that much more of an urgency to respond than it would otherwise.

And so there's this thinking that perhaps the United States might use a Chinese move on Taiwan to reestablish credibility in response to a perceived lack of credibility or a diminution in its credibility in responding to Ukraine. And so I think that that's a consideration that would also inform a certain restraint on the part of China's leadership. So it's all of the way of saying that I think that, while I certainly understand why there's a narrative that connects what's going on in Ukraine with what could potentially go on in Taiwan, I think that Ukraine and Taiwan strategically are different. I think that the way that China thinks about Taiwan is not-- the timeline is not calibrated to what Russia is doing.

And so I think yes, they are both very pressing security challenges. But I think that it's important to differentiate between them as much as possible.

M. TAYLOR Thanks, Ali. Eric?

FRAVEL:

ERIC Yeah, I would just add quickly, I completely agree with that assessment. I think it's highly unlikely that China
HIGGINBOTHAM:would use this as a pretext. Not only are the circumstances different, and I think they appreciate that, there's a much longer US-- despite the lack of official diplomatic relations, there's a much longer history there. And despite strategic ambiguity, that sort of label, there's a clearer US position on Taiwan than there is on Ukraine.

Now, on the second issue, I think there is an interesting possibility here. What lessons would China take? And I really think that the more interesting question is, what lessons is the US going to take away from this, and will it take the right lessons away?

I'm not sure it'll take the right lessons away, but as I mentioned, there's a fairly strong impetus now to do away with strategic ambiguity. I don't think that would be wise, but I think this will greatly strengthen the hand of those folks who want to do that, and there's already quite a bit of enthusiasm for that on Capitol Hill.

And that would be-- and I'm sure China is quite concerned by that as well, which may make them quite torn in terms of how they actually think about this problem, despite the fact that they're quite likely to, in effect, provide cover or support for the Russian position officially.

M. TAYLOR Thanks. That's a very important point. So they're kind of come back to you with two I think related questions
FRAVEL: from the chat. So the first is asking about the status of China's cyber war capabilities, in terms of its conventional, its overall conventional capabilities.

And then, second related question has to do with the effects of-- or China's economy, and the potential for hybrid warfare kinds of approaches, and whether or not China would be strong enough, perhaps, economically to be able to engage in these kinds of techniques or practices in the future. So they're somewhat related, but a little bit different. But I thought I'd throw them both at you.

ERIC Sure. So on the cyber side, the real answer is we don't know. So China's cyber gets an enormous amount of
HIGGINBOTHAM:attention, mostly because of its cyber spying. But there's a huge difference between cyber spying and operational cyber military capabilities which are used, for example, to disable air defenses and have other sorts of effect. There's no doubt that China is quite capable, and there's no doubt that the United States, as all countries, has vulnerabilities. So for example, its ability to reinforce-- to flow forces is based on unclassified networks. Those would be highly vulnerable to Chinese attack, and we might have to go back to pulling out a sheet of paper and a pen to move stuff from point A to point B.

China is equally vulnerable. Its supply lines are not quite as long, so the impact may not be as great, but I wouldn't want to be operating China's railway during a major conflict with the United States given the capability that the NSA has. So I think both sides have capabilities and vulnerabilities.

As far as hybrid is concerned, I mean, that, of course, is a huge topic. I'll speak to one aspect of it. So first of all, when you're going out of your country, it's a little bit harder to effectively mobilize your people's forces, right? People's militia at sea, for example.

One of the capabilities that's often mentioned is the ability to mobilize the civilian fleet for amphibious purposes-- to lift Chinese soldiers, for example, to Taiwan. So you know, I've looked at that question in some detail. China does have so-called RoRo ships-- roll on, roll off. Those, however, are mostly useful if you capture a port, and they can pull into the port and offload, right? So then, you can roll directly onto a pier.

But first, you have to capture the port. That's not easy. And, of course, the Taiwanese can sabotage, mine. The US can destroy the port facilities even after it's captured. So again, it's not a magic bullet.

As far as landing amphibiously-- actually crossing a beach-- that requires a lot of equipment. So even if you use the civilian ships, you still have to offload or transload onto landing craft that then move to the beach. The British during the Falklands War found that offloading from their civilian fleet-- so they had a roughly equal number of civilian ships and military ships-- that that occurred at 1/4 or 1/5 the speed of offloading purpose-built military ships. So it's not a terribly efficient way to go about this business, and I think there's a reason that China is building military amphibious lift today, and there's a reason that it hasn't really conducted large-scale exercises with these civilian ships. It's doing experiments, but it hasn't built the craft to transload.

**M. TAYLOR
FRAVEL:**

Great. Thanks, Eric. Ali, there's a question here for you in the chat noting that you observed a change in China's strategy and narrative since COVID-19 burst onto the scene. So the question is, can you elaborate on that change and what your potential explanations for the change are? Thanks.

ALI WYNE:

Thanks, Taylor, for the question. I think that there was a sense early on that-- and then, I should say that the narratives about-- the COVID-19 narratives both in the United States, in China, globally, I mean, they've undergone so many shifts at this point that it's-- even though I talked in my remarks about narratives, I should acknowledge that the narratives themselves have changed a lot. But I think initially, if you rewind the clock roughly to two years ago, so two years ago, there was, I think, a pretty clear narrative that had emerged. I think it had gained traction in the United States. It had gained traction in China, and I think it had a lot of resonance globally.

And the narrative was that-- so this is circa March 2020, April of 2020. And the narrative at the time was, China has successfully contained the first wave of the coronavirus pandemic within its own borders. The United States, meanwhile, is being ravaged by this pandemic. China is training its sights outwards. It's dispatching teams of doctors. It's shipping kits full of personal protective equipment, again, while the United States is kind of flailing and ham-handed in its domestic response.

And so I think that that discrepancy in perception of how China was doing in containing the pandemic, how the United States was doing, I think it really did feed this sense of-- this kind of ascendant sense of triumphalism. So I mentioned how, I think, the Chinese leadership has strung together certain data points.

So the 2008 financial crisis, I think, was an important inflection point. I think the 2016 presidential election, which basically sowed doubt among US allies and partners about the stability of US foreign policy, the US investment in the international system, the bitterness, as I mentioned, of America's domestic politics, and then, again, America's response to the COVID-19 pandemic.

So I think that there was a sense that-- the sense that, OK, if we start putting together-- we have one, now, additional data point suggesting that the United States really isn't able to address its socioeconomic challenges at home. How is it going to be able to exercise effective global leadership if it can't even manage its own problems at home?

I think that that was one of the initial narratives. I think the problem is that China, perhaps, I think, in the interval between the onset of the coronavirus pandemic and now, I think that China has, perhaps, overreached and overextended. I think that there are a lot of commentators who say that March 2020, April 2020, if China had comported itself differently, it probably would confront a very different external strategic environment.

So I think that there are a lot of observers who say counterfactually, what if, in March or April 2020, when China was seen as doing very well in containing the pandemic and the United States was seen as flailing, what if China had taken additional steps to stabilize its relationships with the other members of the quad-- so Australia, India, and Japan? What if it had paused its coercive pressure against Hong Kong and Taiwan? What if it hadn't lashed out against critics of its response to COVID-19 but had just tended to its own recovery? I think that China would have been in a very different position.

But I think now, as I said earlier, I think that China's strategic situation, its external situation, is actually more challenged now than it was prior to the pandemic. So it's not just the relationship with the United States that has deteriorated. The European Union, I think, is talking about China in a way that would have been very difficult to imagine a few years ago. The quad, it has a new lease on life.

And so with the exception of Russia-- so yes, the Sino-Russian relationship is certainly growing stronger, but otherwise, I think that China's relationships with most major powers, they either are stagnating or declining. So I think that perhaps China interpreted that initial discrepancy between its COVID-19 response and that of the United States, but perhaps over-learned from that discrepancy and, I think, overreached, and I think now has a pretty significant hole to climb out of in terms of restoring trust with most major powers.

M. TAYLOR

Great. Thanks, Ali. Ketian, a question for you, which asks, how do countries in Asia see China's assertive foreign policy posture? And to what degree does this resonate with or work against US views about China?

FRAVEL:

ALI WYNE:

Wow, that is a very comprehensive question. It looks like a multi-volume dissertation project. You should definitely do it, whoever asked the question.

I think it probably-- several things. I think, first, it probably depends on the question that you're asking, in the sense that if by Asia, you mean East Asia in particular, then there are countries who have a fairly good relationship with China because either they do not have territorial disputes with China, or because they depend on China for economic development. I think, for example, of Laos, or Cambodia, et cetera.

I think they would very much be in line with a lot of the policies that China would want them to take, especially when it comes to, say, taking a stance on territorial disputes in the South China Sea or preventing ASEAN, for example, from reaching-- or from mentioning the South China Sea, where the disputes in their annual meetings, et cetera.

So that's the first kind of countries. And the second kind of country would be the countries that are more or less, say, US allies, or formal US allies, in which case they are not happy about China's coercive actions, be it in the realm of territorial disputes, or in the form of, say, economic sanctions, or threatening its citizens, et cetera.

So those countries will, I think, be more naturally aligned to policy positions of the United States. But at the same time, I don't think they would like to choose or pick a side, in the sense that there are a lot of-- they're still exercising hedging strategies to a certain extent, especially going back to the economic aspect that Ali talked about. China is-- along with these Asian countries-- are in a globalized production and supply chain. They do, to a certain extent, benefit from this supply chain. So they do not-- at least from my view-- they do not-- they're really exercising hedging strategies. So they do not want to, I think, ally with the United States or align their policies with the United States at the cost of, say, their economic relationship with China.

And I guess the third kind of countries is those who are good partners with the United States, but they're not formal allies. Maybe think Malaysia or some of the-- or Vietnam, for example. So their choices are a little bit similar to the second kind of countries, in the sense that they're also hedging.

They do share, with the US allies in the region, concerns about China's security policies. But at the same time, they do maintain extensive economic ties and do benefit from, say, China's Belt and Road Initiative, or other kind of economic projects. I'm not saying all of the Belt and Road Initiatives are beneficial to these countries, but there are some who are definitely useful for their local economy, et cetera.

So I think it's a very complicated picture, and China seems to be in the process of attempting a divide and conquer strategy, like all great powers did in the past. So it's hard to say what is the overall response from these countries, because they all differ. And on top of that, their domestic politics will matter, especially if they are, say, a democratic regime-- think the Philippines. Duterte, the Duterte regime, is very different from their predecessor, the Aquino regime. So there are a lot of factors going on here.

**M. TAYLOR
FRAVEL:**

Thank you, Ketian. I think you've already started to write that thesis. So here's a question for each of you. And you can-- I'm going to put it in two parts. You can choose one part, or the other part, or both.

So the question is, what do you believe is the most serious or important misunderstanding or misperception that each country's leaders have about the other? So what is China's biggest misperception about the United States at the leadership level? And then, conversely, what is the US's biggest misperception about China at the leadership level?

And so you can answer it from one perspective, or the other, or both. But it'd be great to get each of your views on this. And I guess going in reverse order, we'll go back to Eric, since Ketian spoke last, and give her a break. And if Eric would like to pass, then we'll go on to Ali. So Ali, over to you.

ALI WYNE:

This is a really important question. I'm going to somewhat elide the question, I guess, just because it is such a good question, and I can't think of a good answer. But it's more of a-- perhaps of a shared-- I guess a shared misperception, or a shared misapprehension. And so that's my way of highlighting a really, really difficult question.

I would say that there is, perhaps, an under-appreciation of each other's resilience. And I think one of the reasons that there is that under-appreciation is that I think that the United States, it has, I think, a very formidable set of competitive advantages that China can't readily replicate. And I think that similarly, China has some very powerful competitive advantages that the United States can't readily replicate. So China, just in terms of its sheer scale, I think that a certain scale gives you just a certain weight in international affairs.

Certainly, China, its centrality in the global economy, its centrality in global supply chains, its status as the world's largest exporting country, world's largest trading country-- so I think that there's a range of economic advantages. I think, also, increasingly innovative capacity. And so given China's economic centrality, a lot of the talk about decoupling, disentanglement, I think that the rhetoric right now significantly outpaces the reality. Even for those countries that right now are thinking about decoupling in some substantial measure, that's not a short-term proposition. That's a medium- to long-term proposition.

So I think that from China's perspective-- and also, one other advantage I should mention is its integration into the Asia-Pacific trading arrangements. So I think that a lot of America's allies and partners are going to be looking very keenly to see what the Biden administration's forthcoming Indo-Pacific Regional Economic Framework will contain. Because the United States doesn't belong to-- obviously, [INAUDIBLE] doesn't belong to CPTPP, and China touts the centrality to the regional trade agenda as a competitive advantage.

The United States, on the other hand, it does undergird a post-war order that-- obviously, as we're seeing right now with the Russian invasion of Ukraine, that post-war order is under growing strain from within and without. But it benefits from inertia. It benefits from the fact that it has grown substantially, both in terms of scope, geographic and functional, over the past eight decades, and orders, even as they're under strain, they're not readily replaced.

So I think that the United States benefits from the inertial value of this international system that it's undergirded for the better part of the past 3/4 of a century, a diplomatic network that, again, is under strain, but it's still very extensive, a community of democracies that, again, is under strain but has grown roughly eight-fold since the end of the Second World War.

So it's an apples and oranges comparison, but the point is that the United States has formidable competitive advantage that China can't replicate, and vice versa. And so what that means is that, I think, that if either country thinks that their relationship is going to take the form of a traditional power transition in which one country emerges victorious, I think that they're probably mistaken. And so again it comes back to this question of, if we're not going to have a power transition, Washington is going to say, Beijing is here to stay, and they're fundamentally resilient-- although they each have internal and external liabilities-- what does the path forward look like?

M. TAYLOR Great. Thanks, Ali. Would Ketian or Eric like to answer the question?

FRAVEL:

ERIC Sure, now that you give me time to think.

HIGGINBOTHAM:

M. TAYLOR [LAUGHS]

FRAVEL:

ERIC So I'll just throw out two things. They're not terribly profound. But from the US perspective, probably the **HIGGINBOTHAM:** greatest misperception is of unanimity within China, in Chinese leadership, among Chinese elites on foreign policy.

So it's difficult to generalize here, and there's an odd pattern. Japanese analysts are often wont to see divisions and factions everywhere in China and, I think, probably exaggerate the extent of that. But in the US, we tend to see China as a monolith.

Now, part of that derives from the type of discourse we see in China under conditions where people are quite afraid, now, of the security services and not want to cross Xi Jinping. But I think there's quite a lot of disagreement. It is evident there's disagreement on major foreign policy issues, like the extent to which China should lead or continue to maintain a low profile. Actually, I shouldn't use the word "continue," but go back to maintaining a low profile.

So I think that's probably the greatest misunderstanding on the US side. On the Chinese side, I'll twist the question a little bit, and I'll say-- there are probably others that maybe greater than this, but one of their greatest, I think, misunderstandings, really, of the region rather than of the United States is that the US leads and others follow. So I think this contributes to Chinese suspicions of the United States and other regional states as well.

Ketian did a great job of illustrating the complexities of the region and regional positions, but I do think you can generalize to an extent and say that the countries of Asia have grown significantly more wary of China's intentions and activities over time. We could talk about specific cases, but in any case, I think that's generally true. And that has virtually nothing to do with the United States taking the lead in trying to, quote unquote, "make that happen."

When the United States has tried to make that happen in the past, it has not been terribly successful. So this is something that is entirely in China's court. And in many ways, it has fumbled the ball, to mix metaphors. Yes, all right.

M. TAYLOR Great, thank you. Ketian, would you like to add anything to this question?

FRAVEL:

KETIAN ZHANG: Yeah, very quickly, since we are right around the 6:00 PM mark. Maybe the first misperception on both sides is what I think is an exaggerated threat perceptions, based on whatever issue areas they think are of their concern. There are real concerns, security concerns. But at the same time, I think the intentions are being read in a much more way, as they should be.

And second-- and related-- I think both sides have a fairly zero-sum view of how international relations work, which is going back to the potential areas of cooperation, and some pose those questions in the box. And there are a lot of issue areas where both sides can cooperate. So it's not really a zero-sum view.f

And I agree with Ali that economic decoupling has been the buzzword on both sides, not just the United States-- including China. But empirically, it's just, I think economists would say, it's impossible. And that's probably a major empirical misperception.

And finally, going back to-- someone asked the question in the chat box about the AAPI community here in the US, and what should they do? I think that, really, is related to some-- not everyone, but some in the policy community's-- perception that every AAPI, every person in the AAPI community, is a potential spy for the Chinese Communist Party. We were definitely seeing something, positive changes that might be part of that, but I think there are still quite a few in the [INAUDIBLE] community that holds that view, which, I think, is a misperception that can have negative policy consequences.

**M. TAYLOR
FRAVEL:**

Wonderful. Well, many thanks to all of the panelists. Speaking personally, as an MIT professor, it's been really wonderful to see three MIT political science graduates on the virtual podium today. I think we all learned a lot. To paraphrase [INAUDIBLE] about the future of US-China relations, it may be too soon to tell. But we certainly learned more than we knew at the outset of this session.

So my thanks and gratitude to Ketian, Ali, and to Eric, and thanks to everyone who's joined in to watch from wherever in the world you joined us.

[MUSIC PLAYING]

And just as a reminder, there are some future Starr Forums coming up, and the links are in the chat as well as on the slide. So thanks again, and good night.