

China and Globalization

Henry Huiyao Wang

China and the Next Global Order

Coming Multipolar World
and Great-Power Competition

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China and Globalization

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Coming Multipolar World and Great-Power
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Henry Huiyao Wang 
Center for China and Globalization
Beijing, China



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Preface

Change is the only constant. The forces reshaping our world never cease. Over the last two millennia, globalization has surged and receded in waves—driven by war and peace, the ascent and decline of empires, and the diffusion of transformative technologies, pandemics, and economic systems.

In response, humanity has continually sought order through global governance: from the informal early arrangements such as the Concert of Europe to the League of Nations, and eventually the post-war foundations of the liberal international order conceived at Bretton Woods and the creation of the United Nations, as well as subsequent institutions ranging from the WTO, G20, and COP summits.

Yet today's world appears increasingly divided. Since the early 2020s, we have entered an era of “polycrisis”—where multiple, interconnected global shocks amplify each other—underscoring a central dilemma: global governance now struggles to keep pace with the accelerating velocity and complexity of globalization itself. There is no turning back either; globalization is not a choice we can simply choose to put aside, but an irreversible reality, woven into the fabric of technological development and human advancement.

As president of the Center for China and Globalization (CCG), a think tank with special consultative status with the United Nations, I have had the privilege of collaborating with some of the world's foremost minds on globalization, global governance, geopolitics, and geoeconomics, engaging in policy dialogues with governments, exchanges with industry, and collaboration with academic institutions and researchers across China and around the world. This collection of op-ed articles is both a meditation and reflection on my own evolving views and inspired by the many dialogues that have shaped them.

As part of our mission to serve as a bridge between China and the rest of the world, CCG hosted a wide range of international speakers in recent years, I also engaged with more than one hundred leading global thinkers and experts as a part of the CCG Global Dialogues, including Ravi Agrawal, Graham Allison, C. Fred Bergsten, Ray Dalio, Niall Ferguson, Richard Hass, Wolfgang Ischinger, Pascal Lamy, Arancha González Laya, Kishore Mahbubani, Joseph Nye, Hank Paulson, Gordan

Grlić Radman, Stephen Roach, Jeffrey Sachs, Lawrence Summers, Adam Tooze, Martin Wolf, to name just a few.

I have long been a firm believer in the power of dialogue to improve understanding and to solve global problems. During COVID-19-related travel restrictions, CCG became the first think tank in China to resume global travel with delegations visiting dozens of countries. Since then, I have personally had the honor of speaking at major international events such as the Paris Peace Forum, the Munich Security Conference, the World Economic Forum, the Athens Democracy Forum, the Bled Strategic Forum, the Trilogue Salzburg, the WTO Public Forum, the Boao Forum for Asia, and the Global Solutions Summit. I have witnessed global change and development with my own eyes, and heard the thoughts of the elites and the people in other countries firsthand. I feel that this has inspired me to consider the perspectives of others first when considering solutions to issues in global governance, balancing the needs of China with those of other countries.

This book brings together a selection of my writings published between 2022 and 2026 for a number of global mainstream media and well-known institutions, such as Arab News, Bloomberg, China Daily, The Economist, The Financial Times, Global Solutions Journal, Munich Security Conference, The New York Times, Nikkei, People's Daily, South China Morning Post, the Wilson Center, the World Economic Forum, and Xinhua, to name just a few, as well as my speeches at Harvard Kennedy School, Princeton University, the Oxford Union, becoming the first Chinese think tank representative to speak there, and the UN Security Council, where I was the only Chinese speaker at the meeting.

The three core themes of this book are as follows: first, the shifting nature in global interactions; second, perspectives on the pursuit of genuine multilateralism, and efforts to establish a new global equilibrium; and third, an exploration of the symbiotic relationship between globalization and economics. At the heart of these themes lies China's evolving role in global governance and world affairs, particularly in responding to a series of systemic transformations, including the shifting center of global power, climate change and the green transition, and the emerging domain of AI governance, while also helping to shape the forthcoming global order.

Part I: Interaction and Exchange: Re-examining Tenuous Relations in a Transitional World opens with an analysis of the complex relationship between China and the United States.

The opening chapters, with the headline "Reluctant Rivals," examine the China-US bilateral relationship starting under President Trump with a particular focus on tariffs, trade barriers, and the opportunities for improvement presented by his transactional approach. This is then compared with the relationship under the Biden administration, during which the US was in the process of assembling an ideological coalition, even as the administration played a gentler hand in terms of economic policy and trade.

The next chapter explores China-European relations, assessing the potential for deeper cooperation amidst an increasingly multilateral global order, especially as fractures in transatlantic ties—particularly under Trump—have created space for a

recalibrated partnership. This could potentially see Europe positioned to act as a balancing force between China and the US.

Chapter 5 moves beyond the state, exploring people-to-people ties and how academic exchange, student mobility, and cultural diplomacy can bridge gaps where official channels fall short.

Chapter 6 turns closer to home, returning to China's regional diplomacy. Though often misunderstood, China's positions have been consistent. This chapter analyzes the sources of misunderstanding and offers practical suggestions for improving clarity and trust.

Chapter 7 addresses global governance, from consequential global issues to the debate over the very definitions of democracy and autocracy down to the function and reform of global institutions in an increasingly complex world.

Part II: "Geopolitics and Multilateralism: Finding a Salient Solution to Geopolitical Tension" delves into modern geopolitical dynamics and the need for renewed multilateralism.

Chapter 8 discusses China's role as a global mediator and its relationship with the Global South, from its peace efforts in the Middle East, to its measured approach to the Russo-Ukrainian war, in which shared historical experiences make China uniquely positioned to promote mutually acceptable solutions.

Chapter 9 focuses on geopolitical tensions and frameworks for cooperation, from a positive-sum US-China soft-power rivalry to the evolution of organizations like BRICS and NATO in a changing world. The world has changed and we are witnessing a rising Global South and a consequential rebalancing of the global distribution of power and global governance must come to reflect that. My article "How to Fix the Security Council" published by *Foreign Policy*, focuses on the crises facing the UN Security Council and, by extension, the United Nations system overall, and the urgent necessity in once again making them "fit for purpose". To achieve this goal, we must engage the world, especially the Global South, to proactively find solutions rather than act divisively or retreat into regionalism. In this process China can act as a bridge connecting the Global South to the Global North. This chapter also touches on improvements to China's own Belt and Road Initiative and a G3 Model for managing the China-EU-US relationship.

Part III: "Globalization and Economics: Tweaking the Sputtering Engine of Global Growth" reflects on globalization's transformation, the green transition, and global governance on new technologies such as AI, as well as China's central role to play, by exploring the foundation upon which a new era of global peace and prosperity can be built.

Chapter 10 affirms globalization as a driver of prosperity, and closer economic, diplomatic, and cultural ties to foster a stable and prosperous world. The transition from a Western-centric model does not signal de-globalization but rather a broader, more plural model of the same system. Small, gradual efforts to maintain trade and connectivity remain vital as global trade continues to play a positive role in maintaining global stability and peace.

Chapter 11 examines China's role as a driver of global growth and trade. It examines the Chinese goal of creating a vibrant and welcoming global economic environment, including economic diversification in the Middle East where we explore how China is helping economies pivot away from oil-based economies.

Chapter 12 offers solutions to pressing economic challenges. Topics include China's leadership in the green transition, the future of the Belt and Road (BRI), China's interest in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and reforms to global talent mobility. The chapter argues for China's constructive role in resolving global bottlenecks.

Chapter 13 is a compilation of speeches that I have given at Harvard University, Princeton University, the Oxford Union, and a UN Security Council session, which I have found vital in establishing relationships, and ultimately friendships. This chapter also contains my memorials to Professor Joseph Nye Jr. and Edwin J. Feulner, respectively, who both passed away in 2025.

Chapter 14 covers the forewords I have written for Chinese-language editions of works by Joseph Nye, Kishore Mahbubani, and Kerry Brown, as well as a commentary on Henry Kissinger's *Leadership*. These forewords and article range from views on the rise of the Asian Century to the lessons left by some of the greatest thinkers of the 20th and 21st centuries.

Chapter 15 is a collection of interviews that I have done with a range of media outlets from around the world, focusing on China's growing participation in regional and global geopolitics, its position on key issues as well as its potential contribution to global peace and stability. This chapter also includes an interview that provides a bit more insight into my personal growth experience and how I have shaped a global view and come to emphasize the importance of a global perspective, not only in my personal life, but also on a professional and national level.

The four-year span that this book covers was book-ended by two major events of global impact: the outbreak of Russia-Ukraine war and the largest shock to international trade in half a century—the mass imposition of tariffs under the second Trump administration. While the end of the COVID-19 pandemic gave us hope for the recovery of the world economy, new conflicts and a rising tide of tariffs and protectionism fuel economic uncertainty. These trends are reflected in the profound structural changes in geopolitical and economic interdependence.

The last four years have seen renewed conflict in Gaza, open warfare between India and Pakistan, and direct attacks between Israel and Iran. At the same time, the US-China rivalry has deepened, while inflation, supply chain disruptions, and energy shifts have moved markets and shifted economies. Yet despite conflicts and turmoil, AI advancements, space exploration, and green industries offer silver linings—seeds of hope in a fractured but resilient world.

By any measure, the past four years have been a remarkable period for China and global affairs. While navigating post-pandemic recovery and advancing domestic reforms aimed at sustainable growth, China has strengthened its global influence through economic resilience, technological innovation, and diplomatic engagement. It has expanded the Belt and Road Initiative (BRI), played a mediating role in regional conflicts, and deepened BRICS+ cooperation while advocating multipolarity and

advancing climate action. This period also witnessed China's landmark 20th Party Congress, which committed to achieve a great rejuvenation of the Chinese nation and peace and development for all humanity.

We also worked to build various bespoke channels and platforms to foster dialogue and communication between scholars, business leaders, policymakers, and young leaders from China and abroad. This includes an annual program of seminars, workshops, and flagship events such as the China and Globalization Forum, China Global Think Tank Innovation Forum, China Inbound-Outbound Forum, and Global Young Leaders Dialogue Forum. CCG Representatives also regularly participate in international events to exchange views with international stakeholders and scholars.

My first collection of writings, *The Ebb and Flow of Globalization*, was published by Springer in 2022 as a part of the "China and Globalization" series, which focuses on globalization and China's evolving role in the world. As I write this foreword, the need to strengthen global governance has become more urgent than ever in addressing the current global polycrisis, a major aspect of which is the threat of climate change looming over the entire planet. In the face of these crises, I hope this book can offer some useful suggestions for evoking "polysolutions" to bring us to a better and prosperous world.

Beijing, China
July 2026

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Acknowledgements

As a phenomenon that can be traced back centuries, if not millennia, globalization has been a part of human civilization since ancient times. In more recent memory, globalization in its current iteration has been a key part of the peace and prosperity the world has experienced in recent decades. However, as with all things, globalization is changing, and how it should be governed and directed in the future must be examined and discussed together. This work presents ideas inspired by some of the world's most prominent scholars and leading thinkers, many of whom I am fortunate enough to count as good friends. I would first like to thank them for their inspiration and encouragement.

I would also like to recognize the immense contribution from our commissioning editors at Springer Nature Group and their team, particularly Yingying Zhang and Leana Li. As our long-term partners, we thank them once again for their continued support in creating books that provide the world with alternate perspectives and workable solutions. It is our combined effort and dedication that makes this possible.

I am also grateful to the editors and researchers at the CCG Publishing Centre, and would like to express my warmest thanks and appreciation to Yueyuan Ren, Joshua Dominick, Yan Li, Yuchen Qin, Hong Liu and Benjamin Freking.

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The world is an incredibly diverse and multifaceted place. Our experience has been that readers of the world are hungry for new and refreshing perspectives, which is why our final words of appreciation goes to our readers. I encourage you to explore the topics in this book, and thank you for your support and welcome your feedback. You are why I continue to strive to produce timely, insightful, and engaging analysis of global trends. Thank you!

Beijing
July 2026

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China and Globalization (CCG)
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About the Author



Henry Huiyao Wang, Ph.D. is the Founder and President of the Center for China and Globalization (CCG), a global think tank ranked among the top 100 most influential in the world. He had been appointed as Counselor to China's State Council (China's Cabinet) by the Chinese Premier. He is now a distinguished Professor at the China Foreign Affairs University and was a Dean of Institute of Development Research at Southwestern University of Finance and Economics.

Dr. Wang is a leading expert on globalization, global governance, and Chinese international relations. Dr. Wang has published over 100 books in both Chinese and English as well as hundreds of articles and papers related to globalization, global governance, global migration, China's international relations, and China's outbound investments. He is the Chief Editor of Springer Nature's "China and Globalization Book Series" and his latest English books include: *Escaping Thucydides's Trap: Dialogue with Graham Allison on China-US Relations* (Palgrave Macmillan, 2023); *The Ebb and Flow of Globalization: Chinese Perspectives on China's Development and Role in the World* (Springer, 2022); Award winning book *Consensus or Conflict: China and Globalization in the 21st Century* (Springer, 2021); *The Globalization of Chinese Enterprises: Trends and Characteristics* (Springer, 2020); and *China's Domestic and International Migration Development* (Springer, 2019); *Handbook on China and Globalization* (Edward Elgar, 2019).

Dr. Wang has pursued PhD studies at both the University of Western Ontario and Manchester University and

obtaining a Ph.D. in international management. He was a Senior Fellow at the Harvard Kennedy School and a Senior Fellow at the Asia Pacific Foundation of Canada and Brookings Institution. He used to sit on the Advisory Board of International Organization of Migration (IOM) of the UN. In addition, Dr. Wang is a Paris Peace Forum Steering Committee Member, Duke Kunshan University Advisory Board Member and Ivey Business School Asia Advisory Board Member.

Chapter 1

Introduction: A World in Transition



To paraphrase a common theme often repeated in the media today, we live in a world of unprecedented change, the likes of which have not been seen in nearly a century. These changes are coming to a nearly century old system that can trace its origins to the Treaty of Westphalia, which laid the foundation for state sovereignty and ultimately the modern international system. That eventually took its current form in the mid-twentieth century following two world wars and the establishment of international institutions such as the United Nations, the World Trade Organization and the Bretton Woods system.

Since this system was established, a general consensus has formed that major themes such as globalization and multilateralism are central to modern global governance and should be the ultimate aspiration of the global community. The prosperity that the world has experienced thanks to the stability of the “Pax Americana” following World War II also contributed to the later rise of developing countries in the Global South that began to cast off the yoke of colonial control and to assert their own rights and visions of a more egalitarian and multilateral world.

This is perhaps most true of China, most of which had been closed off to the world after the Chinese Communist Party founded the People’s Republic in 1949. Containment by Western powers due to ideological differences and domestic turmoil stemming from different visions of what form the new republic would take added to the gap that formed between what had been at one time one of the core members of the international community and much of the rest of the world.

But China would not be isolated for long. The decision of China to integrate back into the international system following Nixon’s landmark visit in 1972 and the incredible changes that came to China after implementing its policy of reform and opening up made it possible for China to take full advantage of the opportunity presented at the height of a wave of globalization that had generally made the world a more prosperous, more peaceful and more stable place than any other time in human history.

After the return of the People's Republic to global institutions like the United Nations, made possible in part by a wave of support from recently independent African and Asian countries, as well as its later entry into the World Trade Organization, China was able to build a massive trade network in the 80 s, 90 s and early 2000s, which created a momentum of global change that was nearly imperceptible, but at the same time unstoppable.

China's unique economic and political systems made its reintegration into the global system complex and fraught with issues, stemming from its system of state-owned enterprises that made up nearly its entire economy in the late-1970s, to its strong state apparatus that was, and remains, very different from many liberal democracies in the West both ideologically and structurally. However, the phrase "to link with the world",¹ common throughout much of the heady period of its reintegration, was reflected in how China worked on practical solutions to these issues and was able to successfully grow into what today is the world's second largest economy and a country that is perhaps as politically consequential as the United States in terms of major global issues.

The End of History or a New Beginning?

The fall of the Soviet Union and perceived "victory" of Western liberalism and democracy over Soviet communist authoritarianism was famously encapsulated in Francis Fukuyama's 1992 book *The End of History and the Last Man* that expanded on Fukuyama's idea that humanity has reached "not just ... the passing of a particular period of post-war history, but the end of history as such: That is, the endpoint of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government."²

Fukuyama may have come to this conclusion a bit too early and did not take into account the resolve of China to follow its own path, which, while accepting many of the conditions of the global system already in place, has failed to fulfill the wishes of Western liberal democracies and transition to a liberal democratic system. If China had not become such an economic powerhouse or as influential of a country, perhaps its political system could be overlooked, but the apparent success of China's efficient, clean and pragmatic administrative style of government has made it a real alternative that developing countries can look to for inspiration to the generally accepted model of Western liberal democracy-based mainly on the system used in the United States.

The addition of a series of economic and social shocks in the early twenty-first century, as well as massive social change, have begun to challenge the prosperity and confidence of Western liberal democracies, contributing to the view that history has, in fact, not ended, and that alternative systems do exist and are flourishing.

¹ A translation of the Chinese *yu guoji jiegui* .

² Francis Fukuyama, "The End Of History?", *The National Interest*, No. 16 (Summer 1989), pp. 3–18.

China is perhaps the most salient example of this phenomenon. Something that has been reinforced by China's increased confidence in its own positions, policies, and practices. For China, this has resulted in not so much as a divergence from, but less of a pressing need to "link with the world" as China has established many of those key links it lacked in the early stages of its process of opening up.

A Turning Point in the Balance of Global Power

The fall of the Soviet Union resulted in what some viewed as a unipolar world, in which the United States was the only dominant power. However, as the twenty-first century dawned and countries of the Global South continued to develop economically and politically, led by an increasingly influential China, the balance of global power began to shift from West to East.

This shift was not led by China alone, but also by organizations such as BRICS and the Association of Southeast Asian Nations (ASEAN), as well as many other institutions and organizations like the Forum on China-Africa Cooperation and the Paris Peace Forum that were working to create a more multilateral and diverse ecosystem of global governance. It was the increased economic, political, and social influence of a greater number of nations that shifted this balance of power away from a traditionally Eurocentric or US-centric model.

As we entered a new century and a new millennium, this became increasingly pronounced and unfortunately resulted in increased friction, or, at the very least, increased apprehension on the part of incumbent global powers like the United States and Western Europe. While this was not enough to shake the confidence of the established powers, a series of financial crises, a global pandemic and seemingly intractable and potentially expansive conflicts have brought the core issues of this shift to a head.

China's Role in this Transition

As President and Founder of the Center for China and Globalization, my focus is on how China fits into this new and changing world. Our research advises both decision makers in government within China as well as a wider range of scholars, think tanks, foreign governments and individuals around the world, providing a deeper view into how China views itself in the wider context of global affairs while ensuring that China's voice is represented fairly and objectively.

China's situation is unique in the world. Due to its massive size and complex geographical and demographic factors, China is still in many ways a developing country. But recent decades have seen developments in infrastructure and technology, which are not only integrated into everyday life in China, and are also light years ahead of developed countries.

Its ability to push forward policies and projects at the “speed of China” shocks many visitors. The country’s high-speed rail network, which is by far the longest in the world, reached 45,000 km (28,000 mi) in total length by end of 2023 with plans to reach 70,000 km (43,000 mi) in 2035.³ Meanwhile, its highways continue to grow, improving transportation links throughout the country, especially in much of its more geographically challenging mountainous regions. China’s expressway network reached 184,000 kilometres (114,000 mi) as of the end of 2023.⁴

Urban development has also seen great strides, with a policy of urbanization that has created some of the most populous cities in the world. While real estate markets may be reaching saturation and a turning point of their own, Chinese cities continue to become increasingly livable as quality of life continues to improve. As of December 2024, 47 cities in China had urban rail systems with 310 lines in operation, including 10 of the busiest metro systems in the world. This, combined with an increasingly cashless society, ubiquitous delivery services, all accessible online, means that urban life in China has reached a level of convenience and technological integration that is rarely seen in other places in the world.

At the same time as China has been making all of these advances domestically, it has been leveraging its strengths and advantages to expand abroad. Naturally, infrastructure and transportation has been one of the areas China has contributed most outside of its borders, especially through the Belt and Road Initiative and other bilateral agreements with mostly developing countries.

This, however, is also an area where China has received criticism, whether it be port projects in Sri Lanka, railways in Laos, or a range of development projects in African countries. From China’s perspective, it is providing the foundations upon which these developing countries can truly achieve the next stage of their development, but accusations of debt-trap diplomacy, exclusionary policies in favor of Chinese companies and other issues, have plagued China’s efforts.

Regardless of the hurdles that remain in China’s rise and integration into global systems, its essential role in a transition to a new form of global governance and modes of interaction is undeniable. But how that role is defined remains in question by many in the world. China’s fundamental position on many global issues and its efforts in cooperation is based on principles of mutual respect, mutual benefit, non-interference in internal affairs, and its overarching goal of a shared community for mankind. Time and again, China has emphasized cooperation in trade, culture and education as basic themes in its global interactions, which stands in stark contrast to many established powers that continue to emphasize exclusive security pacts that often work to limit China’s rise and its influence on global governance.

³ Frank Chen, “China sets railway building spree in high-speed motion,” *Asia Times*, August 24, 2020.

⁴ “China dominates list of the world’s top 10 longest metro networks,” *Railway Gazette International*, June 21, 2022. Retrieved July 2, 2022.

The Center for China and Globalization (CCG) and Our Work

2008 was a year remembered for many things. The world faced possibly the most violent financial upheaval in nearly a century and came to a historical turning point with seven of the world's major central banks joining forces to save financial markets and G20 leaders holding their first summit in Washington, D.C.

For China, it marked the 30th anniversary of China's reform and opening up, which brought the country back in line with the ongoing trend of globalization, as well as the 2008 Summer Olympics that were held in Beijing, championing the call for a spirit of "One World, One Dream".

For me, it was also a very personal year.

2008 was the year that I founded the Center for China and Globalization (CCG), which was the first think tank in China with a central focus on globalization, a topic that domestically had been very sensitive and even holding negative connotations.

My experiences as a "sent down youth" during the Cultural Revolution, being part of the first group to be able to attend the reinstated university entrance examinations *gaokao* and to fulfill my dream to travel the world, learning and experiencing what I had previously only heard about on my transistor radio, are in large part the reason why I established this think tank—to promote the benefits of globalization and ensure that it continues to benefit generations to come.

Similar to other countries, think tanks in China take many forms, including governmental, university-affiliated, and non-governmental think tanks. From the very beginning, CCG has been a completely non-governmental think tank, maintaining an independent, yet decidedly Chinese perspective on a number of global issues related to globalization.

Regardless of their model or affiliations, the primary goal of any China-based think tank is the overall development and betterment of the country, and ensuring that China's message and story is conveyed faithfully and fairly. This has been a personal mission of mine since CCG was founded. China officially defines non-governmental think tanks as non-profit research and consulting organizations operated by domestic non-governmental individuals or entities that focus on strategic issues and public policies, in service to the country in decision making and policy development. This is exactly what I founded CCG to do and I am proud to say that CCG is currently considered China's top non-governmental think tank and possibly one of China's most visible and active think tanks on a global level.

Our mission of promoting a "global vision for China and Chinese wisdom for the world" is an attempt to bridge the gap between East and West, taking the best attributes of both for the benefit of all. However, it has not always been easy, and CCG has often been a target of criticism both within China and from the international community. Despite these criticisms, we remain dedicated to our mission and have faith that we are making a positive impact on the global dialogue and influencing the narrative on China in a constructive and meaningful way.

Spreading the Word

CCG has dedicated itself to examining the significance of globalization for China and the world as a whole in terms of economic and trade policy, global governance and countless other areas. One of the ways we do this is by publishing our research and other materials through some of the most respected publishing houses in China and around the world. These include the People's Publishing House, China Social Sciences Press, CITIC Press, Springer, Edward Elgar and Palgrave Macmillan. Our Publishing Center has produced more than 100 books in Chinese and English on topics from China's development model to globalization over the past decade with three English-language series: "China and Globalization", "The Chinese Enterprise Globalization" and "International Talent Development in China".

These books have received broad praise and in 2022, *Consensus or Conflict?: China and Globalization in the twenty-first Century*, the first volume of the "China and Globalization" series was awarded the New Development Award by Springer Nature. Other achievements include cooperation with world-famous scholars like Professor Graham Allison, resulting in *Escaping Thucydides's Trap: Dialogue with Graham Allison on China-US Relations* as well as the "father of soft power", Professor Joseph Nye Jr., for whom we compiled a collection of op-eds titled *Soft Power and Great-Power Competition: Shifting Sands in the Balance of Power between the United States and China*. Later, Professor Nye also worked with us to translate his biography *A Life in the American Century* into Chinese and publish it in China.

Keeping the Conversation Going

I have long been a firm believer in the power of dialogue to solve world problems, finding that no matter how great our differences, as long as we sit down and talk about them, almost anything can be resolved. This is why another key part of CCG's work is holding regular forums and seminars on globalization-related themes. With the major challenges facing globalization in recent years, it is essential that China's top non-governmental think tank leads the way in promoting the exchange of knowledge and ideas between experts on globalization, government officials responsible for policymaking, and the business sector to see how China can positively contribute to the healthy growth of the global economy and the promotion of globalization.

We've participated in thousands of events over the past 18 years, some of the more notable have included major international platforms such as the Paris Peace Forum, the Munich Security Conference, the World Economic Forum, the Athens Democracy Forum, the Bled Strategic Forum, the Trilogue Salzburg, the WTO Public Forum, the Boao Forum for Asia, the Global Solutions Summit, and many more, often holding side events to bring the focus back to China's role in the conversation. Personally, I have also been honored to speak at the UN Security Council, where I was the only

Chinese briefer, as well as the Harvard China Conference, the Oxford Union—as the first Chinese think tank representative—and the first Princeton China Forum.

However, far from being a passive participant in the global dialogue, CCG organizes a wide range of our own large-scale forums, roundtable sessions and special seminars that create a variety of platforms where experts can share views on the current state of globalization, analyze changes in the fabric of global trade and provide recommendations on how decision-makers can best meet the challenges we currently face, ultimately working to reach a consensus on how the world as a whole can come together to ensure a new era of mutually beneficial globalization. These events range from our major annual events such as the China and Globalization Forum, currently in its eleventh year, as well as the China Inbound-Outbound Forum and China Global Think Tank Innovation Forum, which has become well-known for timely and constructive discussions that include members of the diplomatic community, government representatives, members of the business sector, as well as world-renowned academics. Other regular events that keep the dialogue going include our Ambassador Roundtable series as well as our VIP Luncheons that welcome a host of outstanding academics, businesspersons and government representatives.

Another way we build bridges is by welcoming important guests from around the world to CCG's headquarters in Beijing for regular discussions. Over the past three years, I've welcomed many distinguished individuals including Justin Vaïsse, founder and Director-General of the Paris Peace Forum, Ambassador Ischinger of the Munich Security Conference, Turkish Foreign Minister Hakan Fidan, and Diego Martínez Belío, State Secretary for Foreign and Global Affairs of Spain to CCG to discuss pressing global issues. In 2025, we took a big step forward by launching our Beijing Academy, which has hosted many leading thinkers including Stephen Orlins, President of the National Committee on US-China Relations, and Jeffrey Sachs, Economics Professor and Director of the Centre for Sustainable Development at Columbia University. I couldn't be prouder of the work that CCG has done over the years to keep the conversation going between China and the world.

While our global interactions through forums and publications are central to CCG's mission, CCG has also become known for its high-quality research and objective analysis of major issues. Over the years we've produced reports and recommendations on trends in global development and policy that is vital to decision making at the highest level of government in China. We have submitted nearly a thousand policy suggestions and received hundreds of responses on these reports from national-level ministries and commissions, while our research reports and other publications have been recognized as essential resources by institutions like the Brookings Institution, CSIS and other major global think tanks, major multinational companies as well as universities, including Princeton University, which just recently added a collection of CCG's English-language publications to their university library.

Driving Meaningful Change

Our “blue books” are a key source of up-to-date information for the Chinese government at all levels, and one of our more notable achievements has been a plan to promote entrepreneurship among Chinese students returning from abroad by providing them with the support they need when they come home. In addition to these, we’ve also championed efforts to improve the lives of foreigners that call China a home away from home. In order to make life easier for foreign residents in China and attract more global talents, CCG pioneered proposals to reform China’s immigration system, which eventually resulted in the creation of the National Immigration Administration in 2016, which has streamlined and improved essential services for China’s international community.

I, along with CCG co-founder and Secretary General Dr. Mabel Lu Miao, have always felt that young people represent the future and the best hope for a more peaceful and harmonious world. This is why, in 2021, CCG launched the Global Young Leaders Dialogue, a project initiated by Dr. Miao to engage young professionals from both China and beyond to encourage dialogue and ensure a truly global future for generations to come. The annual GYLD Forum, in its second year, attracts young professionals from around China and across the world to engage and discuss China related and global issues.

Facing a New Global Reality

Throughout all of our research and discussions, one thing has become clear in recent years—globalization has entered a new phase of development, which in turn has placed new demands on global governance. However, the existing system of global governance seems to be unable to cope with pressing global issues. As China’s leading non-governmental think tank, CCG is in a unique position to provide a uniquely Chinese perspective on the future of global governance, make suggestions on how governance mechanisms can be adapted to a new phase of globalization, foster discussions that are conducive to improving global governance, build international consensus, and play a positive role in ensuring a more stable world order.

I have worked my entire life to bridge the gap that exists between China and the world, working to translate Chinese wisdom into practical ideas to better the world. In my mind, the United Nations remains the only international institution with the capability to drive effective global governance. However, as we move farther into the twenty-first century, the authority and effectiveness of the United Nations has declined. It is essential that we work to reform the UN into an institution that is fit for purpose and capable of once again becoming the core of an international governance system where issues related to international governance and global multilateral cooperation can be debated and work can be done to build a global consensus.

Since being granted special consultative status by the United Nations, CCG has had increasingly frequent exchanges with organizations within the United Nations system. We have co-hosted events to commemorate the 75th anniversary of the signing of the United Nations Charter and the 50th anniversary of the lawful return of China's seat in the United Nations to the People's Republic of China. UN Resident Coordinator in China Siddharth Chatterjee and other representatives from UN systems, as well as other international institutions including the World Trade Organization (WTO), the World Bank, the OECD, the International Monetary Fund, the International Labor Organization, the Paris Peace Forum, often participate in our events. CCG cooperates extensively with them to explore views on important topics in international governance, provide alternative voices from the Chinese perspective and play an important role in agenda setting on broader international issues, while at the same time taking action with these agencies to form relevant resolutions and action plans.

In addition to cooperation with global governance institutions like the UN and WTO, we have also worked with think tanks at a global level to provide solutions for other challenges facing global governance, placing a great deal of emphasis on fostering and cultivating a truly global talent pool. In 2018, at the first Paris Peace Forum, our initiative to establish an international talent cooperation organization was successfully selected, and at the third Paris Peace Forum, the Alliance of Global Talent Organization (AGTO) was formally established. The concept we have been promoting for many years has finally gone from conception into reality and the creation of the AGTO not only fills the gap in the global governance of talent resources, it also greatly enhances China's voice and contribution to the field of global talent governance. In 2025, AGTO opened its Beijing office and held its second Global Talent Summit in Tongzhou District, in the eastern part of Beijing, welcoming ambassadors and diplomats from countries including Pakistan, Iceland, Latvia, Morocco, Portugal, and Estonia, as well as over a hundred representatives and experts from the United Nations system, international organizations, universities, multinational corporations, and talent service agencies to jointly explore new trends in global talent governance and innovative paths for cooperation.

While I may have started CCG with a dream to bridge the gap between countries and peoples, I am now just one of many researchers in our extensive network of world-renowned scholars that work in fields such as international relations, economics and trade, former officials with extensive experience at the highest levels of government and multilateral institutions, Nobel laureates, prominent journalists and authors. During COVID-19, which made face-to-face interactions nearly impossible, we kept this network connected through our CCG Global Dialogues, an online series of dialogues that enabled our members to continue discussing essential issues. So far, over 100 speakers have taken part in this program, including familiar names like Graham Allison, Joseph Nye, Kishore Mahbubani, Lawrence Summers, Hank Paulson, Pascal Lamy, Arancha González Laya, Martin Wolf, Adam Tooze, Stephen Roach, Ray Dalio, Niall Ferguson, William Kirby, Anthony Saich, Susan Thornton, Douglas Paal, Neil Bush, Ronnie Chan, C. Fred Bergsten, John Hamre, Richard Haass, Justin Vaisse, Jim O'Neill, Hakan Fidan, Gordan Grli Radman, Ravi Agrawal,

Adam Tooze and Gabriela Ramos, to name just a few. The program has drawn millions of viewers, inspiring them and myself as well to reflect on themes of globalization, global governance, multipolarization and multilateralism, China-US relations, climate change, regional conflicts, common challenges and other pressing issues that humans can address only by working together.

Our work with the UN and other institutions to explore a new future for global governance is just the next step in our work to contribute to the knowledge of and solutions to a host of the world challenges. It is my sincere hope that we continue to ensure that China's voice is heard and that a consensus can be reached between governments, global institutions, think tanks and individuals. This is the future of global governance, of CCG as an institution and for me as a researcher and driver of dialogue and communication.

A View to the Future

As I look to the future, I can't help but look back as well. 18 years have passed in the blink of an eye and I can hardly believe how far we've come. CCG has become China's largest non-governmental think tank with a seasoned team of full-time researchers and administrators located in cities across China, from our headquarters in Beijing to research institutes in Guangzhou, Qingdao, Shanghai, Shenzhen and Chengdu. In addition to this, we also have representatives located in Washington, New York, London, Frankfurt, Paris, Sydney, and Rio de Janeiro, making CCG one of China's most global think tanks.

Internationally, CCG has made many friends—creating global research partnerships with a range of influential agencies from the Heritage Foundation USA, China-United States Exchange Foundation, Asia Society, Brookings Institution, and Center for Strategic and International Studies (CSIS) in the United States to the European Policy Center, Centre on Regulation in Europe, Italian Institute for International Political Studies (ISPI), Global Solutions Initiative, German Council on Foreign Relations (DGAP), Middle East Council on Global Affairs and CATO Institute in other key countries around the world, to ensure timely and accurate information on global trends. Domestically, CCG is also currently a member of the Belt and Road Think Tank Cooperation Alliance, the Think Tank Alliance on US Issues and the China Talent Research Society. CCG has also been designated as a postdoctoral workstation by China's National Talent Theory Research Base.

Our hard work has been rewarded. CCG was ranked 64th out of the world's top 100 think tanks in the 2020 Global Think Tank Index issued by the University of Pennsylvania and has been on the list for four consecutive years. CCG is also the first Chinese think tank to have been granted "Special Consultative Status" by the United Nations.

More than impressive numbers and notable achievements, for me CCG is a culmination of my life lessons and experiences. From humble beginnings to incredible opportunities that enabled me to go above and beyond the dreams of many other

people, I hope that my experiences and CCG's work can inspire and guide new generations of global leaders. CCG's journey has not been an easy one and we are eternally grateful to a number of private individuals and organizations that have been instrumental in our formation and growth as China's premier non-governmental think tank.

Over the years we've been lucky to have received incredible support and great praise. Terry Miller, Director of the Center for International Trade and Economics at the Heritage Foundation and Former US Ambassador to the United Nations, said "CCG represents a new type of think tank in China and its existence opens up the possibility for more cooperation with think tanks in the United States and other countries around the world. I think it is a great step forward for international cooperation and should help us to better understand cooperation between the Chinese people and Americans." Lawrence H. Summers, former US Treasury Secretary and President Emeritus of Harvard University, personally told me that CCG has done a great deal to promote greater understanding between China and the rest of the world. A regular participant in our events, John Hamre, President and CEO of the Center for Strategic and International Studies (CSIS), and former US Deputy Secretary of Defense, has praised CCG's work and its professionalism, while Harvard professor Graham Allison said that CCG is a valuable conduit for the sharing of ideas that are often unavailable or overlooked by the English-speaking world.

Today and for the foreseeable future, globalization remains and will continue to be central to China's development. The country's leadership continues to place great value on China's active participation in globalization, often expressing China's views on globalization and vision for a future in which China is an integral part of reinvigorating and driving a more prosperous, mutually beneficial model of globalization. It is our hope at CCG, and my personal desire, that we will be able to continue to support efforts by government, business and academia to drive a model of globalization that ensures a prosperous and peaceful future.

Core Themes of this Book

CCG's work, including dialogues and joint events at universities, think tanks and international forums, have provided me with the opportunity to think deeply about globalization and global governance. To share my perspectives and the fruits of CCG's ongoing research, I regularly submit articles to domestic and international media outlets and academic journals on a range of subjects related to China and globalization.

This book mainly features a selection of my op-ed articles published between 2022 and 2025 by a number of domestic and overseas platforms including Arab News, Beijing Review, Bled Strategic Times, Bloomberg, Carleton University, CGTN, China Daily, China Focus, China-US Focus, East Asia Forum, The Economist, The Financial Times, GD Today, Global Solutions Journal, Global Times, Horizons, The

Indian Express, Institute of Montaigne, IPS Journal, Limes, Munich Security Conference, The New York Times, Nikkei, People's Daily, South China Morning Post, Trilogue Salzburg, the Wilson Center, the World Economic Forum and Xinhua, as well as my speeches at Harvard Kennedy School's China Conference, Oxford Union, Princeton China Forum and UN Security Council.

It is precisely China's evolving role in global governance and world affairs that are at the core of this book. While we will examine this topic on both macro and micro levels, the focus will be on how to better understand and better communicate China's role in a world in transition.

The three core themes of this book are: 1. changes in global interactions, whether it be between the governments of major countries like China, the US, the EU and Russia, within various regions like Africa and Southeast Asia, or in terms of business and academic exchanges; 2. perspectives on the potential for and efforts made to achieve true multilateralism and a new global balance that ensures stability, prosperity and peace for all nations; 3. an examination of the symbiotic relationship between globalization and economics, and how they can help to ensure the aforementioned goals of achieving a multilateral and balanced form of global governance.

Spanning period of a little over three years, from 2022 through early 2025, the articles contained in the book provide a glimpse into various stages of the changes that the world has experienced recently, especially in the context of the COVID-19 pandemic and the resulting social and geopolitical issues that still plague many countries as they continue to recover. This period of time also allows for a perspective on the changes in US-China relations during the Biden administration and the transition to a second Trump presidency.

This book is divided into three parts, each part focuses on one of the three core themes contained in the book, expanding on them and providing deeper insights into each of these core ideas against the backdrop of China's role and its relationship with key global players.

Part I: Interaction and Exchange: Re-examining tenuous relations in a transitional world, begins with a close look at the contentious relationship between China and the United States, which have long been cautious partners but in a more positive light, also reluctant rivals, which has inspired the title of our opening chapter: "Reluctant Rivals I—China-US relations under Trump, practical deals or more challenges?" This chapter starts by examining bilateral relations under Donald Trump, looking at the potential challenges that a Trump presidency may pose for trade between China and the US in terms of possible tariffs and trade barriers, to the potential for improvement in US-China trade relations because of the more transactional, less ideological stance taken by this president.

In the next chapter, titled "Reluctant Rivals II—China-US relations under Biden, containment and the battle for values", which provides a stark contrast to the policies of the Trump administration. In terms of its language and communication style, the Biden administration may not have used such bellicose rhetoric, but in some areas, it may have been just as, if not more, hostile to China in actual policy. The paradox of US-China relations was especially evident in the national security policies of the two countries. During the Biden administration, while the US threw soft pitches in terms

of economic policy, it ended up playing hard ball in regional security and ideology, pushing alliances such as AUKUS and the Quad, while also trying to set an absolute standard in terms of how the world should define democracy. However, it was also at this time that Track II diplomacy and other non-governmental exchange platforms had a greater chance to positively influence the direction of US-China relations and act as a balance to the growing tension between the two countries.

Chapter Four leaves North America to examine China's relations with Europe, specifically the possibilities for deeper cooperation and the promotion of a more multilateral global environment. As China-US relations become increasingly tenuous, the European Union has the potential to act as a balancing force between these two rivals. Official visits by European leaders to China as well as the obvious cracks in traditionally close relations between Europe and the US point to potentially closer cooperation with China. Especially in the wake of President Trump's latest trade war antics, the relatively openness of many European countries to cooperation with China put the EU in a position to further balance an increasingly multilateral world as well as create a floor for US-China relations resulting a more global environment.

In the next chapter, we move beyond the state to examine how academic cooperation, student exchanges and cultural interactions can help to improve relations between the peoples of countries that might otherwise lack sufficient communication through official channels. This has been especially true of China and the United States, and while Chinese students continue to flood to the United States in pursuit of higher education programs, the number of American students coming to China to study abroad remains woefully low. Improving this situation is one of China's top priorities, but despite a strong push to drive exchanges, including Chinese President Xi Jinping's commitment to invite 50,000 American students within the next five years, increasing these numbers remains difficult.

Turning closer to home, China's regional policies have been consistent, but are often misunderstood. In our sixth chapter, we explore the sources of this misunderstanding and how China works to improve its current image and clarify its position on many regional issues. It has become increasingly clear during a number of multilateral events, that one of the most effective solutions to improving understanding of China's regional policy is face-to-face communication by individuals at all levels, from government representatives to academics and individual citizens.

In the final chapter of Part I of this book, the focus turns to topics of governance and perspectives on how our planet should be managed. From consequential global issues that require the world's immediate attention like ongoing military conflicts and the threat of climate change, to the debate over democracy versus autocracy as well as the function of global institutions and how they should properly function in today's complex world.

Part II: Geopolitics and Multilateralism: Finding a Salient Solution to Geopolitical Tension, takes a closer look at the nuanced factors inherent in modern geopolitics and the pressing need for a more multilateral approach in resolving global issues. As we have mentioned previously, a change in the global power structure due to the enhanced capabilities of an increasing number of developing countries, which

naturally want their voice to be heard, has given more strength to the push for multilateralism. However, those at the top of the existing power structure see this as a threat and this has resulted in pushback, specifically targeting China and its increased role in global affairs.

However, the benefits that China can generate through its strong economic relations with much of the world, as well as its centrist approach to many of the issues that the world faces, are manifold and China has consistently championed an approach of conciliatory discussion and cooperation over the strengthening or expansion of security alliances. In this way, China has the potential to become a voice of reason in an increasingly turbulent world.

In Chapter Eight, our focus turns to China's role as a mediator in global conflict and its ability to promote peace and cooperation on a global level. From China's efforts to broker peace in the Middle East, including the successful restoration of relations between Saudi Arabia and Iran, and peace proposals for the conflict in the Gaza Strip, to its 12-point plan to bring an end to the war between Russia and Ukraine, China often has an advantage in brokering deals due to similar historic experiences with countries involved vis-à-vis the West. In the same vein, this chapter also takes a closer look at China's relationship with the Global South and how it can serve as a bridge to foster more equitable exchanges between the developed and developing worlds.

China's role in mediating conflict is expanded further in Chapter Nine, which focuses on specific geopolitical tensions and their potential solutions. As previously mentioned, US-China tensions are a major factor impacting the direction of global affairs, but as a number of top academics have noted, this does not need to be a zero-sum game, especially in terms of soft power and areas of common interest where the US and China should be able to find common ground. Cooperation in the form of a "G3" mechanism could also leverage balancing role of the EU vis-à-vis China and the US. Once this balance is achieved, active cooperation on engaging the Global South, including Africa and other developing regions, is another area that could be explored to establish common goals and find multilateral solutions to issues facing the world. This is also relevant to the role of international organizations in managing tensions and finding multilateral solutions. Primary among these is the United Nations, which is in need of urgent reform, as I described in a recent *Foreign Policy* article, which calls for a more global vision within the Security Council through both structural and procedural reform to ensure that this most important of institutions functions efficiently and effectively. Similarly, China's own Belt and Road Initiative, which has been accused of not being multilateral enough. To this end, China is actively exploring how to make the development and administration of the BRI more inclusive and multilateral. Finally, one of the possibly most beneficial, but also uncertain, source for a solution is in technology and data, which should be leveraged as a public good and not be weaponized.

Part III: Globalization and Economics: Tweaking the Sputtering Engine of Global Growth, turns to the topic of globalization and the impacts that it has made on the world, especially in recent decades. While the terminology may be new, the key elements and factors that shape and drive globalization are ancient and can even be

traced back to interactions between East and West in ancient times via the Silk Road. This ancient trade route not only fostered early economic integration, it was also key in the sharing of technologies, ideas and culture across a network that spanned half the globe. Focusing again on China, the later maritime journeys of Zheng He to South Asia, Africa, and possibly even the Americas, further highlight the global nature of China's interaction with the world.

Naturally, with the advances in global integration that have been made in communications and transportation, globalization in today's world has taken on an entirely new paradigm. It has required the world to establish broad principles that apply to all countries in order to codify and standardize the rules by which the world operates. China has benefited greatly from the current stage of globalization, becoming the world's second largest economy and one of the most consequential countries of the twenty-first century. Therefore, it is the fundamentally symbiotic relationship between globalization and economics that we focus at the end of this book, which could potentially be the foundation upon which a new era of global peace and prosperity can be built.

Chapter Ten firmly establishes a globalization as a driver of prosperity. Whether in terms of China's considerable economic success or the increased affluence of other developing nations, the evidence is clear that closer economic, diplomatic and cultural ties create a more stable and prosperous world. However, as the world continues to change and evolve, not without a certain degree of decoupling or derisking, the transition away from a West-centric model of globalization does not mean that globalization is dead, simply that it is no longer singularly American or European. Furthermore, the fact that global trade continues to play a positive role in maintaining global stability and peace, changes in global trade do not need to be fundamentally disruptive. Attempts to ensure the continuation of beneficial global trade can be small and gradual.

In the next chapter, we return our focus to China and examine its role as a driver of global growth. In the wake of the COVID-19 pandemic, China recovered quickly and despite falling short of its pre-COVID historically high growth rates, China still far outpaced nearly all other economies. From an overarching national policy that maintains an emphasis on economic growth both domestically and internationally, to policies that encourage companies to explore or expand foreign investment in China, the creation of a vibrant and welcoming trade environment continues to be China's primary goal. Furthermore, China also continues to drive economic development and partnerships abroad, including economic diversification in the Middle East where we explore how China is helping economies pivot away from oil-based economies.

The twelfth chapter focuses on potential solutions to global economic woes and challenges to globalization. Addressing issues such as the future role of the BRI, China's participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), claims of overcapacity in China's manufacturing of green technologies, as well as resolving problems in the free flow of global talent, this chapter provides a number of potential solutions and explores the benefits of China's involvement in developing those solutions. The role of the BRI as a public good, the expanded reforms that CPTPP membership would drive in China, the

positive impact that China's green tech sector can have on global climate change and China's efforts to reform and relax its visa policies for a range of visitors, including businesses, students, and tourists, are just some of the solutions or positive aspects that can contribute to the continuation of globalization and economics as positive contributors to global stability and prosperity.

The subsequent two chapters supplement this collection of op-ed articles with additional material. Chapter Thirteen is a compilation of speeches that I have given throughout the years at highly respected institutions like Harvard University, Princeton University and the Oxford Union. It has been my honor to be welcomed and accepted as an equal at these events, providing me with a platform to make sure that China's voice is heard clearly and directly. Even more importantly, it is through these kinds of in-person events and personal interactions, that friendships, can be formed between colleagues that I believe have the same ultimate goal—to make the world a better place through mutual learning and understanding. This chapter also contains two memorials to two men that were recently lost to the world and for whom I have always had immense respect. The first of these is Professor Joseph Nye Jr., who passed away earlier this year. My professional relationship and personal friendship with him are some of my most treasured experiences and I will sorely miss him. The second, Dr. Edwin J. Feulner of the Heritage Foundation, was an icon in the think tank community and despite our different positions and views, his willingness to keep the channels of communication open and active was something very unique and incredibly valuable at this difficult time in US-China relations.

The next chapter of this book comes full circle with a collection of forewords from publications by the Center for China and Globalization and a reading guide for Henry Kissinger's last work *Leadership: Six Studies in World Strategy*, which are meant to close out this volume by visiting broader, more general concepts for the reader. From views on the rise of the Asian Century to the history of cultural exchange between Europe and China, as well as lessons from some of the greatest thinkers of the 20th and 21st centuries, these forwards hopefully bring us back to the important, overarching themes that are so important to the conversation we are having as a global family. In this way, I hope to end this book by sharing what I hope is a common vision with you, the reader, of hope. A hope that if we work together, we can create a better, healthier and more peaceful future for our world.

The final chapter closes the book by focusing on the voice of the media and how interaction with an open-minded press is an integral part of sharing views and perspectives with the wider world. Ranging from China's relations with India to how China approaches improving relations with the developed world to the impact and importance of smaller countries in the global discussion on major issues, one of the core concepts that we have tried to push is a more inclusive and united approach to global governance that emphasizes cooperation over confrontation. The last interview echoes this as it is a look at my own personal growth experience, which began with me closed off from the world during a uniquely inward-looking period in Chinese history, to an international life that exposed me to a range of cultural and systemic environments that not only broadened my own mind, but also helped me to better appreciate the Chinese way of doing things and strengthened my conviction that

China can make a positive contribution to the world as we move forward in these challenging times.

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Part I

Interaction and Exchange: Re-examining Tenuous Relations in a Transitional World

In today's world, the uncertainty created by tenuous relations between many of the world's key stakeholders has made interaction and exchange complex and difficult. Part I of this book, "Interaction and Exchange: Re-examining tenuous relations in a transitional world", contains insights that help us take another look at how relations between the world's global and regional powers are being managed as we transition to a new era of power relations.

Chapter 2

Reluctant Rivals I—China-US Relations under Trump, Practical Deals or More Challenges?



Generally recognized as the most consequential relationship of the twenty-first century, a range of concepts and models—from the Thucydides’s Trap to a new Cold War paradigm—have been used to analyze US-China relations in an attempt to predict how they will evolve in an age of new great power relations. None of these have been sufficient to encompass the complexities and nuances of the unique state of this relationship, which is so closely intertwined, yet fraught with so many conflicts, from the cultural and ideological to the economic and systemic, which have resulted in an increasing tension in the relationship.

The current rocky nature of US-China relations is in large part due to China’s continued rise, not only resulting from its expanding economic influence that has been building continually since reform and opening-up began more than forty years ago, but also from China’s national confidence, which is the product of an increasingly mature model that offers an alternative to the traditional systems laid out by the United States and the West in general, by comparison, seem to be growing increasingly ineffective in a changing world.

This has grown more poignant in the wake of global crises such as the Asian Financial Crisis and the COVID-19 pandemic, which China has seemed to weather better than the United States and the West overall. The success that China has demonstrated has caused much of the developing world—and even some of the developed world—to reassess their options both in terms of development models, but also in terms of strategic partners in moving forward.

The integrated nature of the global economy, and especially the economies of the United States and China, mean that such tensions are felt throughout the corporate sector straight down to the individual consumer. It’s been said that when America sneezes, the world catches a cold. Napoleon is also often quoted as saying that “China is a sleeping giant, when she wakes, she will shake the world.” Clearly, the influence of these two powers is felt far afield and the world has an interest and responsibility in ensuring that a solution is found to stabilize the relationship and manage tensions.

The EU has a potentially equalizing role, while regional and other non-state players can influence the direction and nature of the evolving relationship.

Communication and Talking out a Solution

From security to economics to values, the sources of conflict seem to abound, but solutions also continue to emerge. The world is intent on finding a way beyond the tensions of the US-China rivalry and into a post-Thucydidean world in which the threat of conflict has been managed. To do this, the US and China must engage and communicate in order to identify issues that can be worked on, such as trade, the environment, and digital technologies, and those that must be put aside for a later date, such as the Taiwan issue, human rights and systemic or value-based differences.

It is dialogue at all levels, from official state visits to regional level interactions, up to and including exchanges between academic and non-profit organizations as well as youth exchange. Ensuring that the lines of communication remain open in a range of sectors to discuss a variety of issues is essential to resolve the current tension and ensure long-term stability.

The term chosen as the title for this chapter, “reluctant rivals”, refers to the love-hate relationship that the United States and China could be said to have for each other. The articles in this book that delve into the ebbs and flows of this relationship cover two American presidents. But, as we are currently in the first half of Donald Trump’s second term, we will start by looking at both the challenges and the potential solutions that his unique style of communication and deal-making approach to managing US-China relations could produce.

The first article in this chapter sums up very clearly China’s view on how relations with the United States should play out, under President Trump or any other president. Titled “In a Globalized World, the US and China Must Build Bridges, Not Walls”, the view that containment, decoupling, or any other form of distancing are actions that would be detriments to relations between the world’s two largest economies. It emphasizes that, far from being a victim of globalization, the United States has benefited greatly from more open trade policies and an overall freer trade environment worldwide, but especially in relation to China. While Trump has been hard on China in terms of trade, in his first term he worked with China to come to an agreement and has echoed this deal-making rhetoric in his second term, but the instability of a new trade war is a challenge that both sides will have to work to overcome.

The second article in this chapter, titled “The US-China Thucydides’s Trap Is by No Means a Foregone Conclusion”, calls to mind the warning proffered by Graham Allison, who compared the rivalry of the US and China to that of Sparta and the rising power of Athens during the Peloponnesian War. But in this article, it is made clear that peace is still a viable option if we act decisively and learn from this powerful historical lesson.

The next article in this chapter, “How to Meet the Trump Era’s Challenges” takes a closer look at what the world and China can do to deal with the potential difficulties posed by a second Trump presidency, focusing on issues that matter to the US and bringing China and the US closer together. And as Trump highlights himself as a master businessman and deal-maker, the fourth article in this chapter focuses

squarely on how a commercial approach could be the best angle to improve relations. Titled “Business Cooperation Could Reset US-China Ties”, the article compares the historical example of how Japan’s growing economy and the perceived threat to the US was mitigated by investment and job creation in the United States contributed to improving bilateral ties and reducing tensions.

The Impact of New Leadership in the United States

The fact that the United States elects a new leadership every four years is a hallmark of its democratic system, but while the overall direction of the country had remained relatively stable in past decades, recent decades have seen a more drastic difference from administration to administration. This has been most acute under Trump’s two terms, which have attempted to remake policy and address what Trump sees as gross trade imbalances that hurt the US economy.

The next article, “Transactional Trump May Well Improve US-China Ties”, takes a hopeful look at bilateral ties and emphasizes how business-like and practically minded Trump could possibly be good for relations between China and the US. And lastly, the final article in this chapter, “What the US Election Outcome Means for China” was an early analysis of what impact the Harris-Trump presidential election would have on relations between the United States and China.

In a Globalized World, the US and China Must Build Bridges, Not Walls¹

Far from being a victim, the US has been a beneficiary of globalization. It should leverage its advantages and abandon zero-sum thinking by focusing on international cooperation and domestic upgrading.

In recent years there has been a troubling resurgence of unilateral measures by certain countries including tariffs, sanctions, and other protectionist policies.

On April 2, the US unleashed its newest wave of trade protectionism, which is already having real impacts. Even Europe, traditionally a key US ally, has felt the erosion of trust that underpins multilateral cooperation, as market uncertainty intensifies.

Amid this turbulence, one fact remains constant: China and the United States, as the world's two largest economies, share a responsibility to lead the way towards global stability, prosperity, and peace.

At the core of the US' renewed turn towards unilateral trade measures is a fundamental misunderstanding of trade. The Trump administration remains fixated on bilateral goods trade deficits as a measure of national decline, but this ignores the basic structure of the US economy.

In 2024, the US recorded a services trade surplus of nearly US\$300 billion, which does not include contributions by branches of US multinationals abroad. Moreover, advantages like the seigniorage earned from issuing dollar notes, overseas investment returns and the capacity to attract global talent—about 60 per cent of Nobel laureates work in the US—reflect the US' privileged position in the international system.

Far from being a victim of globalization, the United States has been one of its greatest beneficiaries. In truth, the only area where the US runs a consistent trade deficit is goods—and this was never an accident.

America made a deliberate shift towards a service-driven, hi-tech economy. It moved away from low-margin, labour-intensive, and often polluting industries towards sectors that are cleaner, more profitable and globally dominant.

The US leads the world in education, advanced technology, biosciences, the digital economy, and artificial intelligence (AI). The US doesn't need to become the winner that takes all, including labour-intensive industries, and to say that this shift was a failure is to rewrite decades of economic policy.

Furthermore, recent efforts to reverse globalization by imposing tariffs and promoting reshoring have not yielded the intended results. Instead, they have disrupted finely tuned global value chains, increased costs, and undermined economic resilience—particularly harming developing economies.

Southeast Asia's export sectors and Africa's raw material industries have been hit hard, exacerbating inequality and slowing global recovery without benefit for any involved. It is very unlikely that US workers will flock to low-paying jobs, while it is very likely that prices will rise for US consumers as a result of these policies.

History offers a sobering lesson. Under the Smoot-Hawley Tariff Act of 1930, global trade plunged by about 60 per cent, contributing to the Great Depression. More

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recently, tariffs imposed on Chinese goods in 2018 caused American consumers to pay an additional US\$51 billion annually. Today, the US share of global merchandise imports has fallen from nearly 20 per cent two decades ago to just 13 per cent, suggesting that protectionism does not reverse globalization, but simply sidelines those who pursue it.

The resilience of global trade is evident from the creation of the Regional Comprehensive Economic Partnership and the African Continental Free Trade Area, as well as the growing influence of the nations in the BRICS grouping. China has also set zero tariffs for more than 40 of the world's least developed countries.

There is a path forward for the US. Rather than clinging to outdated zero-sum thinking, Washington can reassert its leadership by reinvesting in its comparative strengths: innovation, services, and the hi-tech industry.

It should refocus its trade policy on forging new multilateral frameworks, reviving its role within the World Trade Organization, and enhancing collaboration on digital governance, green technology, and cross-border investment. Domestically, supporting workforce upskilling, modernising infrastructure and attracting international talent would do far more to strengthen long-term competitiveness than tariff barriers ever could.

Even now there are strong foundations for constructive US-China engagement and multilateral cooperation. On issues from Ukraine and Palestine to climate change, and even AI and global health, the two nations have overlapping interests and there is enormous potential for cooperation.

The US should choose to return to multilateralism, mutual investment could serve as a starting point, similar to Japanese investment in the US in the 1980s. There are already successful examples of this, such as Chinese solar equipment maker Longi's investment in a plant in the US.

China is open to discussions on equal terms; cooperation cannot be coerced. The US must choose engagement over attempts to browbeat its partners and allies. Here, past experience offers hope. Following increased US-China cooperation during the Biden administration, synthetic opioid deaths in the US fell 33 per cent in the 12 months ending in October 2024. Opportunities exist for similar collaboration across a range of global challenges.

A stable US-China relationship is not merely beneficial to both countries—it is foundational for global peace. As US President Donald Trump himself remarked in December, "China and the United States can together solve all of the problems of the world". But achieving that requires not threats and tariffs, but mutual respect, open dialogue, and a shared commitment to a better future.

The United States risks isolating itself if it continues to approach trade and global leadership through a lens of confrontation. Countries around the world—from Germany and Japan to those in the Global South—seek partners committed to stability, openness, and mutual benefit.

Trump has promised to "make America great again". But tariffs cannot achieve that. True greatness lies in building bridges, not walls. Trade is not a zero-sum weapon; it is a tool for shared prosperity. As the world faces unprecedented challenges, China and the United States must lead together—not apart—for the sake of all humanity.

The US-China Thucydides's Trap Is by No Means a Foregone Conclusion²

From helping mediate in Ukraine aligning with the economic and geopolitical goals of the US under Donald Trump, China may yet defy this dangerous historical specter and produce practically positive political and economic outcomes.

The Thucydides's Trap—the idea that a rising power and an established hegemon are destined for war—often frames China-US tensions and conflict as inevitable. Yet I believe the outcome is determined not by fate, but by choice.

Harvard professor Graham Allison, who popularised the term with his 2012 Financial Times article, agrees with me on the role of human agency. As he put it during an event for my book, *Escaping Thucydides's Trap: Dialogue with Graham Allison on China-US Relations*, held last month on the sidelines of the Munich Security Conference, “Structural forces account for 75–80 per cent of the outcome, but human agency shapes the rest.”

Peace is not an illusion—it's a viable option if we act decisively.

The Thucydides's Trap is based on the competition between Athens and Sparta, a rivalry that ended in war. History offers plenty of similar warnings—rising powers frequently collide with dominant ones. Yet exceptions exist. In the 1890s, Britain and Germany avoided military conflict through economic competition. Allison's book, *Destined for War: Can America and China Escape Thucydides's Trap?*, does not predict doom; it challenges us to rewrite the pattern.

That China's economy achieved 5 per cent growth last year and is projected to grow by another 5 per cent this year despite US containment efforts underscores the stakes. Over 70,000 American companies generate US\$600 billion in sales annually there, with Tesla's Shanghai operations driving its global success. These connections are not incidental—they're a foundation for mutual benefit, favouring cooperation over confrontation, much as trade once steadied European power relations.

US President Donald Trump's return to power introduces a new dynamic. While 80 per cent of Americans view China unfavourably, Trump praised Chinese President Xi Jinping's leadership during his campaign. His focus on economic outcomes over ideological divides sets him apart from Washington's norm.

In Munich, Allison predicted that by January 2026, US-China relations would “surprise us on the upside”, citing Trump's deal-oriented approach and signs of thawing rhetoric. Appointees like former CEO David Perdue and financial expert Scott Bessent suggest a preference for practical engagement over entrenched hostility.

Trump's emphasis on economic priorities opens avenues for dialogue on trade and technology. China's 15th Five-Year Plan, set to begin next year, could provide a framework for new agreements—perhaps in infrastructure or investment in the United States—in line with Trump's stated interests.

On Taiwan, mainland China's economic incentives, such as deepened economic and tourism exchanges, could help ease tensions and foster coexistence. While a

² First published on March 16, 2025 by SCMP and revised for this collection.

modern communiqué, building on the 1972 Shanghai accord, which marked the normalization of US-China relations might outline mutual commitments to stability and prosperity.

But this extends beyond bilateral ties—it's a chance to shape global outcomes. Consider Ukraine. Allison argues China could play a pivotal role in resolving that conflict. US Defense Secretary Pete Hegseth has said no American troops would be deployed there, leaving peacekeeping functions to European and non-European forces.

Further, Russia's concerns of NATO encroachment would likely require broader involvement from unaligned parties, and a substantial deployment of non-European peacekeepers. China is already the largest contributor to UN peacekeeping forces among the five permanent members of the UN Security Council, and, together with other BRICS countries, could help convene peace talks, support a negotiated settlement on the Russia-Ukraine war, and provide the neutral peacekeeping presence and security guarantees necessary to sustain it.

Trump's aim to halt that war aligns with this opportunity; his planned visit to China within 100 days of taking office, is a window Beijing, Washington, Brussels, Moscow and Kyiv should seize—we should restore UN credibility and authority and pass a UN Security Council resolution to send UN peacekeeping forces to Ukraine. Negotiations on trade, investment, and even a phase two or phase three agreement could also yield gains in areas Trump values.

Organizing international forums to reframe power transitions as opportunities for collaboration, not just conflict, could shift global perspectives. Success would stabilize regions and show China's capacity to turn rivalry into partnership.

Trump's tariff threats unsettle markets, but his preference for deals over doctrine offers China an advantage. Foreign Minister Wang Yi emphasized in Munich that China's approach rests on respect and mutual benefit—a consistent stance amid uncertainty.

Beijing can propose trade agreements or technology collaborations that appeal to Trump's advisers, including business leaders drawn to China's economic weight. It could encourage a practical approach in Washington. On issues like TikTok, an economic deal might reduce friction. Globally, China can leverage forums like the G20 to articulate a clear message of coexistence—not merely a rebuttal of conflict, but a constructive vision for stability through openness.

The Thucydides's Trap is not a foregone conclusion—it's a call to action. President Xi said it well: "There are a thousand reasons to make the China-US relationship a success, and not a single one to harm it."

From helping to mediate in Ukraine to investing in the US, we can defy historical trends. Deepening ties with American business leaders close to Trump can also reinforce a focus on practical outcomes rather than political posturing. Facilitate peace talks to unite the Global South. Align the 15th Five-Year Plan with US economic goals. Ease tensions through collaboration, not confrontation. Peace requires effort, not chance. The time to act is now.

How to Meet the Trump Era's Challenges³

With Trump in office, China-US cooperation on world peace, trade, fentanyl control, and a visa-free travel policy for US citizens should be top priorities and have the potential to improve ties considerably.

What was predicted to be the most closely contested presidential election in US history ended with former US President Donald Trump's overwhelming victory. This is expected to have profound implications for US-China relations and global governance.

Joseph Nye, American political scientist and Harvard professor, has said during his discussions with me that US political cycles follow a 10-to-20-year pattern, shaping its China policy accordingly. Current relations between China and the United States are probably at the lowest point since the establishment of diplomatic relations between the two countries, but the potential for a cyclical upswing remains where the two countries may avoid the "Thucydides's Trap".

Therefore, as Trump returns to power, China and the US should enhance dialogue and communication and explore the possibility of further consolidating and implementing the San Francisco consensus reached by the two heads of state. This would help prevent the relationship from being hijacked by hawkish elements in the US government.

Toward a Peaceful Geopolitical Landscape

During his presidential campaign, Trump frequently highlighted his record of not initiating wars during his first term and pledged to prioritize ending both the Russia-Ukraine war and Israel-Palestine conflict if reelected president. However, given the deep-rooted complexity of these disputes, he may need China's cooperation to help end the conflicts.

China is not only the largest trading partner of Russia and several Middle East countries but also maintains consistent diplomatic engagement and high-level dialogues with them. The China-brokered peace deal between Saudi Arabia and Iran, along with its proactive infrastructure collaboration, energy partnerships, and trade exchanges, has made significant contributions to the region's stability and development. And China's diplomatic principles of mutual respect, equality, mutual benefit, and win-win cooperation have been widely lauded by Middle Eastern countries.

As for the Korean Peninsula denuclearization issue, China has actively mediated and worked to create the dialogue platforms necessary for resolution. This year marks the 71st anniversary of the signing of the Panmunjom Armistice Agreement, and there is potential to initiate new four-party talks between China, the US, the

³ First published on December 3, 2024 by *China Daily* and revised for this collection.

Democratic People's Republic of Korea, and the Republic of Korea to explore the possibility of signing a new peace agreement between the DPRK and the ROK.

Also, China and the US could initiate dialogue on issues such as the Russia-Ukraine war, the Israeli-Palestinian conflict, and the Korean Peninsula denuclearization issue. Such cooperation would align with Trump's commitment to serve as a "peace president".

However, the Taiwan question remains central to China-US relations. The two sides could consider issuing a new joint statement reaffirming their respective positions on the Taiwan question to avoid misunderstandings. Such a statement could reiterate the principles outlined in the three China-US Joint Communiqués and emphasize the importance of the one-China principle and resolving differences peacefully. Such an initiative could not only ease tensions but also create a framework for future interactions. Both sides could also align on issues such as trade, technology and security to make clear their differences, shared interests and cooperation goals.

Advancing Sino-US Economic Cooperation

Trump is known to take a relatively open stance on Chinese investment in the US, and is likely to leverage such investments to boost domestic manufacturing. During his campaign, Trump emphasized the importance of using tools such as higher tariffs to encourage reshoring while welcoming foreign companies to establish factories in the US. While Trump aims to block Chinese car imports, he has expressed his willingness to support Chinese automakers in establishing manufacturing units on US soil.

Hence, the two sides could hold discussions on how to build on a "Phase One" agreement and advance "Phase Two" trade discussions. Reducing certain tariffs, enhancing technological and investment cooperation, and strengthening economic ties could pave the way for a more stable trade relationship and foster long-term economic growth for both countries.

During his campaign, Trump also talked about large-scale infrastructure plans. In this context, China's extensive experience, advanced technologies and strong construction capability in infrastructure building offer a valuable opportunity for cooperation. The two countries could engage in negotiations and dialogue to enhance infrastructure cooperation, establish an investment promotion mechanism in the infrastructure sector, and facilitate the implementation of China-US infrastructure projects.

Fostering Exchanges Between the Two Peoples

Even if people-to-people exchanges might face challenges under the Trump administration, sustaining and enhancing such interactions aligns with the broad expectations of individuals and groups in both countries.

First, Chinese government departments, institutions, and non-governmental organizations can adopt a proactive approach by maintaining ties with relevant US entities and facilitating visits for more US legislators, former officials, think tank, experts and scholars, who can help improve China-US relations by developing new frameworks and narratives that guide the relationship toward positive development.

The two governments could also issue visas to journalists from each other's country to act as bridges for communication between the two peoples.

Second, restoring cultural exchange programs, such as the Fulbright Program and other educational and cultural exchange initiatives, and extending the China-US Science and Technology Cooperation Agreement could help promote personnel exchanges and reduce the risk of misunderstandings and misjudgments in Sino-US relations. The China-US Fulbright Program, since its inception in 1979, has involved over 3,000 Chinese and American scholars and students, who have become prominent academics and leaders in their fields.

In addition, the 1979 China-US Science and Technology Cooperation Agreement established a framework for collaboration across various fields, including agriculture, energy, aerospace, healthcare, environment, earth sciences, and engineering. However, after the US government decided not to fully renew it, and following two extensions, the agreement lapsed at the end of August 2024. Trump's return to office may offer an opportunity to revisit these landmark initiatives.

Third, as President Xi Jinping pointed out, the hope of the China-US relationship lies in the people, its future depends on the youth, and its vitality comes from exchanges at sub-national levels. China could leverage the initiative to invite 50,000 young Americans to China on exchange and study programs over five years as a cornerstone for enhancing people-to-people exchanges between China and the US.

In this context, a visa-free travel policy for US citizens traveling to China, or for specific groups, such as youth under 21, could be particularly significant. In the first half of this year, 14.63 million foreign nationals entered China, up 152.7 percent year-on-year. Of these, 8.54 million availed of the visa-free provision, marking an increase of 190.1 percent year-on-year. Visa-free policies have encouraged Western tourists, especially young people, to "tell China's story well" on global social media platforms such as YouTube.

Building Relations on Head-of-State Diplomacy

Trump is likely to adopt an approach of "strategic retrenchment" and "America first," characterized by transactional strategies to safeguard and advance US interests. In

this regard, once the new US Cabinet is formed, high-level China-US dialogues could be held to make clear each side's priorities and redlines. Extending an invitation to Trump to visit China at an opportune moment could leverage head-of-state diplomacy to guide the bilateral relationship toward a new consensus.

For example, renewed cooperation between China and the US to combat the fentanyl problem and synthetic opioids in the US, including the reestablishment of the China-US Counternarcotics Working Group, was one of the many outcomes of the head-of-state diplomacy at the November 2023 summit between President Xi and US President Joe Biden.

Fentanyl abuse has inflicted significant harm on the US, becoming a leading cause of overdose deaths and a major social challenge. Cooperation between China and the US in this area fostered constructive interactions this year, earning commendation from several US government agencies.

The US seeks to reduce short-term costs in diplomacy, security, and trade by stepping back from the globalization process, relinquishing international obligations, and leveraging its power to secure tangible benefits. The new US administration's approach is likely to focus on more explicit exchanges of benefits, departing from the neoliberal ideological priorities championed by the Democratic Party. Consequently, future engagements between the US and the international community are likely to be centered on straightforward, interest-driven negotiations.

Against this backdrop, it remains to be seen whether recent tensions in China-US relations will significantly ease, given the US' explicit characterization of China's rise as a threat to its interests. Sino-US relations have entered a phase of structural competition and long-term confrontation in which the rivalry for global influence transcends short-term policy shifts and has deepened into a strategic contest.

The path forward hinges on whether the two countries can reach a new consensus on peaceful coexistence and cooperation amid competition, establishing a constructive competition-cooperation framework acceptable to both sides. While the US seeks to maximize its own interests within this dynamic, both countries must recognize that principled cooperation can help maintain the relative stability of bilateral relations, serving their mutual interests.

The metric of "interests" can serve as a practical tool to evaluate the scope and opportunities for China-US interaction and negotiation. It also holds the potential to provide a new turning point for the China-US dynamic.

Business Cooperation Could Reset US-China Ties⁴

Building on successful examples, China might want to take a lesson from Japan in the 1980s, which defused bilateral frictions by strategically pivoting towards direct investment in US manufacturing.

As US president-elect Donald Trump prepares to take office on January 20, a pivotal moment in US-China relations is unfolding. One day before his inauguration, TikTok faces a shutdown under legislation requiring its Chinese parent, ByteDance, to divest or cease its US operations.

Trump's declaration last month that the United States and China "can together solve all the world's problems" signals a reset in bilateral relations. He showed he was open to practical cooperation in his first term, notably with the phase-one trade agreement, which established frameworks for financial services, intellectual property protection, and expanded economic engagement.

Trump's new team reflects his commercial priorities: David Perdue, with extensive Asian business experience, as US Ambassador to China; Wall Street veteran Scott Bessent as Treasury Secretary; Jamieson Greer as Trade Representative; and Tesla chief Elon Musk—all signaling a business-focused approach.

Business-driven diplomatic breakthroughs are not without precedent. The resolution of US-Japan trade tensions in the 1980s offers instructive parallels. In the 1980s, Japan defused bilateral frictions through a strategic pivot towards direct investment in American manufacturing. Against strict US automotive import restrictions, Toyota's 1985 decision to establish a factory in Kentucky proved transformative, creating jobs directly and throughout the local supply chain. Honda's investment in Ohio reinforced this model, showing how production localisation could address trade imbalances while creating local employment.

Through this "Made in the USA" strategy, Japan balanced its trade surplus while boosting US economic growth. Though China's economic power today far exceeds Japan's in the 1980s, the lesson is clear: strategic investment transformed US-Japan relations. The same approach could stabilise US-China ties today.

Chinese companies in the US show how this investment-led approach can work. Fuyao Glass Industry Group's US\$1 billion commitment to Ohio represented more than a manufacturing investment—it has created thousands of jobs while establishing a model for Chinese industrial expertise to enhance American productivity.

BYD's electric bus facility in Lancaster, California is another strategic milestone. Backed by over US\$250 million in investment in North America and employing more than 750 workers, it is the first Chinese vehicle manufacturer in the US, bringing both clean energy technology and employment opportunities.

CRRC Corp's engagement with Chicago offers another compelling case. After securing a contract to supply railcars to the Chicago Transit Authority in 2016, CRRC invested US\$100 million into establishing a manufacturing facility, creating hundreds of jobs.

⁴ First published on January 18, 2025 by SCMP and revised for this collection.

This momentum looks set to accelerate, particularly in the strategic new-energy sector where Chinese companies are bringing advanced manufacturing capabilities to the US market. Contemporary Amperex Technology (CATL), the world's largest battery manufacturer, has a technology licensing partnership with Ford's Michigan plant and is now working on a similar arrangement with Tesla's Nevada facility, notwithstanding the fact that it is now on the US government's list of Chinese companies linked to the military.

CATL's founder and chairman Robin Zeng recently expressed strong interest in building manufacturing plants in the US, aligning with Trump's stance that Chinese companies should "build plants here" and "hire our workers." The timing of these signals suggests Chinese businesses see opportunities to expand operations in the US.

It goes both ways. American companies have found remarkable success in China's vast market. In 2023, China accounted for 63.8 per cent of Qualcomm's global sales revenue, 26.8 per cent of Intel's, and about 33 per cent of General Motors'. Tesla's performance stands out: last year, it sold more than 657,000 cars in China, an 8.8 per cent increase and a record high.

The inclusion of Tesla's cars in government procurement lists is a further sign of China's openness to foreign businesses. Apple's dominance in China's premium market is also notable; the country is Apple's second-largest market for its smartphones. Starbucks added 290 new stores in China in the last three months of its financial year, ended September 30, entering 78 new county-level markets.

The scale of US-China business engagement is substantial. There are estimated to be more than 73,000 US companies in China with investments exceeding US\$1.2 trillion, spanning electronics, automotive, consumer goods, and financial services. From 2009 to 2023, while US global exports grew by 91.1 per cent, its exports to China increased by 112.6 per cent.

Growing business ties are also evident at the recent CES trade show in Las Vegas, where the more than 1300 Chinese companies taking part accounted for 27 per cent of all exhibitors. These success stories underscore how commercial engagement can strengthen bilateral ties even amid broader economic tensions.

Trump's request to the US Supreme Court to halt any legal action on TikTok until he enters office is a signal that the ban may be reconsidered and raises the possibility of breakthrough cooperation in digital commerce. China's recent visa liberalisation, benefiting citizens from 59 countries including the US, also signals a more open stance.

There is potential for even greater opening up, particularly in allowing more international tech companies access to the Chinese market. Major US firms like Google, Microsoft, Meta, and others could benefit from expanded market access and create opportunities for bilateral digital cooperation.

The scope for cooperation can extend well beyond the traditional sectors into the emerging field of artificial intelligence (AI). As frontier AI competition intensifies, shared security concerns can create common ground. Trump's deal-making instincts may give rise to unique opportunities for targeted cooperation in AI safety and governance frameworks.

Trump's commercial mindset, his business-oriented team, and Chinese enterprises' growing investment ambitions point to a clear path: strategic investment and localized production can transform economic tensions into shared prosperity. These business-driven approaches may offer the most practical way to rebuild trust between the world's two largest economies, solving problems through commercial cooperation, one deal at a time.

Transactional Trump May Well Improve US-China Ties⁵

Despite having issued tariffs on Chinese goods, Trump holds a relatively open attitude towards Chinese business investment in the US, while his diplomacy is transactional focusing on trade-offs.

Although Donald Trump's return as president of the United States brings greater uncertainty, his transactional and pragmatic approach may also provide new possibilities for cooperation and stabilizing relations with China. For a start, the president-elect is likely to open new trade and investment negotiations with China.

True, during Trump's first term from 2017–2021, significant changes took place in the US's economic and trade relationship with China. In 2017, for the first time, the US national security strategy report positioned China as a strategic rival. Months later, the Trump administration started to slap tariffs on Chinese imports, escalating the trade friction into a trade war. During his election campaign, he also said he was considering tariffs of 10–20 per cent on all imports and 60 per cent or higher on Chinese goods.

But Trump, whose administration negotiated the first phase of the Sino-US trade agreement, may also continue to push for Sino-US economic and trade deals in his second term, including on investment. He may well direct his incoming administration to open new negotiations with China on subsidy policies, overcapacity issues and trade imbalances. He could conduct second- or third-phase trade deal negotiations based on the first.

Also, Trump holds a relatively open attitude towards Chinese business investment in the US and may encourage or require them to invest and set up factories. Fuyao Glass, for instance, has set up factories and taken root in the US while Contemporary Amperex Technology Limited (CATL) is in discussions with American companies about investing in the US.

Trump has close ties with the business community, including many Fortune 500 companies such as Tesla, Blackstone, and Apple. These companies have long-term investments in China, and this may prompt some rationality in the new Trump administration, which might even lift some limits on Chinese-owned companies such as TikTok and sanctions on individuals.

Trump will also need to seek Chinese support to resolve the wars he has promised to end. Positioning himself as the president for peace, he has claimed he can end the Russia-Ukraine war before his inauguration, even within 24 hours, and threatened to cut military aid to Ukraine if need be. He also reportedly told Israel to end its war before his presidency starts next January.

Trump's diplomatic thinking is centred on realism, with a stronger transactional style of seeking trade-offs. China is the largest trading partner of Russia and the Gulf Cooperation Council comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

⁵ First published on November 9, 2024 by SCMP and revised for this collection.

It is playing a growing role diplomatically in the Middle East. China not only helped Saudi Arabia and Iran to reconcile, but also brought together the representatives of 14 rival Palestinian factions to sit down in Beijing for unity talks, showcasing Chinese efforts towards peace and a deft use of soft power. China is also Ukraine's largest trading partner and can play an active role in helping Kyiv rebuild post-war.

When it comes to the Korean peninsula, Trump had previously sought China's help on the North Korean nuclear issue. If he continues to work with China, the 1953 Korean War armistice could well be upgraded to four-party talks including China and the United States, with the goal of reaching a lasting peace agreement.

Trump, who has repeatedly accused Taiwan of stealing the US's chip industry, is also likely to take a more pragmatic attitude towards the island, where the pro-independence Democratic Progressive Party won just 40 per cent of the vote in the presidential election. It is possible that China and the US will work to maintain the status quo on Taiwan, to avoid further escalation of tensions and prevent any accidental conflict.

If Trump can keep to the three Sino-US joint communiqués, China and the US could even reach a new consensus or agree on a new communiqué to promote the peaceful reunification of Taiwan and the Chinese mainland.

There are many other possible areas of cooperation. China and the US can jointly address global challenges such as climate change, fentanyl issues, the governance of artificial intelligence, and the debt burdens of Global South countries. Such cooperation would benefit not only both countries, but also the world.

China can also promote its inbound tourism, establish a visa-free policy for US citizens, increase the number of resident journalists in both countries, and expand access to some platforms to foster more open exchanges of culture and other information to reduce tensions and build trust.

Expanding access to platforms such as Google, Facebook, and Twitter in China could also foster a more open exchange of information and culture between the two nations. Similarly, the US could consider pulling back from restrictions on platforms such as TikTok.

Sino-US relations have entered a period of structural competition and long-term confrontation. The competition for global influence has gone beyond the scope of short-term policy adjustments and evolved into a strategic game.

The key to the future of Sino-US relations lies in whether the two sides can reach a new consensus on cooperation, and coexistence in the midst of their competition, maintain stable bilateral relations and make this stability a priority.

Although Trump's policies are highly uncertain, his pragmatic and transactional style may provide a buffer against Sino-US tensions. When he takes office, Beijing and Washington should work to quickly align and list their points of cooperation, and strive to build a stable and predictable framework.

As the two largest economies in the world, China and the US have an obligation to contribute to global peace and development, which is also the hope of the many countries that would rather not have to take sides.

What the US Election Outcome Means for China⁶

Leading up to the US election, expectations of better relations but higher tariffs under Trump or a status quo of competitive rivalry under Harris was expected.

The US presidential election is reaching a critical point, with both parties' candidates in the final sprint and polling neck-and-neck. The close race has captured global attention, and China is no exception.

As the world's two largest economies, the United States and China have a complex and pivotal relationship, and the election's outcome will undoubtedly shape the future of their interactions. From trade and security to technological competition and climate cooperation, US policies on China under the next administration will have profound and lasting effects, not only on bilateral ties but on the broader international order.

Regardless who is elected, the structural tensions are an undeniable reality and have become a widely accepted bipartisan consensus within the US. Changing this consensus will require time and joint efforts from both sides. With both the Chinese and US governments already navigating these dynamics, the question remains: How can both nations move forward? I hope to offer some analysis and insights on the possible outcomes and their implications on this most important bilateral relationship for the world.

If Trump Wins: Higher Tariffs but Pragmatic Cooperation

If Donald Trump wins the election, he says he will impose higher tariffs on imported goods, especially those from China. He has indicated that he considered imposing a comprehensive tariff of 10 to 20 percent on all imported goods and a 60 percent or higher tariff on Chinese goods. In addition, if he selects a hawkish team to dominate US policy, his administration likely will not only force Chinese enterprises to reduce exports to the United States, but may also reduce non-governmental contacts between the two countries, such as educational and academic exchanges, thus impacting public perceptions on both sides.

However, to fulfill his promise of being a peace-making president, Trump may have to seek cooperation with China. He has repeatedly claimed that he has the ability to end the Russia-Ukraine war within 24 hours—or even before his inauguration. He is also promising to end the Israeli-Palestinian conflict. Although this claim is suspicious given the complexity of the Middle East and the Russia-Ukraine war, Trump cannot fulfill his promises without China's help. He previously sought help on the North Korean nuclear issue, and at the end of 2016 China voted in favor of sanctions against the DPRK at the United Nations, demonstrating its important influence in regional affairs.

⁶ First published on November 3, 2024 by China-US Focus and revised for this collection.

China is the largest trading partner of both Russia and Ukraine. These close economic ties give China a unique opportunity to play a greater role in peace-making efforts. Similarly, in the Middle East, China is the region's largest trading partner and has helped facilitate reconciliation between Iran and Saudi Arabia, as well as the release of the Beijing Declaration by 14 Palestinian factions. China can potentially help Trump truly become a peace-making president.

Trump may also continue to push for negotiations on economic and trade issues involving China. Trump is a pragmatic politician who focuses on solving specific problems. During his previous term, he completed the Phase One China-US trade deal, showing a pragmatic attitude on economic issues such as the deficit problem and trade surplus. If Trump is re-elected, the two sides could further discuss subsidy policies, intellectual property protection, overcapacity issues, balance of trade and other things. This pragmatic strategy also means that Trump may value specific results over ideology. Therefore, in practice, Trump may choose to continue negotiations on economic issues to protect US interests.

Trump has a relatively open attitude toward Chinese investment in the United States and may take multiple measures to encourage or require Chinese enterprises to invest and set up factories there. During the campaign, Trump repeatedly stated that he hoped to encourage the return of the manufacturing industry through higher tariffs and welcomed foreign-funded enterprises to set up factories in the United States. Because of the China-US trade war, a large number of Chinese enterprises that had wanted to enter the US market set up factories in Mexico instead.

Trump has said that if Chinese enterprises can adhere to US requirements, he would welcome Chinese car manufacturers building factories in the United States. This would open up new space for China-US economic cooperation. Fuyao Glass has already set up factories in the US and taken root. CATL is currently negotiating with American enterprises about investment and establishing a presence. Elon Musk's support after the election could encourage Trump to take a more pragmatic approach, especially given Tesla's extensive operations in China. In contrast, the current administration's policy in this regard is more conservative. It has even blocked investment by some Chinese enterprises.

On the Taiwan issue, Trump may continue to adopt a pragmatic attitude, and the two sides may continue to communicate on the basis of maintaining the status quo. Trump has said that Taiwan should pay the United States for protection, explaining that it's similar to buying insurance. If Trump comes to power, he may stick to the "one China" policy and reiterate the Three Communiqués endorsed by all US presidents in the past.

If Harris Wins: Status Quo with China and More Certainty

If Kamala Harris is elected, she will most likely inherit the policy of "competitive rivalry" established by the Biden administration and continue to adhere to the

“investment, alliance, competition” trilogy, balancing China’s influence by strengthening relations with US allies. In trade and industry, she may continue to promote industrial chain coordination with allies and oppose the imposition of high universal tariffs on China, but she will focus on competition in key strategic areas. In technology, she is expected to continue to strengthen the competitive thinking of “invest in America” and “small yard, high fence,” and strengthen the monitoring of US technology companies and keep playing the China-US technology containment game. But overall, Harris’s election will also avoid directly intensifying the China-US conflict and maintain the current state of affairs.

Harris’s background in California and her knowledge of the Asian-American community gives her a certain understanding of the complexity of the China-US relationship. Harris came up in California, and China is California’s largest trading partner. The most economically developed state in the United States, California has more than six million Asian-Americans, of which about two million are Chinese-Americans. Her vice president, Tim Walz, also has a rich knowledge of China. He previously worked as a teacher in China, knows the Chinese language, spent his honeymoon in China and organized more than 30 study tours to China for American students. These experiences give Walz a direct understanding of Chinese culture and society, which may help the Harris administration to pay more attention to long-term communication and non-governmental sectors when managing the China-US relationship. This may also help to avoid alienating Asian-Americans and other immigrant groups in the United States by imposing overly tough policies on China.

The Harris administration may also try to strengthen bilateral dialogue and communication channels in its relations with China to establish cooperation pipelines. After the China-US summit in San Francisco last year, the two sides resumed a number of exchange mechanisms, with continued dialogue on climate change, artificial intelligence, fentanyl, defense, trade, and finance. And cooperation would likely continue. Harris briefly mentioned China in her nomination speech, and her tone was relatively mild, indicating that she may prefer to maintain a competitive advantage over China in the future.

Possible Pathways for US-China Relations

Regardless of the outcome of the election, there remains vast potential for cooperation between China and the United States. Together, they could work toward global peace and address a host of pressing challenges, including not only the Russia-Ukraine war and tensions in the Middle East but also climate change, AI governance, and the debt burdens of Global South countries. Collaboration on these issues would address shared responsibilities, benefiting not just the two nations but, the world as a whole.

Both China and the United States should consider in advance how to “synchronize” in the event Trump is re-elected, including on issues such as the Russia-Ukraine war and the Taiwan question. China and the United States should coordinate their efforts toward peace, leveraging China’s influence on the Russian side and in the

Middle East to help Trump fulfill his promise of being a peace-making president. This would establish a foundation for cooperation between China and the United States on international peace.

The Taiwan question is a core issue for China and the United States. It may be possible to consider making a new joint statement to clarify the positions of both sides to avoid misunderstandings and misjudgments. Such a statement could potentially reiterate the content of the three China-US Joint Communiqués, emphasize the importance of the “One-China” principle and encourage both sides to resolve differences through peaceful means—maintaining the status quo.

If Trump is elected, China-US economic and trade investment cooperation could improve, and China’s advantages in manufacturing could be leveraged to achieve a win-win outcome with the United States. On tariffs, China could suggest practical cooperation on the premise of reducing some tariffs to drive the recovery of the US manufacturing industry through investment, technological cooperation and other ways, which would create jobs for the United States and help revitalize local economies. China’s manufacturing advantages can supplement the US supply chain and help both sides achieve a mutually beneficial result on economic issues. Further, second-phase negotiations could also go forward on trade to improve the China-US trade relationship through practical discussions and cooperation.

The consensus reached in San Francisco should be consolidated and implemented, with high-level dialogue channels kept open. China’s five-year proposal to welcome 50,000 American youth to China would enhance friendly exchanges between both peoples. If Harris is elected, it is likewise hoped that both sides will continue to implement the points of agreement reached by the presidents in San Francisco.

China should also vigorously promote openness in inbound tourism. It would be beneficial for China to establish a visa-free policy for the United States similar to what’s in place for 20 European countries. China and the United States should also increase the number of resident journalists in both countries, as it is of great importance to have a real, broad, and comprehensive understanding of each other.

Expanding access to platforms such as Google, Facebook, and Twitter in China could also foster a more open exchange of information and culture between the two nations. The US should consider pulling back from restrictions on platforms such as TikTok, as mutual access to digital spaces would enhance understanding and communication, reduce tensions, build trust, and support a healthier, more balanced digital ecosystem.

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Chapter 3

Reluctant Rivals II—China-US Relations under Biden, Containment and the Battle for Values



For most of the post-WWII era, the inevitable see-saw flip between Democratic and Republican in the presidency has demonstrated very different approaches. While generally seen as liberal versus conservative domestically, the two parties' policy on China has been similarly tough under presidents from both parties.

As we have seen in the previous chapter and in the wider news media since his reelection, Donald Trump has both engaged China, but also been very tough in terms of trade and national security. His main focus has been on the trade deficit, the perceived technological threat that China poses to the US and domestic concerns about certain groups of international students, which have indirectly also affected China.

However, Joe Biden, who we will take a closer look at in this chapter, while generally not as hawkish on China specifically, focused to a greater extent on ideological issues and containing an increasingly capable China led by the Communist Party. The Summit for Democracy, which was convened by President Biden, focused on strengthening democracy around the world and sent a very clear message to China, Russia and other states seen as “autocratic” that they were not welcome and were not considered equal in the discussion.

For China, this feeling of containment and exclusion was further exacerbated by the formation and expansion of security focused alliances like AUKUS and the Quadrilateral Security Dialogue, which united traditional “Western Leaning” allies in reaction to China’s increased influence in the region, mostly economic, but also increasingly political.

While President Biden and his liberal democratic allies may have been more measured and diplomatic in their language regarding China compared to the direct and often incendiary language of Donald Trump, they similarly viewed China as a rival and potential danger to the United States both economically and strategically. In this chapter, we will look back at the Biden presidency to provide a bit of contrast and comparison to the current state of US-China relations under Trump 2.0.

As mentioned in the previous chapter, China and the United States have become increasingly intertwined in recent decades, forming a very close, if not nearly symbiotic relationship. Like all close relationships, Sino-US Relations have been going through a rough patch and in the first article of this chapter, “Rocking US-China Relationship Could Benefit from Couples Therapy”, the concepts of mutual respect, empathy and common interests are emphasized as ways to address the strained times that the US and China seem to be experiencing.

The visit by Anthony Blinken during the Biden administration was a welcome overture that signaled a possible warming of relations, but it still belied the complexities of the US-China relationship. The second article in this chapter, “Biden’s National Security Strategy Highlights the Paradox of US-China Relations”, highlights the fact that the US-China relationship is filled with areas of both cooperation and competition, the balance of which will require careful statecraft by both sides.

However, it is cooperation that will provide the greatest benefit to the US and China, as well as the rest of the world. The third article in this chapter highlights, “Stakes Have Never Been Higher for US-China Cooperation to Get into Gear”. The article identifies where the United States and China already cooperated effectively in the pursuit of peace in the Middle East, on climate change, and in the digital sphere, but that it is critical at this juncture that cooperation is put into high gear.

To promote cooperation, the most effective method is in-person communication. While this was nearly impossible during the COVID-19 pandemic, the next article in this chapter, “To Mend Fraying Sino-US Relations, Nothing Can Beat Face-to-Face Interaction” proposes three concrete recommendations to repair and restore Sino-US relations in the light of the current rise in tension.

Avoiding the Thucydides’s Trap

The discussion of the Thucydides’s Trap has captivated the imagination of the world in its desire to explain the current trend in US-China relations. The reference to the ancient conflict between the rising power of Greece and the incumbent power of Sparta, which resulted in outright war, has caused many people to draw direct and destructive conclusions. The next article in this chapter, “A Path Beyond the Thucydides’s Trap for China, US”, lays out the ways in which today’s situation is different and how all out war can be avoided.

One of the ways to avoid conflict is to promote more regular meetings at high levels of government. The next article in this chapter, “US-China Relations: Restarting Congressional Visits to the Mainland to Revive Dialogue and Understanding”, begins with the issue of visits by members of the US Congress to Taiwan and their impact on US-China relations, Beijing will continue to oppose these trips, but it can also welcome these members of Congress to visit the mainland to open up greater channels of person-to-person communication.

Another strategy for improving Sino-US relations is to use a different approach. In the next article in this chapter, “The Olympic Spirit Can Help Foster Sino-US Ties”, the spirit of friendly competition exemplified by the Olympics is used as an alternative to become “Higher, Faster, Stronger—Together”. In this next article, the most fundamental medium of communication-education-is touched upon in encouraging

dialogue among young people, who will ultimately decide where our future leads. In “How Restoring Youth Exchanges Can Build Future Bridges between China and the US”, the impact of youth and student exchange is discussed on as a fundamental tool in reestablishing connections between the US and China.

After two U.S. administrations and eight years of US pressure and containment on China, China has remained resilient, continuing to grow and evolve. Unlike the former Soviet Union, China is deeply interwoven with both the US and the global economy, making any separation difficult. This interconnectedness may gradually guide both nations toward a more pragmatic approach, finding common ground for peaceful coexistence. As Joseph Nye said in a dialogue with me, US-China relations often follow a cycle, and while we are currently at a low point, there is potential for recovery. Similarly, Graham Allison noted to me, the Thucydides’s Trap is not inevitable, and with mutual understanding and cooperation, it can be avoided.

US-China relations are among the most consequential in the world, impacting global stability and growth. The two have a shared responsibility to navigate and strive to resolve the problems of climate, economic development, and conflict. The international community looks to these two powers to foster a more balanced and cooperative relationship. While uncertainties remain, constructive efforts from both sides can pave the way for a stable, mutually beneficial path forward.

Rocking US-China Relationship Could Benefit from Couples Therapy Strategies¹

Antony Blinken's successful visit to Beijing has opened a window of opportunity to establish a more constructive and harmonious US-China relationship.

Conflict is inevitable in any long-term relationship. What really matters is whether partners can manage, resolve, and move on from their disagreements and build a healthier bond over time. This insight applies to international diplomacy as much as to romantic relationships.

It is fair to say the aftermath of the balloon incident in February was not a shining example of conflict resolution. Rather than communicating calmly and effectively, China and the United States got caught in a cycle of blame and recrimination, sending the relationship to its lowest ebb in decades.

Thankfully, US Secretary of State Antony Blinken's successful visit to Beijing has opened a window of opportunity to establish a more constructive and harmonious US-China relationship. Both sides have a responsibility to seize this chance—as two of the world's foremost powers, their dynamic not only influences their own nations but the entire global landscape.

Blinken's visit, the first to China by a US Secretary of State in five years, saw constructive meetings with the then Foreign Minister, top diplomat Wang Yi and President Xi Jinping, the last of which was by no means guaranteed. These positive interactions send a strong signal that, having veered dangerously close to the edge, both sides recognise they cannot risk a complete break and are committed to putting the relationship on a more steady footing.

It is now crucial for China and the US to work together to build a solid foundation for their relationship so that future incidents cannot derail ties in the manner we have seen in the last few months. To achieve this, there are four principles drawn from relationship therapy that can be adapted to help guide the development of stronger, more stable US-China relations.

First, open and regular communication is the cornerstone of any strong partnership. China and the US must get back to having frequent and transparent dialogue about their intentions, concerns, and expectations.

The first priority is to step up high-level interactions to clear the way for a meeting between Xi and US President Joe Biden at the Group of 20 or APEC summits later this year. Hopefully Blinken's trip will be followed by visits by US Treasury Secretary Janet Yellen, Commerce Secretary Gina Raimondo and Biden's climate envoy John Kerry.

Regular contacts at lower levels of government should also be restored, as well as the bilateral dialogue that withered during the Trump administration. Collectively, these meetings can provide platforms to explore avenues for cooperation and address any brewing issues and defuse tensions before they snowball into larger conflicts.

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Second, any relationship needs robust mechanisms to manage and resolve conflict when it does occur. China and the US must establish channels for swift and effective communication during crises, as well as pre-established protocols to manage such events, to help de-escalate such situations before they become unmanageable.

Even at the height of the Cold War, the US and Soviet Union maintained channels for communication and crisis management, including a hotline between Washington and Moscow. China and the US lack those kinds of mechanisms.

Looking to the longer term, the third point that a relationship therapist might emphasise is the need to develop mutual respect, empathy and shared interests. Couples going through a rough patch are often advised to try to understand the other person and engage in joint activities or hobbies to strengthen their bond.

In a similar vein, nations can foster empathy through cultural exchange in areas such as education, research, and tourism, helping to enhance mutual understanding and reduce the “us versus them” mentality. Cultural ties between China and the US have waned in recent years because of politics and the COVID-19 pandemic.

China is now open again, but the lack of sufficient flights to and from the US remains a bottleneck. Fewer than 6 per cent of flights between China and the US that existed in 2019 have resumed, according to a recent Nomura report, and flights that remain are expensive. Part of the issue is that restrictions on flying over Russian airspace add a significant cost to operating these routes. Both sides need to explore ways to increase the number of flights.

More broadly, both sides should strive to promote bilateral exchange across society. The number of US students in China dwindled to just around 350 last semester. Hopefully this number will begin to rise as students make new applications for next term. It would also be beneficial to promote academic exchange, including by reducing the red tape involved in having foreign guests participate in academic conferences in China.

Meanwhile, the Fulbright China programme sent US scholars to China for more than four decades and sent their Chinese counterparts the other way. It was canceled in 2020 but should be revived, as should the Peace Corps programme, which withdrew from China the same year.

Finally, shared goals and collaborative projects play a pivotal role in helping couples and continues deepen connections. Similarly, China and the US must identify areas of common ground and pursue joint initiatives that benefit both nations. This should extend beyond addressing immediate concerns and conflicts to encompass broader, more constructive themes such as climate change and global financial stability. Long-term collaboration and incremental achievements on such issues can help unite both nations under a common cause.

Like successful couples, both nations must invest time and effort in nurturing their partnership. After Blinken’s visit, there is a chance for China and the US to build a more solid foundation for their relationship so it is not derailed when the next surprise comes. As with any relationship, there will be bumps in the road, but these can be overcome with careful management.

Biden's National Security Strategy Highlights the Paradox of US-China Relations²

Biden's strategy proposes a "dual-track approach" that allows for cooperation with any country—including geopolitical rivals—and calling for "responsible competition" with China.

The author F. Scott Fitzgerald famously wrote: "The test of a first-rate intelligence is the ability to hold two opposing ideas in mind at the same time and still retain the ability to function."

In the coming decades, as American scholar Graham Allison notes, the leaders of China and the United States will face something akin to this "Fitzgerald test" as they seek to navigate an increasingly fraught relationship.

On one hand, it seems inevitable that the two countries will be fierce competitors as both strive to be the biggest and best across a range of economic, technological, and military arenas. On the other hand, unless they can cooperate in dealing with shared threats like climate change, both countries—along with the rest of the world—are doomed.

This tension between competition and cooperation permeates the bilateral relationship and remains an unresolved contradiction in President Biden's national security strategy, which was finally released last week.

First, it is welcome that the strategy recognises that shared challenges like climate change, food insecurity, pandemics and inflation are "at the core of national and international security and must be treated as such". In the twenty-first century, no country can be truly safe unless it works with others to address such shared issues, which are not only a direct threat to national security, but also risk multipliers for geopolitical instability.

Biden's strategy mentions "climate" around 65 times—a welcome change from the version issued by the Trump administration, which eschewed fighting climate change in favour of calls for energy dominance and fossil fuel production.

However, it is difficult to square Biden's avowed commitment to global cooperation on shared threats with the overriding emphasis on geopolitical competition, particularly with China, which suffuses every section of the document.

China is an indispensable partner if the US is serious about tackling global threats like climate change. The two countries are the world's largest economies, carbon emitters, and suppliers of clean technology. They are also the world's two science superpowers, jointly accounting for about 40 per cent of global scholarly output and over one-third of the world's 8.85 million research personnel.

China-US collaboration in research and innovation will be critical to addressing climate change, pandemics, and other challenges that no country can handle alone. But these links are already suffering amid rising bilateral tensions. Last year, China-US co-publications fell for the first time and at least 1,400 US-based ethnic Chinese scientists switched their affiliation from US to Chinese institutions.

² First published on October 26, 2022 by SCMP and revised for this collection.

Biden is now escalating competition with China in science and technology—not only by investing in America's capabilities, but also by actively trying to hold back China's development, as seen in the recent sweeping restrictions on semiconductors.

Moves like this will only deepen the chill in bilateral cooperation at a time when we should be seeking closer integration between the vast science and research ecosystems of both countries to tap synergies and develop solutions to global challenges.

Sanctions on semiconductors will not only affect China, which is the world's largest buyer of chips. Bifurcating the market will also have a major impact on economies such as Taiwan, South Korea, and Japan that supply components to mainland China, hurting profits, research and ultimately the development of an industry that is so crucial for growth and innovation.

More broadly, the US's drive to pit democracies against autocracies, as laid out in the security strategy, does not resonate well in Asia and many other regions. It will work against the economic integration, prosperity and harmony that is required to mobilise joint resources and forge the inclusive global governance that is required to deal with our shared threats.

Biden's strategy does pay lip service to the contradiction between its two stated priorities of shared challenges and geopolitical competition, proposing a "dual-track approach" that allows for cooperation with any country—including geopolitical rivals—and calling for "responsible competition" with China.

However, these remain abstract notions and there is little indication of how they can be realised in practice, or how the US hopes to promote global cooperation while pitting a select group of like-minded countries against others.

Thankfully, both sides still have the political will to work together, whatever their differences. In a press conference just before the opening of the Communist Party congress, senior official Sun Yeli said that the most important thing in international relations in the next 50 years would be "a right way" for the US and China "to get along".

Last week, Secretary of State Antony Blinken reiterated that the US must not lose sight of the cooperative aspects of the relationship, recognising that problems like climate change and global health will be difficult to solve if the two nations are not engaged.

Biden's new strategy highlights the question of how the US and China can cooperate and compete at the same time in a world of growing tensions. For now, the answer to that paradox remains a work in progress. Solving it will require creative statecraft by leaders living up to the Fitzgerald test of juggling two seemingly contradictory ideas at the same time.

Stakes Have Never Been Higher for US-China Cooperation to Get into Gear³

Recent high-level talks between China and the US on climate change and ongoing wars highlight the potential for successful collaboration and call for even more bilateral coordination.

The visit of China's special envoy for climate change, Liu Zhenmin, to the United States on May 8–9 was one of many recent interactions highlighting renewed momentum in US-China relations. The visit included discussions with the new US climate envoy John Podesta on deploying technologies to reduce emissions of greenhouse gases like methane.

This event underscores a broader trend of increased interactions between the US and China, such as the recent Harvard Kennedy School China Conference, where the responsibilities of both nations in maintaining global peace were emphasised.

A notable example of successful cooperation is the recent handling of Iran-Israel tensions. Intelligence about a potential escalation after Israel's attack on an Iranian consulate building in Damascus prompted US Secretary of State Antony Blinken to call Chinese Foreign Minister Wang Yi and request China's intervention.

Wang contacted his Iranian counterpart, urging restraint. This intervention no doubt helped temper Iran's retaliation against Israel, showcasing how China and the US can collaborate to support world peace.

In an increasingly interconnected world beset by conflict and facing profound challenges in areas such as artificial intelligence (AI), climate change, cybersecurity and space exploration, the need for US-China cooperation has never been more pressing.

As two of the world's superpowers, both nations bear a unique and shared moral responsibility to address these critical issues collaboratively. Their partnership is essential not only for resolving existing tensions but also for steering the world towards a more stable and prosperous future.

During his recent visit to Beijing, Blinken spoke of the duty great nations share to ensure stability, a sentiment echoed by Wang Yi. This dialogue builds on the 2023 "San Francisco vision" and the phone call in April this year between US President Joe Biden and Chinese President Xi Jinping.

The two sides have continued to communicate over the war in Ukraine and Israel's war on Gaza, signaling a mutual desire to ease various tensions through diplomacy and dialogue. Looking ahead, they should deepen cooperation within multilateral frameworks like the United Nations to address regional conflicts, a profound test for the rules-based global order.

Moving forward, it is essential that the two countries focus on several key areas of cooperation. Foremost among these is the issue of peace and stability, which stands as the most pressing challenge facing humanity today. The escalating violence in Gaza

³ First published on May 22, 2024 by SCMP and revised for this collection.

and the Russia-Ukraine war acutely underscore the urgent need for global stability and joint efforts to ensure peace.

The US and China should take proactive steps to mediate ongoing conflicts. President Xi has already stepped up China's diplomatic efforts in the Gaza crisis, along with French President Emmanuel Macron, urging Israel to refrain from its proposed ground offensive in Rafah and advocating for the necessary humanitarian corridors and a two-state solution. Similarly, Beijing has encouraged Russia and Ukraine to begin peace talks to prevent further escalation. Both China and the US can also do more to work through the UN to establish and support peacekeeping missions and diplomatic initiatives in conflict zones.

Another critical area of cooperation is on climate change. The US and China, as the world's largest carbon emitters, have a responsibility to lead global efforts in mitigating their impact on the climate. More than other nations, they should jointly spearhead initiatives within the UN Framework Convention on Climate Change to ensure the successful implementation of the Paris Agreement.

Potential collaborative projects could include funding for renewable energy research, sharing green technologies, and providing financial as well as technical support to developing countries.

Meanwhile, the rise of AI presents both opportunities and challenges that demand cooperative governance. On May 14, the first US-China intergovernmental dialogue on AI took place in Geneva. Yang Tao, director general of the foreign ministry's North American and Oceanian Affairs department, led the Chinese delegation while Tarun Chhabra, senior director for technology and national security at the National Security Council, and Seth Center, the State Department's acting special envoy for critical and emerging technology, headed the US side.

The delegations discussed their approaches to managing AI risks and emphasised the importance of ensuring AI technologies are beneficial, safe, and equitable. There is an urgent need for the US and China to collaborate on establishing international norms and standards for AI development and deployment. Bilateral agreements on AI ethics and safety protocols could help mitigate risks and ensure that AI technologies serve the greater good.

The strengthening of multilateral institutions is essential to building a new international order that reflects contemporary realities. The US and China should champion reform of global institutions like the UN, World Bank, and the International Monetary Fund, advocating for more inclusive decision-making processes that empower developing countries. By doing so, they will enhance the legitimacy and effectiveness of these institutions.

In addition to national-level exchanges, promoting people-to-people exchanges is also vital for reducing mutual distrust and fostering understanding between the people of these two nations. Expanding educational and cultural exchanges, easing visa restrictions, and encouraging collaborative academic research are essential steps. These initiatives can help build trust and dispel misconceptions, laying the groundwork for a more cooperative future.

The need for US-China cooperation could not be more urgent. By rising above short-sighted rivalries, the two Pacific powers can work to build a cooperative international order that promotes security for humanity as a whole rather just than their own national security interests. The choices the US and China make today will resonate across generations and hopefully shape a world where peace and prosperity are achieved through collective action and shared responsibility.

To Mend Fraying Sino-US Relations, Nothing Can Beat Face-to-Face Interaction⁴

CCG led Track II outreach at the end of the COVID-19 pandemic with a ten day trip covering North America, Europe, and Asia to signal a return to in-person engagement by China.

Engagement is not just a foreign policy stance. It is also a web of bilateral relationships between both individuals and institutions, including government agencies and a diverse array of civil organisations, universities, think tanks and business groups.

Unfortunately, in recent years, such links between China and the United States have frayed amid political tensions and the pandemic.

Earlier this month, a delegation from the Centre for China Globalization (CCG) visited the US for 10 days, hoping to make a small contribution to rebuilding these bilateral ties. The trip was part of an engagement tour that also took us to Berlin, Brussels, Paris, Seoul, and Singapore.

In New York and Washington, we met representatives from 30 institutions, including prominent think tanks, business leaders, journalists and officials from the US State Department and the Chinese embassy. To our knowledge, it was the first such visit to the US by a Chinese think tank delegation since the pandemic began.

Having returned to China, three takeaways from the trip stand out.

First, it is clear the “human architecture” of China-US relations has atrophied over the past three years. By this, I mean the stock of knowledge, expertise and interpersonal connections that allow the two countries to understand and communicate with each other.

Before the pandemic, the CCG would make several trips to engage with its US counterparts each year, part of a tide of bilateral exchange that saw 14,000 people traveling from China to America each day.

In recent years, bilateral tensions have taken a toll on this interaction. At the governmental level, regular meetings such as annual strategic and economic dialogues have ceased. There has been a chilling effect on academic exchange and research collaboration. With the outbreak of COVID-19, these cross-border flows have reduced to a trickle.

Organisations such as our think tank have adapted by using virtual platforms to engage with our counterparts on the other side of the Pacific. But, as our recent trip brought home, this is no substitute for in-person exchange when it comes to the candour, depth of conversation and social bonding necessary for effective communication and trust building.

Meeting old friends in the US, who, like me, are not getting any younger, I was reminded that part of maintaining a healthy China-US relationship is cultivating new talent that can help manage differences and bridge the divide between the two countries.

An older generation of China watchers, many with strong language skills, deep personal ties to China, and extensive knowledge of the country, are gradually leaving

⁴ First published on August 6, 2022 by SCMP and revised for this collection.

the stage in Washington. No doubt, there are many bright minds in the upcoming generation.

But they are also coming of age in a more hawkish political environment and have been unable to visit China for the past three years, which will surely affect their understanding of contemporary China and its language. This can only be detrimental to China-US relations in the long run.

My second takeaway from our US trip gives more reason for optimism. Despite a hardening of views towards China over the past two years, there is still a great desire to better understand China among US policymakers, academics and business leaders, and there is a significant constituency still committed to working for a more constructive bilateral relationship.

Our delegation was warmly received wherever we went in New York and Washington. All the events we participated in ran over time, such was the hunger for discussion and the volume of questions people wanted to ask about China.

This was particularly so for the business groups we met, such as the US-China Business Council and the US Chamber of Commerce. Despite concerns over the worsening of China-US relations and the war in Ukraine, we found that, in general, the US business executives we spoke to remain pragmatic towards China and tend to be less hawkish than the prevailing view in the US media.

We encountered many misperceptions about China, but also great curiosity and an eagerness to return to the country. Several business leaders we met, including US-China Business Council President Craig Allen, were among the founding members of a new group that declared its aims to rebuild US relations with China in an op-ed in *The Wall Street Journal* on July 6.

Building on the first two observations, my third and final takeaway from our trip is that it is crucial for both sides to work to restore interpersonal exchanges as soon as possible. Zoom cannot replace in-person interaction when it comes to building trust and understanding.

The pandemic has smothered this channel at a time when global cooperation is sorely needed to address the crisis of compounding risks, from inflation and food shortages to the pandemic and climate change.

China must continue to protect the health of its citizens. But more steps could be taken to facilitate the return of foreign students and outbound trips by Chinese scholars, such as allowing more international flights and easing restrictions on entry and exit.

One think-tank expert we spoke to suggested that China could adopt a form of the closed-loop model, as used in the Winter Olympics, enabling US citizens to visit and meet Chinese counterparts face to face.

Thankfully, China's policies are moving in the right direction to allow personal exchanges to resume. When we met the then Chinese Ambassador to the US in Washington, he asked us to convey the message to our US counterparts that China welcomes more interaction between businesses and institutions.

Premier Li Keqiang reiterated this message recently, in a World Economic Forum dialogue, saying that international students may return to China to continue their studies if they wish, and pledging to improve visa policies and other steps to facilitate cross-border travel. Hopefully, our trip to the US will be the first of many and will signal a resumption of academic and cultural exchange between the two countries.

A Path beyond the Thucydides's Trap for China, US⁵

Far from a “fatalist” view on US-China relations, Graham Allison believes that there is a path that can avoid the Thucydides's Trap and the potentially destructive conflict it foretells.

On March 27, the country's top leader President Xi and a group of US businesspeople and academics agreed that the existing and rising powers can avoid the “Thucydides's Trap”. The meeting was held just days after the release of the book, *Escaping Thucydides's Trap: Dialogue with Graham Allison on China-US Relations*, at the Center for China and Globalization. The timing of the book is critical, because the US presidential election in November will likely define the future of US-China relations amid a complex geopolitical landscape marked by trade disputes and regional conflicts.

In recent years, I have engaged in numerous discussions with Graham Allison, a leading analyst of national security, at events at the CCG as elsewhere around the world which led to the creation of our book. Through a series of questions and answers, we have examined the dynamics between rising and established powers, seeking paths for peaceful competition between China and the United States.

On March 22, 2024, Allison and I jointly released the English and the Chinese editions of the book at CCG's headquarters in Beijing. At the book launch, we also had a number of meaningful discussions on the future of Sino-US ties that drew on key themes from the book. Allison, who first articulated the concept of the “Thucydides's Trap”, addressed the matter head-on: a US-China rivalry may be inevitable, but so is cooperation when our need for survival requires it.

It all began with Thucydides, considered by some as the father of history, who introduced a key concept in his seminal work, *The History of the Peloponnesian War*. The concept is essential to the analysis of history, highlighting the perilous power dynamics between rising and ruling powers. At the heart of his analysis is the Thucydides's Trap—an almost inevitable conflict that ensues when a rapidly rising power, such as Athens in ancient times, poses a significant threat to an established dominant power, such as Sparta. This dynamic, illustrating the tension between an emergent force and the established power, made the Peloponnesian War almost inevitable.

If we look at today's global landscape, we can see that no country in history has risen as rapidly and extensively in such a short time as China has. From a country where, till the 1990s, 90 percent of the population lived on less than \$2 a day, China has not only succeeded in eradicating extreme poverty but has also become the world's largest economy in terms of purchasing power parity.

The fact that this remarkable transformation has occurred in four decades and is unprecedented, has made the US uncomfortable only because having shaped the post-World War II international order and been the sole superpower after the end of the Cold War, it struggles to accept the rise of an equally powerful country. This is where the Thucydides's Trap comes in.

⁵ First published on April 25, 2024 by *China Daily* and revised for this collection.

Moreover, trade tensions, geopolitical challenges, and issues such as the Taiwan question have become flashpoints in US-China relations, emphasizing the need to avoid the “Thucydides’s Trap” because, now, more than ever, collaboration is crucial.

During the book launch, Allison used a compelling analogy to illustrate the intricate China-US interdependence. He likened the two countries to “conjoined twins”, sharing vital organs but with two distinct heads and minds, and bound by the existential imperative to “coexist or perish”. This drives home the point that engaging in harmful actions, even if momentarily satisfying, ultimately results in self-harm.

This concept aligns with the Chinese phrase, “you are in me, and I am in you”, which President Xi Jinping quoted during a meeting with a bipartisan US Senate delegation, including Democrat Senator Charles Schumer, on Oct 9, 2023. This notion is rooted in Chinese culture and contrasts with the often binary “black and white” thinking that marks discourse in the US, advocating instead for a more intertwined and connected approach.

President Xi was the first global leader to truly explore the concept of “Thucydides’s Trap”, even before the publication of *Destined for War: Can America and China Avoid Thucydides’s Trap?* in 2017. He has often said that there is no inherent “Thucydides’s Trap” in the world but that strategic miscalculations among major powers could inadvertently create one.

As a student and colleague of former US Secretary of State Henry Kissinger, Allison shares Kissinger’s perspective that Sino-US relations are perilously poisoned, yet insists that coexistence is achievable. He believes that through steadfast communication and thoughtful diplomacy, major powers can transcend the historical inevitabilities that Thucydides described.

In his role as a Harvard professor and former US government official, Allison significantly influences the narrative on US-China relations. He argues that cooperation between the two countries is not just mutually beneficial, but also essential for survival. So the two powers should work together by setting aside their differences and focusing on their fundamental interests—chief among them is national survival.

The idea of interconnection has broader implications, especially considering the fragmented nature of the current global order, which lacks a common goal for collective action. It further underscores the necessity of exploring strategies to bridge divides and establish a framework for peaceful competition. Such was the impetus behind Allison’s seminal work, *Destined for War*.

His follow-up work, *Escaping Thucydides’s Trap*, directly responds to his earlier analysis based on our robust dialogue on preventing conflict. This dialogue critically examines the triggers that could lead to war and proposes viable strategies for steering clear of the Thucydides’s Trap, drawing on historical lessons that underscore the possibility and necessity of peaceful coexistence.

In his new book, Allison refutes the “fatalist” view on potential conflict between the US and China, asserting that a conflict is “not inevitable” and, instead, advocates for adjustments in behavior and proactive steps to prevent a tragedy of historic proportions. Unlike many Western figures who view China primarily as a threat, Allison objectively views China’s progress, respects its right to development, and lauds its achievements, and supports constructive competition, comparing it to the Olympics.

US-China Relations: Restarting Congressional Visits to Mainland to Revive Dialogue and Understanding⁶

With Congress playing a bigger role than ever in the US-China relationship, it is important for Beijing to restart face-to-face interaction with US delegations; not doing so would carry risks.

Congress has arguably never played a bigger role in the US-China relationship. Since the 118th Congress convened in January, lawmakers have introduced a lengthy series of China-related bills, met Taiwan's president, Tsai Ing-wen, in both the United States and Taipei, questioned TikTok's CEO, and formed a new select committee that has labeled the Communist Party an "existential threat" to the US.

After this flurry of events, it is perhaps no wonder that the US Congress is seen as a hawkish and destabilising influence in US-China relations, at least in Beijing. But it has not always been this way.

After the "Red Scare" of McCarthyism in the 1950s, congressional activities such as the 1966 Senate hearings on China played a key role in building a climate in which rational discussion could take place again. It was driven by figures with a deep interest in Asia, such as senators Mike Mansfield and J. William Fulbright.

After President Richard Nixon's historic visit to China, Mansfield and Fulbright were among the legislators who visited China between 1972 and 1978 as part of congressional delegations. As the administration's outreach to China waned with Nixon's downfall and amid President Gerald Ford's domestic preoccupations, these delegations became the most active channel of communication between the two governments to reach agreements on normalising relations.

These early visits, generally followed by reports and hearings that provided first-hand evaluations of China, played an important role in helping the rest of Congress and the broader American public understand China's political system, its attitude towards the US, and the importance of improving bilateral relations.

Candid discussions with legislators helped Chinese leaders understand the dynamics and positions of Congress. The visits also served to promote economic cooperation in fields such as agriculture and aviation and left a strong impression on lawmakers who would go on to play key roles in shaping US foreign policy, including a young Joe Biden who made his first trip to China in 1979.

In recent decades, delegations of members of Congress and their staff have continued to visit China, allowing them to meet senior Chinese officials and learn about China for themselves through site visits, study tours and meetings. However, these in-person exchanges, which were already declining before the COVID-19 pandemic, have come to a halt for the past three years.

At a time when tensions between the two powers have reached new heights, this lack of face-to-face interaction has exacerbated misunderstanding and a lack of trust. Now that China has reopened, it is time for a concerted effort to get US lawmakers to come back and see the country for themselves.

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Last year, almost 40 members of Congress went to Taiwan, the most in a decade, and this year more delegations have visited the island. Beijing will continue to oppose these trips, but it can also welcome them to visit the mainland. When the next high-profile visit happens, it would be smart to adopt a more proactive approach and invite lawmakers to visit the mainland.

Engaging with members of Congress directly would let Beijing present its own perspective on the visits and hopefully better manage these periodic disruptions to the US-China relationship. The Asia tour by Newt Gingrich in 1997 provides useful precedent, when the then-House speaker was persuaded to start his tour with a visit to the mainland for three days before going on to Taiwan via Tokyo.

Some lawmakers will refuse the invitation. Even so, there is no harm in China demonstrating openness and a willingness to engage with Congress. Some lawmakers—such as California Democrat Ro Khanna, a member of the Select Committee on China—have expressed a willingness to visit. Despite the appearance of a bipartisan hawkish consensus, there is a diversity of views in Congress and a willingness to pursue a multifaceted approach to China that does not foreclose the possibility of stabilising bilateral relations.

Managing these visits will be tricky. Chinese officials will have to engage constructively with guests who have to play to a domestic audience that demands they be “tough on China”, especially as the 2024 presidential election countdown begins.

Minds will not be changed in a single visit, but at this stage any chance to interact and present a different side of the story would be an improvement. First-person experience can be surprisingly effective in challenging preconceived ideas.

A year before his 1997 visit, Gingrich likened Beijing’s leadership to terrorists. After three days in China, he was pushing for stronger bilateral engagement and described meeting Chinese leaders as “the high point of my public life”.

Furthermore, Chinese lawmakers and top advisers should be encouraged to visit the US, so more direct exchanges and frank dialogue can be conducted for both countries.

Of course, much has changed since the Gingrich visit, and even more since Congress helped lay the groundwork for the normalisation of US-China relations in the 1970s. Geopolitically, the power balance between the two sides has narrowed and they have lost a common foe in the Soviet Union.

Competing with China has become a rare unifying cause in Congress. In the current climate, it is hard to imagine any lawmaker going out on a limb, as Mansfield did in the 1960s and 1970s, to advocate closer relations with China.

There is a significant gap between the world views of US lawmakers and Chinese officials, but it is surely no bigger than it was in the 1970s before China opened up to the world. For Beijing, engaging with US lawmakers will not be easy or without risk. Even so, it is surely a greater risk not to engage with Congress as it plays a growing role in shaping the US-China relationship.

The Olympic Spirit Can Help Foster Sino-US Ties⁷

Competition between the countries should reflect the spirit of Olympic competition, striving for excellence while supporting each other, which is crucial for advancing human progress.

The Paris Olympic Games were a milestone for China, as the country not only won 40 gold medals, tying with the United States for top gold medal count, but also celebrated its best ever performance at an overseas Olympics, showcasing its emergence as a global sports powerhouse.

This achievement marks a historical journey for China, from the moment in 1908 when it first expressed the wish to host its own Olympics to successfully hosting the Beijing 2008 Summer Olympics and then the Beijing 2022 Winter Olympics, becoming the world's first "dual Olympic city".

The breakthroughs China has achieved across different sports disciplines, including in tennis and cycling, mirrors the country's rise in economic, technological and social domains, paralleling developments that the West has often viewed as a challenge to the existing world order, particularly affecting China-US relations. However, China has emphasized that its rise is peaceful in nature, China has remained committed to maintaining a fairer and just world order.

Sino-US relations are one of the most critical bilateral relationships in the world today, influencing global politics, economics, and security. In the 45 years since the establishment of diplomatic relations between China and the United States, the two countries' relationship has weathered many storms only to move forward.

On Jan 1 this year, Chinese and US presidents exchanged congratulatory messages on the 45th anniversary of the establishment of China-US diplomatic ties. In the first seven months of this year, the total Sino-US trade volume reached 2.72 trillion yuan, marking a 4.1 percent increase. Among this, exports to the United States amounted to 2.04 trillion yuan, up by 5.1 percent.

As two of the five permanent members of the UN Security Council and nuclear powers, China and the US play key roles in maintaining global stability and promoting development. Yet bilateral relations face a series of challenges, including trade tensions, technological rivalry, and geopolitical disputes. The trade war initiated by the US in 2018 and characterized by punitive tariffs on Chinese goods not only harmed the two economies but also sent ripples across the global trade system. The high-tech competition between the two sides further intensified with the US imposing sanctions on Chinese technology firms in a bid to curb China's advancement in high-tech.

Besides, geopolitical issues including the South China Sea disputes—and the Taiwan question, which is China's internal matter—have made already fragile Sino-US ties more complex.

Amid all this, the Olympic Games offered valuable lessons for both China and the US. Sino-US ties should mirror the ethos of the Olympics, which embodies the spirit of friendly competition. The competition between the countries, regardless of the

⁷ First published on August 13, 2024 by *China Daily* and revised for this collection.

field, should be like any competition in the Olympics—to seek mutual accomplishment under the motto “Higher, Faster, Stronger—Together”. This spirit of striving for excellence while supporting each other in the process is crucial for advancing human progress.

The addition of “Together” to the Olympic motto in 2021 emphasizes the importance of solidarity, cooperation, and friendship among countries, a vision that resonates with China’s proposal to build a community with a shared future for mankind.

China has long championed the principle of “Friendship First, Competition Second”, a guiding tenet that has roots in the “ping-pong diplomacy” of 1971 which helped thaw Sino-US relations, as the two sides’ table tennis teams engaged in friendly matches that eventually led to a historic breakthrough in bilateral ties. After the breakthrough, the two countries began breaking down the barriers that had kept them apart for more than two decades. The ping-pong diplomacy shows that even the most entrenched divisions can be narrowed through sportsmanship and mutual respect.

The concept of cooperation is deeply embedded in the Olympic spirit. The Olympic rings, representing the five continents, symbolize unity and the collective effort of all countries to work together to achieve common goals.

The Olympics also underscore the importance of fair competition, a principle that the Chinese delegation has highlighted by advocating for “gold medals of morality, style, and integrity”, which reflects China’s commitment to fair play and commitment to maintain global peace and uphold global values, drawing international praise.

Olympic competitions are not zero-sum games; they are mutually beneficial and fulfilling events. During the ancient Olympic Games, people from different city-states in ancient Greece achieved mutual benefit and shared prosperity through friendly competition, cultural exchanges and trade. From its inception, the Olympic Games have promoted the values of mutual benefit and shared prosperity, extending beyond the realm of sports into the broader context of international relations.

Graham Allison, who popularized the concept of “Thucydides’s Trap”, recently suggested that positive competition, as represented by the Olympic spirit, should guide international relations. Indeed, the Olympic spirit, with its emphasis on friendly competition, cooperation and fairness, offers a powerful metaphor for the future of China-US relations.

As the two sides navigate the complexities of their relationship, they would do better to draw inspiration from the Olympic ideals. By embracing this spirit, they can move beyond the challenges that have strained their relations in recent years and work together to build a future where competition is constructive and cooperation valued, and the two sides contribute to the progress of humanity.

How Restoring Youth Exchanges Can Build Future Bridges Between China and the US⁸

The numbers of Americans in Chinese universities are historically low amid strained bilateral relations and China is implementing creative policies to attract both students and young professionals.

In a significant diplomatic gesture during his visit to the APEC summit in San Francisco last year, President Xi Jinping announced that China would invite 50,000 young Americans to take part in exchange and study programmes over the next five years.

This commitment to mend the cultural rift with the US was highlighted by the warm reception students from Muscatine High School in Iowa received when they visited China in late January. They also received a personal letter from President Xi.

Yet, such expressions of goodwill are not enough on their own. The number of American students enrolling in Chinese universities has dropped to its lowest level in a decade. According to a US government-funded study by the Institute of International Education, just 211 Americans studied in mainland China during the 2021–22 academic year.

In 2023, US Ambassador to China Nicholas Burns estimated there were about 350 American students enrolled in study abroad programmes in China. The COVID-19 pandemic, strained bilateral relations, and challenges such as the delayed resumption of direct flights have all played a part in this downturn.

It is imperative that the trend is reversed. The decline represents a lost opportunity for nearly a generation of young people to learn about China and potentially enhance the China-US relationship. Historically, students have been vital links, serving dual roles in public diplomacy as learners and influencers, fostering mutual understanding even when diplomatic and economic relations have soured.

If the US-China Science and Technology Agreement is renewed, it will offer a great opportunity for more young Americans to pursue their studies in China. However, there are several other initiatives that could also be implemented to further improve the situation. Exceptional programmes such as those at the Schwarzman College at Tsinghua University and at Yenching Academy at Peking University could play an essential role.

Showcasing the opportunities for educational and technological innovation through academic programmes could attract more international students and talent. Enhancing collaboration with US universities and exchange programmes like Duke Kunshan University and the Shanghai campus of New York University might attract more American students.

Policymakers should also consider streamlining visa processes and offering tax incentives for top-tier international educators. Such policies would make China more appealing for world-class scholars and enhance students' educational experience.

It is also essential to create engaging environments for students through work-study initiatives, career guidance, and innovation competitions that nurture a

⁸ First published on March 6, 2024 by SCMP and revised for this collection.

supportive environment. International students should be integrated into global talent schemes that enhance their job prospects by establishing partnerships with human resources firms, embassies and bodies such as the International Labour Organization.

Cultivating partnerships with organisations like the All-China Youth Federation, the Overseas Chinese Federation, international chambers of commerce, the All-China Women's Federation, and university alumni associations could help enrich these exchanges. By working with these groups, China can pave the way for a deeper and more nuanced understanding between young people in both countries.

Equally crucial is the development of a comprehensive public relations strategy aimed at fostering a welcoming environment. Sharing success stories and addressing potential concerns could help China shape a perception that not only reassures but ultimately attracts prospective international students and their families.

Practical steps to maximise the impact of exchanges is also extremely important. That means promoting collaborative academic projects, supporting mixed living arrangements and creating communal spaces to spur cultural exchanges. These steps not only facilitate shared learning experiences, but also help break down cultural barriers and foster mutual understanding.

In terms of financial aid and scholarship opportunities, the US could consider reinstituting the Fulbright Program or creating similar ones, while China could make scholarships more available and accessible for US students. Strengthening links between educational institutions, businesses, non-governmental organisations and think tanks in both countries is also crucial in diversifying exchange opportunities.

In the face of scepticism and misconceptions on both sides, China is working to provide an objective view of its complex identity. Especially in light of bilateral tensions, inviting more American students and young professionals to China is a critical step to enhance mutual exchanges and challenge global stereotypes.

This mission is especially significant considering the void left by scholars like Ezra Vogel and John Fairbank, whose work offered deep insights into China's culture and society. There is an incredible opportunity for young American scholars to rediscover China, experience the country first-hand and share what they find, like the pioneering scholars before them.

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Chapter 4

Maintaining Equilibrium—Can China and the EU Balance Global Relations?



Tensions ranging from the Russia-Ukraine war to Israel's actions in the Middle East as well as other potentially dangerous flashpoints are exacerbating the imbalances in the global power structure and threatening overall global peace. To reestablish this balance and preserve peace, the major nations of the world must work together, but inward-looking policies by key powers are making this difficult.

The tension between a rising China and the United States, as described in the previous chapter, is one of the main impediments to maintaining this balance. In this environment that it is possible the European Union could be an alternative partner with which China could work to further promote a stable global environment and even possibly contribute to better US-China relations.

The historical connections between China and Europe provide a basis for a natural connection and cooperation between China and the EU. The Silk Road, which is now experiencing something of a renaissance in the form of the Belt and Road Initiative, has linked these two cradles of civilization for millennia. If these two global power centers could come to a consensus and work together, they could possibly contribute greatly to overall global stability, while also acting as a bridge between China and the US to foster discussion and mitigate conflict.

A Return to Multi-Level Exchange and Communication

In the aftermath of the COVID-19 pandemic, as face-to-face meetings started to resume, China and the EU led the charge with diplomatic exchanges and Track II channels being leveraged by both sides. Compared to the United States, the EU has traditionally been more inclined to engagement with China and a more multilateral approach, itself being a grand experiment in compromise and cooperation among nations that had experienced centuries of conflict.

The first article in this chapter, "Towards a New Pattern of China-EU Partnership with a Global Vision", focuses on the current state of global affairs as a turning point in European politics in facing its three major challenges—the Russia-Ukraine war, climate change and uncertainties in its transatlantic partnership—while also facing

domestic issues with challenges from increasingly vocal nationalistic right-wing elements in society. Improvements in EU-China relations could help Europe manage these challenges. Considering the lack of geopolitical disputes between Europe and China, their long-standing trade relations and China's considerable efforts in mediating peace both in Ukraine and in other global conflicts, a new pattern in EU-China relations could ultimately lead to a new phase of globalization that makes the EU less dependent on the United States and more connected to a rising Global South.

The reelection of Donald Trump as President of the United States has been a rollercoaster ride for much of the world, including, perhaps surprisingly, traditional allies in Europe. For much of American history after World War II, and up until the end of the Biden administration, Europe and America were generally in sync in terms of global policies regarding both trade and geopolitics, but this is no longer the case under President Trump. The second article in this chapter, titled "As Trump's Trade War Gathers Steam, China and Europe Must Cooperate", focuses on how Trump's policies are forcing Europe to find alternative routes for trade and partnership, perhaps the most important of which is China. The possibilities for cooperation range from mutual cross-border investment to talent exchanges and education, which could benefit both sides and hedge risks that come with the unpredictability of the United States in the Trump 2.0 era.

Donald Trump's return to power has been an exercise in shock therapy for the world, but nowhere more so than in Europe. Classic allies both politically and economically, the about turn that Trump has taken on both trade and security has left European mouths agape. In this next article in this chapter, titled "Europe's Role in an Ambiguous Global Future: Remaining a Major Power with Multilateralism", we will explore the options for Europe in establishing a more multilateral global exchange, potentially working more closely with China in a world where the United States will likely become increasingly self-isolating and taking positions counter to the consensus that has been established so far on a number of major issues from climate change to trade policy.

This once again brings us to the importance of a multilateral approach, in terms of both exchanges between governments, but also with non-governmental organizations, which are becoming increasingly influential in terms of shaping policy and driving the discourse on the future of global governance. This is the focus of the next article in this chapter, titled "CCG's Europe Tour: A Close-up Look at New Trends in China-EU Relations", which showcases CCG's efforts, as China's leading non-governmental think tank, in promoting dialogue and exchange, specifically focusing on the potential of the EU to become a mediator between China and the United States.

That said, while Track II diplomacy and the non-governmental sector has become increasingly influential, government-to-government communication remains essential. The fourth article in this chapter, "Scholz's Beijing Visit Brings Hope for EU-China Relations", examines the official visit by Angela Merkel's successor as the first European leader to visit China post-COVID and the potential to inspire other European leaders to visit China and establish a new vitality in China-EU relations. Scholz's commitment to expand investment in China by several large European

companies is a strong signal that at least for Europe's part, comprehensive decoupling and reshoring is not part of Europe's plan, which leaves room for the expansion of trade cooperation between China and the EU.

Finally, the last article in this chapter looks to France and the reelection of Emmanuel Macron. Titled "How Macron's Return as French President Could Be a Win for Both the EU and China", it examines the importance of Macron as a stabilizing force in Europe, particularly vis-à-vis France's, and, more generally, Europe's, relations with China. Macron has called on the EU to be a "balancing power" that should work to avoid the outbreak of real conflict between great powers, in particular the United States and China. Following his election he has also been pivotal in shaping and directing EU foreign policy on a number of levels, from the Ukraine war to climate change policy as well as Europe's links with the United States.

As the world seems to slip even further out of balance, it is imperative that those with the influence and capability work to restore an equilibrium that can ensure a peaceful and prosperous world. Ultimately, this must include the United States, but in the meantime China and the EU can begin in this direction and work to incorporate the United States when and where it is willing.

Towards a New Pattern of China-EU Partnership with a Global Vision¹

At this turning point in world affairs, a global China-EU partnership would involve increased integration with the world that would initiate a new process and higher level of globalization.

The year 2024 has witnessed several surprising developments that raise significant concerns about the future of the world—the growing influence of far-right movements in the European Parliament and EU member states, the attempted assassination of Donald Trump, and the ongoing war in Ukraine and the conflict in Gaza Strip. As Winston Churchill famously predicted in 1942, “Now this is not the end...But it is, perhaps, the end of the beginning.” In this context, we must look forward and work to minimize the risks posed by shifting geopolitical dynamics, where the EU and China must transcend their traditional trade relations and build a new pattern of cooperation.

The EU’s Turning Point

The EU is undoubtedly facing a challenging period, characterized by economic and security dilemmas. Since the beginning of the Russia-Ukraine war, the EU has had to prioritize security on its eastern border, which has had wide-ranging economic impacts. The sanctions imposed on Russia—a double-edged sword—have forced the EU to abandon its traditional source of cheap energy. At the same time, it must increase its military budget while grappling with rising energy prices, all of which weaken its ability to manage post-pandemic recovery. According to the World Bank, real GDP growth in the Eurozone was just 0.4 percent in 2023, a significant drop from the previous 3.4 percent. Meanwhile, total defense spending by EU member states in 2023 was 12.5 percent higher than in 2021 and is expected to continue to rise in the coming years. This budget reallocation has clearly undermined the EU’s investment in its ambitious Green Deal, despite its longstanding commitment to global climate change efforts.

A turning point is approaching. Domestically, the EU must address the challenge posed by right-wing parties, whose nationalist and populist agendas may threaten the core values of the union. As the US presidential election brings further uncertainty into the transatlantic relationship (and the rest of the world), Europe needs to broaden and diversify its partnerships. By reaffirming its commitment to multilateralism—a principle that has traditionally underpinned its international leadership—Europe should continue to pursue strategic autonomy, which the European Parliament defines as “the capacity of the EU to act autonomously... without being dependent on other countries.” This does not mean the EU must abandon its transatlantic relationship.

¹ First published on September 8, 2024 by *Horizons Summer 2024*, Issue No. 27 and revised for this collection.

However, shaken by the Trump Administration, the relationship has become increasingly insecure, and Brussels must seek reliable partnerships elsewhere. As one of the EU's largest trading partners, China cannot be overlooked. The EU needs greater coordination with China and the Global South to reinvigorate its economic dynamics and geopolitical influence.

China recognizes the EU as a key player in a multipolar world, alongside a self-isolating United States and a rising Global South. The EU is one of the world's largest economies, with a consumer market of 500 million people, an innovation hub, a manufacturing powerhouse, and a central role in global value chains. The EU also exercises significant soft power, known for its rule of law, democracy, respect for human rights, and active participation in global affairs. In addition to its leadership on climate change, the EU plays a leading role in the WTO and other international institutions. The leadership and multilateralism that the EU has championed over the past decades have contributed to the free flow of international trade and increasing cultural diversity during the era of hyper-globalization.

China and the EU are not immune to disagreements. The recent tariffs imposed on Chinese electric vehicles (EVs) by the EU indicate potential trade tensions between two of the world's largest economies. The EU's concerns over trade deficits have led it to seek alternative markets in recent years. As a result, the EU has significantly increased its exports to the United States, rebalancing its trade deficits with China. In 2023, the EU's trade deficit with China decreased by 26.7 percent year-on-year, while its trade in goods balance with the United States showed a surplus of €38 billion, compared to a €436 billion deficit with China. Despite these headwinds, the trade relationship between China and the EU, rooted in a long-term partnership and mutual benefit, will not be easily rewritten at this turning point.

China and the EU: Partners without Geopolitical Disputes

The partnership between China and the EU dates back to 1975, when China first established diplomatic relations with the European Economic Community. In 2003, China and the EU established a comprehensive strategic partnership. The "EU-China 2020 Strategic Agenda for Cooperation" further solidified this relationship by introducing more areas of collaboration. As previously described, the relationship can be summarized in two key aspects: trade relations and collaboration on global governance.

However, changing geopolitical circumstances led the EU to redefine this relationship in 2019, labeling it as one of "rivalry, competition, and partnership." These paradoxical concepts have driven the relationship in a confusing direction, with the EU hesitant to engage with China in pursuing its strategic interests in common areas such as trade, climate, and global governance.

At the moment, the EU is seeking to build an economic paradigm underpinned by emerging digital economies and green technology while at the same time struggling

to resolve the Russia-Ukraine war. China remains one of the EU's most important trading partners and is also a potential mediator in the war.

Despite their differences, the two sides share a great deal of common ground in their future visions, presenting potential for joint cooperation that could benefit not only the EU but also the world at large at this critical turning point.

China and the EU have no historical disputes, territorial conflicts, or sovereignty issues—the geographic distance between them provides a solid foundation for expanding collaboration in various dimensions, from climate change to the WTO, the digital economy, and even cultural exchanges. Both sides pride themselves on having magnificent ancient civilizations that have survived critical historical periods, which only enhances their potential for cooperation. Nowadays, they should extend their vision to encompass the breadth of the Eurasian continent and the regions where they share critical, intertwined interests.

As a strong believer in the potential of this partnership, I think the EU and China can continue to build a relationship that greatly benefits the world. However, we may need to make some updates to ensure the China-EU relationship is better suited to the changing global context. Specifically, there are several dimensions the two sides need to focus on moving forward.

Mediators of Wars and Conflicts

The changing geopolitical structure in recent years, marked by two significant conflicts, may reshape the political map of Europe. The first is the war in Ukraine, a brutal ongoing conflict that might have already claimed more than half a million lives and narrowly avoided the risk of nuclear warfare. The second conflict is the quasi-Cold War between China and the United States. Since the outbreak of the trade war in 2018, Sino-American relations have deteriorated significantly. The administration of US President Joseph Biden has not reversed this trajectory; if anything, it has worsened it. However, the complicated relationships between the EU and Russia and China and the US have left some room for the EU to maneuver, should it choose to improve its geopolitical position.

China, as Russia's largest trading partner, has a significant role in mediating the Russia-Ukraine war. In 2022, China reiterated its stance against any nuclear country unilaterally exercising nuclear warfare. Importantly, China collaborated with Europe during this process. When German Chancellor Olaf Scholz visited Beijing in November 2022, the two sides jointly issued a statement against the use of nuclear weapons in war. This position was seen as a successful effort by China and the EU to deescalate the conflict. China has consistently worked with the international community to end the war. It participated in the 2023 Peace Summit held in Jeddah, Saudi Arabia, where representatives from 42 countries agreed to continue discussions toward peace. After releasing its 12-point peace plan in early 2023, China reached a six-point consensus with Brazil in May 2024, followed by an invitation to Ukraine's Foreign Minister, Dmytro Kuleba, to visit China in July to meet with his counterpart,

China's Foreign Minister Wang Yi. This increasing engagement with stakeholders demonstrates that China is serious about mediating the war and is following its own plan.

Meanwhile, the EU faces another challenge in the Middle East. The deepening conflict there could potentially spread to Israel's neighboring countries, triggering a new round of migration crises at the EU's eastern border. On July 23rd, 2024, the unity declaration signed in Beijing by 14 Palestinian factions, including Fatah and Hamas, brought a glimmer of hope to the war-torn region. However, China will need more support from the EU when the final two-state peace solution, backed by both sides, is presented at the G20 Summit and the UN Security Council.

There is no doubt that China stands to gain if it can help broker an end to these conflicts. Under these circumstances, if China continues its mediation in wars and conflicts of concern to the EU, could the EU, in turn, attempt to mediate the conflict between the United States and China as a reciprocal gesture toward China's goodwill? The win-win scenario is that both parties could take advantage of their unique geopolitical positions rather than mutually weakening them.

Economic and Green Transition

In the economic dimension, China introduced the concept of "new quality productivity" earlier in 2024, prioritizing green development and digital innovation to drive sustainable growth. Similarly, the EU is also a world leader in digital innovation and regulation. Through its Green Deal, the EU aims to reduce net greenhouse gas emissions by at least 55 percent by 2030 compared to 1990 levels.

The two sides can jointly explore their potential in the areas of the digital economy and green transition, which are seen as key drivers of future economic growth. The digital economy now accounts for nearly 60 percent of global GDP, according to the China Academy of Information and Communications Technology, a Beijing-based research institute. Additionally, new data from 43 countries, representing about three-quarters of global GDP, demonstrates that business e-commerce sales grew nearly 60 percent from 2016 to 2022, reaching \$27 trillion, according to UNCTAD's Digital Economy Report 2024. In 2023 in particular, an average of 28 percent of ICT firms in the OECD used AI, a higher percentage than in any other sector, according to the OECD.

Key issues in this domain include cross-border data flow, privacy protection, digital monopolies, and AI regulation, with the EU keen to catalyze a global consensus. China is willing to engage with the EU in discussions to help form a global coalition on these issues. Reflecting this shared interest, the ambassadors of France and Germany in China jointly initiated an AI regulation symposium with Chinese experts at the headquarters of the Center for China and Globalization in May 2024, ahead of the AI Summit in Seoul. This demonstrates the common interests of the international community in this area.

Regarding the green transition, the EU and China might consider a new reciprocal model—which I call “investment to reduce tariffs.” China now has a strong capacity to produce renewable energy devices, manufacturing 90 percent of the world’s solar panels in 2023 and selling 60 percent of global EVs. However, this capacity is still insufficient to meet global market demand. The International Energy Agency (IEA) forecasts that global demand for new photovoltaic installations will reach 820 gigawatts, approximately four times that of 2022, if the goals set by the Paris Agreement are to be met. Instead of fearing China’s “overcapacity,” which some fear could undermine the EU’s competitiveness, the two sides should cooperate to boost productivity and explore markets together, rather than raising tariffs and resorting to trade protectionism. A feasible solution to their disputes could involve allowing more Chinese green manufacturers to invest in the European market by lowering investment thresholds, avoiding investigations under the guise of national security, and reducing Sinophobic rhetoric. In return for China increasing its investment in the EU market, the two sides could negotiate lowering tariffs on imported EVs from China.

And here comes the ultimate vision—with the European Parliament having just completed a new round of elections, we have a new mandate for EU leadership. It is expected that the sanctions imposed by both sides since 2021 could come to an end. The two sides should consider lifting the sanctions simultaneously or at least suspending them to facilitate new rounds of trade and investment negotiations. We urgently need to build a new framework to guide the future China-EU relationship in this turbulent context.

Connecting the EU with the Global South

The EU’s foreign policy is more focused on the Global South than ever, as seen in the €300 billion Global Gateway strategy released in 2021, extending Europe’s olive branch to Africa and ASEAN countries. The EU is also seeking to reach free trade agreements with ASEAN and MERCOSUR in recent years. The EU’s ambition to deepen its relationship with the Global South and the rising “middle powers”—defined by the World Economic Forum as “influential states that sit below superpowers and great powers”—is evident. However, cost-effectiveness is equally important. China’s Belt and Road Initiative (BRI), launched in 2013 to enhance global connectivity, could also serve the interests of the Global Gateway and other EU connectivity efforts, reducing costs and increasing practicability. Additionally, international financial institutions like the IMF and World Bank could facilitate a global banking platform that includes regional development banks such as the ADB, AIIB, and EBRD, helping to fund both the BRI and the Global Gateway.

Many middle powers, benefiting from the China-US trade and technology war, are now receiving industrial capacities and investments that once targeted the Chinese market. This relocation is accelerating their industrialization. However, the global supply and value chains, meticulously built during the era of hyper-globalization, are

becoming fragmented. The EU itself is experiencing deindustrialization. Looking ahead, the EU and China could collaborate through third-party cooperation to stabilize and reshape these global chains, potentially creating a more sustainable and interconnected global economic system.

A New Globalization?

The EU will struggling to maintain the lifestyle of the “good old days,” when security was guaranteed by the United States and cheap resources were supplied by Russia. This era, characterized by the EU’s prosperous lifestyle as the largest economy in the world, including 27 member-states and the UK, must transform in response to changing geopolitical realities and domestic economic challenges.

Therefore, the EU needs to expand its relationships with other parts of the world. As mentioned in previous sections of this essay, there is significant potential for cooperation between China and the EU. This collaboration could help both sides establish a new pattern of partnership that extends beyond mere trade relations.

A global China-EU partnership would involve increasing engagement, entanglement, and integration of their systems of values, ideologies, and civilizations. This would initiate a new process of globalization—a higher level of globalization—between and among great civilizations.

As Trump's Trade War Gathers Steam, China and Europe Must Cooperate²

In the chaos of a trade war, the world is searching for a silver lining. By fostering innovation and open markets—particularly in the automotive sector—China and the EU could be a model for how major powers can work together despite their differences to create mutual benefit.

Global trade tensions escalated sharply in the weeks after US President Donald Trump launched a series of aggressive tariff measures. While maintaining elevated tariffs on Chinese imports, Trump has now threatened to extend similar protectionist measures to the European Union, raising alarm bells across the Atlantic.

These mounting pressures have prompted European leaders to re-evaluate their strategic partnerships and trade relationships, particularly with China. Against this backdrop of mounting uncertainty, European Commission President Ursula von der Leyen's speech at the EU Ambassadors Conference on February 4 took on particular significance.

"Our relationship with China is one of the most intricate and important anywhere in the world," she said, highlighting that China accounts for 9 per cent of EU goods exports and more than 20 per cent of goods imports in a "mutually beneficial" trade relationship. Her words appeared to mark a departure from her previous hawkish stance as she emphasised that agreements could "even expand our trade and investment ties".

Beijing quickly signalled its interest in strengthening ties. "The world is facing the risk of division, fragmentation and disorder," Foreign Ministry spokesperson Lin Jian said a day later, adding that "China-EU relations have all the more strategic importance and global influence."

Before these statements, EU-China trade relations faced significant challenges. The French cognac industry serves as a telling example. According to data from the Bureau National Interprofessionnel du Cognac, French cognac exports to China dropped 23.8 per cent by value and 9.6 per cent by volume last year from 2023 levels.

The relationship deteriorated sharply after China's new tariff measures took effect last October 11 in response to EU duties on Chinese electric vehicles (EVs), with industry sources reporting a 75 per cent decline in French cognac exports to China in December. These figures highlight some of the pressing issues in bilateral trade relations that need to be addressed.

Against this backdrop, the European Commission launched a strategic dialogue on the future of Europe's automotive sector. The industry, which supports more than 13 million direct and indirect jobs and contributes about €1 trillion (US\$1.03 trillion) to EU gross domestic product, is now positioned at the forefront of potential EU-China cooperation in what von der Leyen described as "an era of hyper-competitive and hyper-transactional geopolitics".

² First published on February 14, 2025 by SCMP and revised for this collection.

The European automotive sector faces unprecedented transformation pressures. It must simultaneously navigate a clean energy transition, supply-chain restructuring and technological innovation, a triple challenge that creates strategic opportunities for EU-China cooperation. China's EV supply chain and manufacturing ecosystem could complement Europe's advanced manufacturing capabilities and cutting-edge technologies, creating a powerful synergy in the global race for automotive innovation.

This strategic pivot has gained backing from global trade leaders. Former World Trade Organization Director General Pascal Lamy recently proposed the idea of EU-China automotive collaboration, suggesting a reversal of traditional investment flows.

Speaking at a forum organised by the Centre for China and Globalization, Lamy highlighted how the dynamics that brought European carmakers to China three decades ago could now work in reverse, with Europe potentially benefiting from Chinese investment and technological expertise.

This vision promises deeper collaboration extending to broader markets. Chinese manufacturers could establish production bases in Europe, creating jobs and fostering technological exchange, while both parties could jointly develop markets across the Global South. Such collaboration could accelerate the adoption of sustainable transport options in Africa, Latin America and Central Asia, creating a win-win scenario for the European and Chinese automotive industries.

Previous Chinese-European automotive partnerships have demonstrated the value and potential of such cooperation. Geely's 2010 acquisition of Volvo from Ford has proven particularly instructive. The two companies now share electric vehicle architecture and jointly develop EV platforms while maintaining their distinct brand identities and operational independence.

European carmakers have similarly benefited from their long-standing presence in China. Volkswagen Group, through its joint ventures, has maintained market leadership in China while creating substantial local employment. BMW has followed a similar path of success.

These partnerships show how strategic collaboration can help both sides navigate the industry's transformation: European firms gain market access and manufacturing scale while Chinese companies acquire advanced technology and production expertise.

Today, the spirit of cooperation is taking concrete forms as Chinese carmakers contribute to Europe's automotive ecosystem. BYD is establishing a battery production facility in Hungary, adding to the region's EV manufacturing capacity, while CATL, a global leader in battery technology, is developing multiple major projects across Germany, Hungary and Spain.

These investments show how manufacturing synergies can move in both directions, following the successful model of European carmakers in China but adapted for today's evolving automotive landscape.

Making this vision a reality requires concrete action from both sides. The EU and China should revive negotiations on the Comprehensive Agreement on Investment, which would provide crucial institutional safeguards for businesses.

The automotive sector could pioneer new forms of industrial collaboration through joint research and development facilities, shared talent development programmes and harmonised technical standards. As two of the world's largest automotive markets, they also have a shared responsibility to champion open trade and resist protectionist pressures in the global marketplace.

In an era defined by geopolitical tensions and economic uncertainties, the strategic significance of the EU-China relationship extends far beyond bilateral interests to its economic potential and capacity to shape a more balanced and resilient global order.

By fostering innovation, promoting sustainable development and maintaining open markets, the EU and China can set an example of how major powers can work together despite their differences.

Europe's Role in an Ambiguous Global Future: Remaining a Major Power with Multilateralism³

Europe's traditional economic strength and strategic geopolitical position have ensured a continued influence on the world stage, but it also faces challenges, most recently from its closest ally. It is clear that Europe should consider exploring more multilateral global partnerships, potentially with China.

Europe holds a significant position globally with its own unique political, economic and cultural character. Its pursuit of strategic autonomy enables Europe to act as a crucial balancer among major powers, but while Europe has numerous advantages, it also faces several challenges. In the near future, the EU could potentially address some of these challenges by strengthening multilateral ties, including those with China and the Global South, while maintaining a balanced relationship with other powers.

Historical and Cultural Legacy

Europe's long history has put it at the fore of human development for centuries. Today, the European Union wields considerable soft power and leadership in global governance through its commitment to democracy and humanitarianism. The vanguard of the Industrial Revolution, Europe has maintained significant economic influence and its capacity for innovation. Its contributions to global culture and science are immense. Many of its renowned scientists, artists, writers and philosophers are still leading the way towards an innovative and better future.

Geographically, Europe sits on the northwestern edge of the Eastern Hemisphere, surrounded by seas on three sides and connected to Asia in the east. Historically, Europe has played a pivotal role in the world because of its political, cultural and economic strength, and this influence is still felt today. The birthplace of the Industrial Revolution, it continues to retain a leading position in the global economy. Politically, the European Union has always maintained multilateralism as its core diplomatic value, and has been viewed as a trustworthy partner by many countries and international institutions in the post-Cold War era.

Nonetheless, unlike the United States, which benefits from a vast territory and abundant natural resources, the European economy relies heavily on external resources, which renders it relatively vulnerable to geopolitical instability. Over half of Germany's mineral resources are imported, and in 2021, 96 percent of the crude oil consumed in the EU market was imported, 40 percent of which came from Russia.

³ This has been adapted from a Background Paper prepared for Trilogue Salzburg held in August 2024.

Compounding the issue of energy dependency, a radical decarbonization policy—including the decision to phase out nuclear power in some of its members—pursued by the EU has exacerbated its energy woes.

Both a blessing and a curse, the formation of Europe's integrated market has been prolonged and gradual, while persistent divisions and differences among European nations have led to numerous challenges, such as the Eurozone crisis, highlighting the issues that arise from having a unified currency without a unified fiscal policy, resulting in inefficiencies in collective action. This structural weakness contributed to the 2010 Euro debt crisis and led to the energy crisis following the outbreak of the Russia-Ukraine war, with the lack of consistent industrial policies among its member countries destabilizing supply chains in Europe and raising doubts about the EU's future economic prospects.

Pressing Challenges

Europe faces several pressing challenges. A security crisis, embedded in its geopolitics and economic structures, is a direct repercussion of the Russia-Ukraine war, while the migration and sovereign debt crises of the 2010s have undermined the EU's economic capacity, endangering its industrial foundations and leading to numerous social problems. Europe needs to start by addressing its energy issues and embracing a digital transformation. Despite its ambitions to transition to a green, Europe must significantly increase investment to maintain momentum and partner with other countries to supplement technological gaps.

This is not an easy job. The rising influence of the Global South, coupled with an increasingly polarized and self-isolated United States, threatens traditional transatlantic relations and challenges Europe's global leadership. Closer to home, the rise of populism and extremism, fueled by political polarization and a sluggish economy, also poses a serious challenge to the common values composing the founding pillars of the EU. However, hope remains that multilateralism, emphasized by the European External Action Service (EEAS) as "a central element of the EU's external policy," will help the EU expand its global leadership and ultimately provide solutions to its own problems.

Europe's unique position in the world is marked by both its historical contributions and its long successful participation in global governance. However, it must navigate a complex landscape of geopolitical, economic and domestic challenges to maintain its influence and stability in a world with growing uncertainties. To address its security and economic concerns, Europe needs to evaluate its partnerships with various stakeholders, including but not limited to transatlantic relations. It would be better for the EU to reconsider its policy toward China—the second largest economy in the world and a leader among the countries of Global South.

Europe and China: A Feasible Partnership

The official relationship between Europe and China can be traced back to 1975, when China established diplomatic relations with the European Economic Community. In 1998, China and Europe established a long-term, stable and constructive partnership for the twenty-first century, which was reinforced in 2003 with the announcement of a Comprehensive Strategic Partnership (CSP) and the publication of the Chinese government's first policy paper on the European Union. The partnership was further highlighted in 2013 when the two sides published the "EU-China 2020 Strategic Agenda for Cooperation."

To date, over 60 mechanisms for consultation and dialogue have been established between China and Europe, covering various fields such as politics, economy, trade, culture, science and technology, energy and the environment. The EU and China have been significant trade partners for more than two decades and in 2023 China and the EU were each other's second-largest trading partners. China was the EU's third-largest export market and the largest source of imports, while the EU was China's second-largest export market and second-largest source of imports.

China and Europe have also seen fruitful results in other areas of cooperation. Official science and technology cooperation began in 1981, leading to the formation of the EU-China Science and Technology Cooperation Working Group in 1991. In response to climate change, the EU and China established a climate change partnership in 2005, working together to hold ministerial dialogues and release joint statements that strengthened collaborative efforts, including the Paris Climate Agreement. Beginning in 2020, digital cooperation focused on high-level dialogues aimed at enhancing digital collaboration. Energy collaboration between China and Europe spans decades and has resulted in agreements on nuclear energy research, clean energy initiatives and strategic dialogues. At the grassroots level, the EU-China High-Level People-to-People Dialogue, established in 2012, fosters cultural and educational exchanges.

Despite recent challenges, both sides continue to show a willingness to cooperate. From July 2018 to December 2022, President Xi Jinping engaged in a series of meetings and phone conversations with European Union leaders. In April 2023, President Xi met with European Commission President Ursula von der Leyen during her visit to China, and they met again in May 2024 during President Xi's state visit to France.

The development of China-EU relations demonstrates their mutual interest in areas that could be beneficial to the world. Climate change, a key area of interest for the EU, has been highlighted by China over the past decade as being crucial to the future of humanity. The Paris Agreement would not have been signed if not for joint efforts by the EU and China. This is also true in the WTO, with China and the EU delivering a joint statement in 2018 to restore the paralyzed organization's Appellate Body and continuing to defend the integrity of the WTO since then.

Future Collaboration

There are various areas where China and Europe can continue to work together, despite the increasing protectionism influenced by changing domestic politics in Europe and the return of a more populist US president. The fundamental reason for this cooperative momentum is the reciprocal nature of the EU and China's economies, markets and global leadership ambitions, along with their determination to practice true multilateralism.

China and Europe have potential areas of future collaboration. As the global landscape evolves from a unipolar to a multipolar world, the international community must face this change. Current global challenges make it imperative for China, the United States and Europe, as the top three economies, to find a way to communicate more efficiently, potentially under a kind of "G3" mechanism to facilitate regular high-level discussions and coordinate the recovery of the global economy and improve global governance. With such a platform, these three major players could address global challenges and discuss solutions in areas of common concern, thereby effecting real change.

Addressing Security Concerns

The priority of this G3 mechanism would not be to dominate the world, but to prevent imminent global conflicts. The ongoing wars in Ukraine and Palestine have resulted in millions of people being left helpless and homeless. China is willing and capable of playing a significant role in mediating these ongoing conflicts. As a major global power with strong diplomatic ties to both Russia and Ukraine, China can leverage its influence to encourage dialogue and foster a peaceful resolution. Apart from these, China can also help the EU facilitate a possible deal in the Middle East, relieving security concerns along the EU's southeastern border.

In addressing the growing risk of conflict, China has recently strengthened its engagement with relevant parties. In addition to the six-point consensus issued by China and Brazil in May of 2024, China's leaders hosted a visit from Prime Minister Viktor Orban, whose country took over the six-month rotating presidency of the European Council in July. The meeting was described by Prime Minister Orban as the third leg of his ambitious "peace mission." The visit by Ukraine's Foreign Minister Dmytro Kuleba to China in July—the first visit of a Ukrainian foreign minister since 2012—demonstrates China's ambition to mediate the Russia-Ukraine war by bridging the two sides. The recent meeting of Palestinian factions in Beijing and the Unity Declaration signifies that China is committed to regional peace and hopefully bring signs of peace to all actors in the region.

In exchange, Europe could play a pivotal role in recalibrating the complex and often contentious relationship between China and the United States. Europe is uniquely positioned to bridge this gap and foster understanding between Beijing and Washington. By promoting multilateral dialogue and encouraging cooperation on global issues, Europe could help mitigate tensions and buffer the spillovers caused

by the confrontation between China and the US. Europe's balanced approach and commitment to international norms can serve as a model for constructive engagement, encouraging both China and the United States to pursue collaborative solutions to shared challenges. Through diplomatic initiatives and strategic partnerships, Europe could significantly contribute to reducing friction and fostering a more cooperative global environment.

Revitalizing Trade and Investment Cooperation

Unfortunately, despite extensive common interests and a solid foundation for cooperation, China-EU relations have rapidly deteriorated over the past two years, resulting in an impasse on the Comprehensive Agreement on Investment (CAI). This agreement, hailed as the impetus for a second wave of reform and opening up in China, includes many conditions and benefits not previously enjoyed by the US and establishes a more open and higher-level standard for European companies. To overcome this impasse, China's National People's Congress ratified the International Labor Organisation's 1930 Forced Labour Convention and the 1957 Abolition of Forced Labor Convention to comply with the labour standards required by the EU. Resuming communication would help negotiations, possibly lift sanctions and ultimately revive the CAI to the benefit of both Chinese and European enterprises.

The latest European Parliament election resulted in a significant reshuffle of MEPs. This change opens a window for both sides to potentially lift the mutual sanctions imposed in 2021, as the new parliament is not bound to uphold the previous decisions. The removal of these sanctions could deescalate current political tension and lead to a recovery of bilateral trade and investment in a period of economic downturn affecting both China and Europe.

Finally, while bilateral or multilateral investment and trade agreements seem to be on the rise, the WTO remains a central institution for promoting investment and trade facilitation, reducing tariff and non-tariff barriers, and eliminating differential treatment in international trade. It still plays an irreplaceable role in promoting trade liberalization, optimizing global resource allocation, and expanding the production and flow of commodities. WTO reforms would boost the international community's confidence in the multilateral trading system and multilateralism itself. Europe and China should enhance joint efforts to reform the WTO rather than blame each other violating WTO rules.

Engaging with the Global South in a Transitional World Order

A G3 should emphasize cooperation with members of the Global South to bridge the gap between developing and developed countries. China, as a founding member of BRICS, has engaged heavily with developing countries in commerce and trade

through BRICS, which is an increasingly influential force in the global financial sector and political security. Measured in purchasing power parity, the BRICS countries have already outpaced the G7, accounting for 35.6% of the world's GDP compared to the G7's 30.3%. By 2028, this disparity is projected to grow even more in favor of the BRICS, with estimates showing a ratio of 36.6% to 27.8%. The robust intra-BRICS economic cooperation could attract more “middle power” nations to join.

The rising influence of the Global South is reshaping the world order. Sub-Saharan Africa, traditionally seen as economically underdeveloped, is being transformed after filling a veritable vacuum in infrastructure, green development and digital economy projects. Similarly, could Latin American countries have created solid economic foundations and achieved a high degree of global integration. The EU cannot overlook the significant economic and social benefits of these markets. An established G3 could unleash Sub-Saharan Africa's economic potential, including its rich natural and human resources, closing gaps in regional development. A G3 could also assist Latin America in escaping the middle-income trap, given the region's growing clout in global affairs, especially in the context of the climate crisis.

At the right time, a G3 could also work to achieve some level of coordination on global infrastructure development by coordinating between the Belt and Road Initiative (BRI), the EU's Global Gateway and the G7's Partnership on Global Infrastructure and Investment. If investments under these initiatives are uncoordinated and shaped by geopolitical competition, they could lock countries into high-carbon paths for decades to come. Since being launched in 2013, the BRI has become a vector of globalization, growth and investment in many regions. Yet reshaping the BRI into a more multilateral endeavor promoting global governance and development is a necessary step in its next phase of development.

Green Issues and Data Collaboration

Green issues may prove to be one of the most promising fields with the potential to forge consensus and meaningful reform. Specifically, China could work with the EU and the US to create a dedicated UN institution focused on climate change, which is a universal crisis that will continue to affect many aspects of global cooperation. This would augment the leadership of the UN in addressing climate change through the UN Environmental Programme (UNEP) and the UN Framework Convention on Climate Change (UNFCCC). The EU itself, from the perspective of green development, needs to adopt a more inclusive trade policy. For instance, the EU could reconsider the recent tariffs imposed on imported electric vehicles (EVs) from China and encourage Chinese acquisitions and investments in the EU market, particularly in the sector of renewable energy, strengthening economic reciprocity while continuing to lead global efforts to combat climate change by exploring the market of renewable energy and EVs in the rest of the world.

Similarly, as the “oil” of the twenty-first century, digitalization empowers the world economy with better allocation of information and optimization of resources. Data flows are a key factor to boost market integration in the digital age. Yet it creates complexities such as national security, geopolitics and privacy protection that have kept countries from agreeing on how to promote free data flows and enhance data localization. A G3 could take the lead in establishing a new group consisted of digital powers—a kind of “Digital 20”—like the G20, named the D20 or similar—providing countries in need of digital collaboration with a platform to reach a consensus on cross-border data flows. Additionally, establishing a “global data organization” would lead the way in formulating standards for global data security or data regulation, as the world has yet to reach a comprehensive multilateral solution to either issue.

Last but not least, the EU has also played a leading role in the regulation of artificial intelligence, with China and the US following its example. In June this year, the Center for China and Globalization hosted a seminar at its Beijing headquarters titled “European and Chinese Perspectives on AI Governance,” in collaboration with the German and French Embassies. The seminar is one of the many efforts between China and the EU members to highlight the significant potential for collaboration between Europe and China on AI governance. Amid the early stage of global AI regulation, the consensus to advance this agenda is urgent for all stake holders. The longer we wait, the more divided we become.

Conclusion

Europe's historical legacy, economic strength and strategic geopolitical position will no doubt ensure its continued influence on the global stage. However, addressing its geographical limitations, resource dependencies and internal unity challenges will be crucial for maintaining and enhancing this influence. Ultimately, it has become increasingly clear that strengthening partnerships with emerging powers like China and engaging in multilateral cooperation can help Europe navigate an ambiguous future and reinforce its role as a major global power.

CCG's Europe Tour: A Close-up Look at New Trends in China-EU Relations⁴

In a time of uncertainty, trends in China-EU relations show that a mechanism for high-level dialogue and coordination could establish the EU as a mediator between China and the US.

Increasingly frequent high-level interactions between China and Europe over the past month have started to warm Sino-European relations, which had become cold given the currently tense geopolitical environment. Taking advantage of this momentum, the Center for China and Globalization (CCG), leveraging its advantages as one of China's leading non-governmental think tanks, has recently embarked upon its own journey into "think tank diplomacy" and had extensive and in-depth cultural exchanges with counterparts in Europe and the United States.

From July 9 to 19, a delegation of CCG experts began a European Track II Diplomacy tour that took them to Paris, Berlin and Brussels where they interacted with hundreds of pundits in fields ranging from academia to policy-making, representing businesses as well as international organizations throughout Europe. This was the first Chinese think tank delegation to visit the continent since COVID-19 broke out, which is a positive signal that people-to-people exchanges are returning.

Well Beyond Our Expectations

The enthusiasm, density, breadth and depth of our interactions with institutions in Europe that received us during the visit exceeded our expectations. In the past three years, many of our contacts and organizations have changed, making it difficult to connect. When we visited Bruegel, a Brussels-based think tank, we found that its chairman had since moved to Berlin, but he entrusted our welcome reception to his very capable interim director and everyone's enthusiasm was undiminished.

All the institutions we contacted were looking forward to coming back to China. Experts from business, academia, and international organizations are looking forward to the shortening or elimination of quarantine requirements. They also welcomed experts, scholars and international students from China, and of course Chinese tourists in famous tourist destinations like Paris.

Three Concerns from the European Side

When talking with pundits from the World Bank, renowned economic think tanks like Bruegel, and some economic committees, we found that there was a lot of interest in whether China would be able to boost the world economy in the coming years.

⁴ First published on August 19, 2022 by China Focus and revised for this collection.

China's economy has become the engine, ballast and stabilizer of the world economy. During the pandemic last year, China set a new record in import and export trade volume with an increase of nearly 30 percent, and this momentum makes China a lynchpin of the global economy. Europe is currently experiencing an energy crisis due to the Russia-Ukraine war, and is about to go through a tough winter. If China fails to drive global economic growth, the energy crisis, compounded by inflation and food shortages, things will get even worse and the geopolitical situation will become increasingly unstable.

First, we had heated discussions on the state of the Chinese economy. The outside world knows that China's real estate sector is going through a major period of adjustment, high-tech companies are not as robust as before, and multinational enterprises are also dialing down investment. However, at the same time, globalization experts generally recognize China's rise to become the world's second largest economy and its success in poverty alleviation. There is confidence that China's economy will continue to drive steady global growth, but many are also concerned about the current slowdown in China's economic growth.

Second, sanctions by both sides forced discussions on the Comprehensive Agreement on Investments between China and the European Union (CAI) to be shelved. In November, three months from now, there will be discussions on whether to extend sanctions for a third year, giving us enough time to do more to lay a foundation that will incentivize both sides to lift sanctions.

Third, there was a lot of concern about the direction China will take in the midst of a constantly changing global environment. Biden's approval rating continues to fall and has reached its lowest level since he took office. British Prime Minister Boris Johnson has resigned. French President Emmanuel Macron will face more resistance in the next five years. All of these imply intensifying social contradictions and rising social divisions, while the 20th CPC National Congress will show the world a stable, unified, and powerful CPC leadership, which makes Western countries question their own leadership.

Implications of CCG's Europe Tour

We organized an intensive series of events that have served to restart and catalyze interaction between China and Europe. After our visit, many other colleagues in think tanks, academia and government institutions recognize CCG's leadership in taking this step, making them wonder if they can take this step as well.

European chambers of commerce are also looking forward to visiting China and many business leaders emphasized that investing in China requires on-site visits, budgeting, strategic meetings and local team exchanges before they can make a final decision. However, the inability to be on-site for the past three years means that the original investment drive may wane or even disappear. European MNCs still want to invest despite an increasingly negative political environment and stricter controls

placed on them, with both the French and German governments soon to release strategic reports assessing investment in China.

We also heard from Chinese enterprises that expos around Europe have returned, but there are no Chinese booths and they have been replaced by Vietnam, India and South Korea. Chinese enterprises used to be important participants in these expos, but now they are unable to attend. The number of exhibitors has plunged and there is no way to do business, expand investment and sell products. Many Chinese entrepreneurs feel they're losing out when they see the momentum of other Asian companies and this makes them very anxious.

There is still a lot of misunderstanding about China and this visit attempted to clarify the issues and reiterate our position. China has done a lot in mediating the Russia-Ukraine war. We emphasize respect for sovereignty and territorial integrity. We have also offered Ukraine humanitarian assistance. President Xi Jinping has expressed his willingness on many occasions to promote peace talks through online meetings with heads of countries to resolve conflicts together. However, those we spoke with did not seem to know this and only knew about Sino-Russian cooperation, which is a result of information asymmetry. An important part of our visit this time was to increase trust and dispel doubts about China in Europe and to reiterate China's stance and attitude.

Officials from Chinese embassies and senior diplomats have been proactively promoting exchanges and embassy officials have said that as Europe's economy and tourism industry recovers, the timing is right for China to restart people-to-people and cultural exchanges. They believe we made the right decision. Despite the risk and price, we truly believe this tour was worthwhile and very successful.

Five Moves to Improve Sino-European Relations

Since the Russia-Ukraine war began, the broader European political community has felt that China is not on its side and has subsequently developed a negative view of China. One-sided reports in Western media have made many believe that China and Russia are allies and that has prompted European countries to introduce sometimes drastic policies to address a non-existent threat, such as endorsing the recent Strategic Concept for NATO which conceptualized a wildly misguided "China threat". In view of these misunderstandings, we would like to put forward five moves that could set Sino-European relations on the right path.

First of all, China and the EU should resume the Comprehensive Agreement on Investment (CAI) negotiations as soon as possible. In November, the EU will have to decide whether to extend sanctions for another year and we should instead encourage both sides to lift sanctions together. The CAI, once viewed as China's second round of "reform and opening-up", is an open and high-level standard for Sino-European cooperation. China has previously made serious drives to launch the pact including preparations for regulatory standardization and alignment on working conditions. Once CAI negotiations resume, bilateral investment between European and Chinese

parties can be strengthened, which is something that both sides would benefit from greatly.

Second, there is an urgent need to increase trust and dispel doubts. The German and French governments are now conducting strategic reports on Chinese government policies. We need to strengthen communication to reduce trust deficits and information asymmetry. If this is done, their reports would be more likely to reflect the real situation as current European opinions on China's business environment are still heavily based on the negative reports released by the European Union Chamber of Commerce in China in China. More efforts should be made in this regard.

Third, we should increase high-level dialogues as well as people-to-people and cultural exchanges. Exchanges between think tanks, scholars, experts, and international students should not only be restored but reinforced. Tourism and sister-city exchanges should also be resumed as part of the same drive before the pandemic, 155 million Chinese people traveled abroad every year, many of them to Europe which contributed greatly to China's ability to engage and understand foreign nations. Chinese tourists used to be important consumers. We need to unleash this advantage.

Fourth, we need to further improve pandemic prevention measures and accelerate the easing of travel restrictions, reduce quarantine periods, and increase the number of flights. Policy instruments can be used to create more precise prevention and control systems and to shorten the quarantine period for visitors. China is a beautiful place with clear waters and green mountains. We welcome European ambassadors to see the changes and beauty from Xinjiang in the west to Hong Kong in the south east. Seeing is believing and it is the best way to assuage fears and buoy diplomacy.

We need to do a better job of communicating China's story reaching out to Europe. There is no fundamental geopolitical conflict or contradictions between Europe and China. And economically, China and Europe are important partners. Both have long history, impressive cultures and ancient civilizations. To prevent political misjudgment and a decline in relations, we hope that we can find a balance and set China-EU relations on the right path.

The Future of China-EU Relations

China-EU relations have now entered a new stage of development. Since the Russia-Ukraine war, Europe and the US have become even more closely linked in terms of ideology, values and security. The importance of geopolitics as a security factor has risen dramatically and Europe's concerns about its own defense have surged. On the other hand, Europe and China have important economic ties as China is its largest trading partner. Europe stands at a crossroads, closer to the US politically, but closer to China economically.

Even with this in mind however China and Europe share interests on issues, such as climate change and the digital economy. The EU and the US have significant differences in this regard and as at the recent Les Rencontres Économiques d'Aix-en-Provence, former French Prime Minister Jean-Pierre Raffarin noted that Europe

needs maintain its strategic independence. In our view, Europe's current heightened dependence on the United States is a direct result of the war in Ukraine and this state of affairs is inhibiting Europe from pursuing cooperation on shared interests with China. But Europe need not remain dependent. For all it currently lacks military strength, the EU has clear advantages in terms of economy, soft power, and culture.

As a part of this Premier Li Keqiang has been proactively engaging in discussions with European countries, including video meetings with the President of the European Council, Charles Michel, and the President of the European Commission, Ursula von der Leyen, as well as phone calls with German Chancellor, Olaf Scholz. As a signal of China's dedication to working with Europe, four Chinese airlines have recently announced that they will buy a total of 292 planes from Airbus worth \$37 billion.

At several seminars held by European think tanks, we proposed the concept of "G3"—adding Europe to the "G2" format of China and the US to form a "group of three (G3)". In 2021, the total GDP of the US exceeded \$23 trillion, while the GDP of the EU was \$17 trillion. If the UK and other European countries outside the EU are included, the GDP of Europe is over \$20 trillion. China's total GDP reached \$17.7 trillion. Economically, China, the US and the EU are the three pillars that underpin the global economy.

If a mechanism for high-level dialogue and coordination can be established, EU could act as a mediator between China and the US, as well as pursue its own interests. The EU's role as mediator can be developed slowly and the misunderstandings can be resolved through communication. The stability of these three major economies could once again form the basis for world peace and development.

Scholz's Beijing Visit Brings Hope for EU-China Relations⁵

Scholz's visit broke important ground, and it is expected that French President Emmanuel Macron and other European leaders will also visit, with shared economic interests and pragmatic cooperation giving a fresh impetus to China-EU relations.

Contrary to the narrative of decoupling that is gaining traction in the West, Chancellor Olaf Scholz's visit to Beijing last week, with 12 CEOs in tow, is proof that Germany still puts business first when it comes to China.

Looking at the economic context, it isn't hard to see why. Germany derives half its gross domestic product from exports and China has been its top trading partner for six years. Commerce with China supports over a million German jobs directly, and millions more indirectly.

The depth of ties between the two economies is even more apparent when looking at the balance sheets of individual companies. China accounts for over 30 per cent of global sales of carmakers like Volkswagen, Daimler and BMW—and over a fifth for other DAX heavyweights such as Covestro and Adidas. Infineon, the German chip maker, derives a whopping 37.9 per cent of its sales from China.

These economic links are crucial when Germany, like the rest of Europe, faces a deepening energy crisis, high inflation and the very real risk of recession.

Berlin can hardly afford to aggravate its current economic predicament by supporting an economic decoupling of the European Union from China—a move that could cost Germany almost six times as much as Brexit, according to the Munich-based ifo Institute, or €48.4 billion (US\$48.5 billion) in real income, according to the Kiel Institute for the World Economy.

Despite the current economic challenges, the war in Ukraine has led to more calls for Scholz to curtail commercial ties with China, including from within his own coalition.

The Green Party's Robert Habeck, an influential voice in the current crisis as head of a super ministry that oversees climate, energy and the economy, has warned German companies not to become too reliant on China and is reported to be working on measures to encourage them to diversify away from its huge market.

But whatever the rumblings from his junior coalition partners, the Greens and Free Democrats, Scholz is proving to be like his predecessor Angela Merkel; he has made clear that he intends to handle ties with China “with a sense of proportion and pragmatism” and is firmly opposed to decoupling.

Perhaps even more importantly, German industrial giants show no desire to withdraw. In fact, they are doubling down on their presence in China, with German investment in the country growing by 30 per cent in the first eight months of 2022.

Chemicals giant BASF, which last month shocked Berlin by announcing that it would scale down its operations in Europe, recently inaugurated the first plant in its planned US\$10 billion megacomplex in Guangdong. Materials manufacturer Covestro recently broke ground on two new production facilities in Shanghai.

⁵ First published on November 12, 2022 by SCMP and revised for this collection.

Last month, German daily *Handelsblatt* reported that technology giant Siemens is planning “massive investments” in China, particularly in industrial software and automation. In the auto sector, BMW opened a new US\$2 billion plant in Shenyang in June and in October Volkswagen announced it would invest US\$2.35 billion to co-develop assisted driving systems for electric vehicles with a start-up.

These investments reflect both the confidence of German companies in the Chinese market and the factors that have helped them succeed. German companies have strengths well aligned with long-term Chinese priorities such as sustainability, decarbonisation, industry upgrading and innovation.

They have capitalised on these advantages by pursuing an “in China, for China” strategy that involves long-term investment, localisation, setting up R&D centres in China, and forging partnerships with local entities to develop innovative solutions tailored for the Chinese market.

Germany’s industrial giants carry much weight in the country’s political economy and their long-term commitment to the Chinese market suggests that, if anything, the real momentum is towards more engagement with China, not less.

Other European companies will increasingly look to China as the economic winter bites elsewhere. Airbus won a multibillion-dollar string of deals with Chinese carriers recently and the European manufacturer is well placed to cement its lead in the world’s second-biggest aviation market, even as safety concerns and political tensions hit the fortunes of its American rival Boeing.

Scholz’s short visit has broken important ground; the current G7 chair is the first Western leader to visit China since the pandemic began. It is expected that French President Emmanuel Macron and other European leaders will also visit before long, bringing hope that shared economic interests and pragmatic cooperation can give fresh impetus to China-EU relations.

How Macron's Return as French President Could Be a Win for both the EU and China⁶

Amid geopolitical uncertainty, the EU needs to come into its own as an independent force for peace and international cooperation, evidenced by Macron's description of the EU as a "balancing power" and cautioning against "ganging up" on China with the US.

On April 24, 2022, Emmanuel Macron beat Marine Le Pen to become the first French president since Charles de Gaulle to win re-election while holding a majority in parliament. Macron's victory confirms his place as the leading voice in the European Union after Angela Merkel's retirement as German chancellor in December.

In his second term, the French president will play a pivotal role in shaping foreign policy at a critical juncture for the European Union. Ukraine will no doubt dominate the agenda for some time, but how the EU recalibrates ties with Beijing and navigates the increasingly tense and complex US-China relationship remains a crucial question.

Macron's re-election is positive for the outlook on China-EU relations. Like many European politicians, his views on China have hardened in recent times. Fundamentally, though, he appears to share Merkel's pragmatic, pro-business stance and wants the EU to work more closely with China on shared interests, even as the two sides compete in other areas.

The outcome is preferable to a Le Pen victory, which would have cast doubt over France's role in Europe and the whole EU project at a time when the bloc needs a strong leader.

However, Macron will have his work cut out for him when it comes to improving relations with Beijing. Bilateral ties are at a low point, as seen in the recent EU-China summit, which failed to produce a joint statement or any specific agreement.

At the same time, European views of security and foreign policy are undergoing a sea change. For 16 years, Merkel was Europe's leading proponent of stronger ties with China.

Following her departure and the war in Ukraine, Europe's political landscape has shifted dramatically. Many of Merkel's views on foreign policy have been repudiated, and the coalition government of her successor Olaf Scholz seems determined to pursue a harder line on China.

Across Europe, there is a growing tendency to see the world in opposing camps, pitting democracies against autocracies. The widely held view that Beijing has not done enough to oppose Russia's invasion of Ukraine has further soured perceptions of China, which were already trending downwards. In 2020, unfavourable views of China in France had increased to 70 per cent from 42 per cent in 2002.

Since taking power, Macron has been vocal about his ambitions for the EU, which has long punched below its weight in the international sphere, to become a more independent and influential geopolitical player. Ukraine is a serious test for his push for EU "strategic autonomy" as it has turned concerns to security at home and reinvigorated the transatlantic alliance.

⁶ First published on April 28, 2022 by SCMP and revised for this collection.

In this age of geopolitical uncertainty, the need for the EU to come into its own as an independent force for peace and international cooperation is greater than ever.

Addressing the European Parliament on January 19, Macron spoke repeatedly of the need for the EU to be a “balancing power”. He has cautioned the EU against rushing to join the United States in ganging up on China as it could lead to the “highest possible” conflict.

Macron is well aware of what can happen if great power relations are not managed well and antagonism is allowed to grow unchecked. In his second term, he should take concrete steps for the EU to fulfill its balancing role in the world. For example, he could encourage the formation of a China-EU-US trilateral mechanism in which the EU plays a mediating role.

Macron should also stand up against hawkish voices in Europe and continue to promote a multifaceted EU policy towards China that allows cooperation on shared interests despite contention or competition in other areas.

Climate change is one promising area. Both sides are committed to tackling climate change through multilateral efforts. At the practical level, there is also much to be gained from combining the EU’s experience and holistic approaches to environmental protection with China’s strengths as a supplier of low-carbon solutions.

Reforming multilateralism is another shared interest. In the wake of the COVID-19 pandemic and the war in Ukraine, we badly need to update and strengthen our global institutions. For example, China and the EU could boost efforts to forge consensus on reforming the World Trade Organization and develop a workable plan to revive the organisation.

Last but not least, Macron should work to deepen economic cooperation with China, particularly in areas such as infrastructure. Despite the stalling of the China-EU Comprehensive Agreement on Investment, bilateral economic ties have gone from strength to strength. Last year, China’s trade with the EU rose by 27.5 per cent year on year to record highs as China remains the EU’s largest trading partner.

Despite some reservations in Europe, there are great potential synergies between the Belt and Road Initiative and the EU’s new connectivity strategy, the Global Gateway.

France was the first country to establish a third-party intergovernmental cooperation mechanism with China, under which Chinese and French firms jointly develop projects in third countries taking part in the Belt and Road Initiative. In Macron’s last meeting with Chinese President Xi Jinping in February, the two countries unveiled seven new major joint projects in the fourth round of this scheme with a total value of more than US\$1.7 billion.

Macron’s second term begins at a time when security is increasingly winning out over economics as the driving logic of international cooperation. But as the history of the EU shows, economic cooperation is often the best foundation for both growth and security.

During the next five years, Macron should use his mandate to help chart an independent, pragmatic course for the EU that fulfills its potential to be a stabilising force for peace and prosperity during these times of uncertainty.

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Chapter 5

Beyond the State—Innovative Forms of Exchange



Compounded by more than three years of travel restrictions and policy limitations due to the COVID-19 pandemic that severely disrupted exchange both at the official and the person-to-person level, China's reputation, already burdened by bias and misconception, has had a harder time recovering compared with its economic recovery that has surpassed most of the rest of the world.

From high-level academic exchange to China's efforts to better engage with a global audience and present itself in a positive light, progress has been slow and difficult, fraught with challenges that are not easily overcome.

China Is Key to Global Exchange

China is back in its historic position of being a major global player is beyond doubt. Economically, politically and culturally, China is now a part of everyday life and there is no turning back. This is also true in the realm of exchange. China is and should continue to be a major driver of exchange between countries and the first article of this chapter explores China's impact on global higher education, titled "China Still a Leading Source of Foreign Students", if examines trends among Chinese students that choose to pursue university or graduate study abroad. Drawing on a report by the Center for China and Globalization, it shows that Chinese students continue to make up the largest number of foreign students studying in the United States, Australia, and the United Kingdom. However, the study also finds that, while the majority still seek STEM oriented programs, Chinese students are diversifying their options, both in terms of destination countries and areas of study. This long-term and continued stream of students has also resulted in highly trained graduates that are increasingly deciding to return to China to develop their careers.

Unfortunately, the number of Chinese students going abroad for advanced studies far outweighs the number of students coming to study in China, especially when it comes to the United States. The next article in this chapter, "Five Ways China Can Attract US Students Back to Its Universities Again", provides an analysis of the drastic decline in the number of American students who are choosing to study in

China post-COVID as well as recommendations on how China can make itself more attractive to American students considering studying in China.

Restoring Communication through Academic Exchange

Having already discussed in detail the tensions that continue to plague US-China relations as well as the potential avenues of expansion in China's relations with the European Union, the third article in this chapter explores how exchanges at the grass-roots level, including academic exchanges can contribute to improving bilateral relations. In a complex and fluctuating global environment, exchanges and interactions at this level can mutually improve China's global reputation and result in a more stable world.

The next article in this chapter, "Research Co-operation Pays Dividends Far Beyond Academia", examines the impact of academic collaboration on issues on which states often struggle to reach consensus. Surprisingly, despite the frosty and sometimes tense interactions between the United States and China on issues such as climate change, trade, and other common issues, researchers in the two countries produced more jointly published academic journal articles than any other country pair, while Chinese students continue to make the US their top destination for advanced studies.

Changing Perspectives to Foster a More Fundamental Understanding

The fourth and final article in this chapter, "How China Can Borrow from Aristotle's 'Art of Rhetoric' to Tell Its Story Better", focuses on how China can use techniques and arguments from the Western philosophical tradition to better reach Western audiences. Recommendations focus on taking a calm, realistic, and genuine tone by leveraging logic, empathy and credibility, focusing not so much on impressive numbers, but on reaching people on a more fundamental level that makes China accessible and tangible for audiences.

Moving beyond official channels can leverage soft power and cultural contexts that influence societies, which in turn indirectly drive the policies of countries and governments. It is in everyone's interest to foster constructive perspectives for the better through people-to-people exchanges, whether they be academic, cultural or through increased the tourism between countries.

China Still a Leading Source of Foreign Students¹

Despite the challenges of the COVID-19 pandemic, China remains the largest contributor of foreign students to major global universities, while at the same time diversifying in terms of both location and academic focus.

In the grand narrative of globalization, China's economic policy of reform and opening-up over the past more than four decades has been a core theme. It has increased the flow of people across borders and in addition to drastically boosting trade and investment, it also epitomizes the essence of global interconnectivity.

In a period of cultural and intellectual exchanges between different countries that reached a level and scale that is unprecedented, China has become the world's largest source of international students. For more than a decade, China has accounted for the highest number of students in leading educational destinations in the world, reflecting the importance of education and academic excellence, in Chinese culture and preparing the Chinese people for a globalized future.

Largest Contributor of International Students

The latest report by the Center for China and Globalization says more than 1.02 million Chinese students were studying abroad at tertiary educational institutions in 2021, highlighting China's position as the largest source of overseas students in the world.

Throughout the 2022–23 academic year, China remained the leading source of international students, with Chinese students exhibiting a significant presence in leading destinations for international students. In the United States, for example, China was the largest source of foreign students for that academic year, with about 289,000 students. It has maintained this top position for 15 years, followed closely by India.

In Canada, India had the highest number of international students, followed by China, which had about 100,000 students in the North American country in the 2021–22 academic year. Australia echoes the pattern in the US, with China being the primary source of international students, contributing about 162,826 students in 2022–23.

The United Kingdom saw a steady rise in the number of Chinese students during the COVID-19 pandemic, with their number reaching 158,335 in the 2022–23 academic year, although the growth rate of Indian students was higher than that of Chinese students.

Germany and France hosted relatively small but significant numbers of Chinese students (about 40,000 in Germany and 29,000 in France). Japan, too, has a sizable number of Chinese students—about 103,000.

¹ First published on March 16, 2024 by *China Daily* and revised for this collection.

Diversified Destinations for Chinese Students

The Center for China and Globalization report also highlights a dynamic widening of destinations for Chinese students. As information on higher studies abroad becomes increasingly transparent, students can now also choose to study in less familiar educational destinations. This shift has led to a diversification of education destinations beyond the traditional Western countries.

Historically, Chinese students have favored developed countries such as the US, the UK, Australia, Canada, and Japan for overseas studies. However, a growing number of countries and regions are also becoming attractive to Chinese students. Germany and New Zealand, known for their excellent educational institutions and cost-effective standards of living, are both examples.

Additionally, emerging overseas education destinations in Southeast Asia (Singapore, Malaysia, and Thailand) and Europe (Russia, Belarus, Italy, Ukraine, Ireland, Spain, Sweden, and Switzerland) have made it to the list of top 20 overseas education destinations for Chinese students. They host thousands, and in some cases tens of thousands, of Chinese students.

Other countries such as Türkiye, Finland, Denmark, and Poland each host more than a thousand Chinese students, while Middle Eastern countries such as Saudi Arabia and Iran, and South American nations such as Argentina and Brazil also host hundreds of Chinese students.

Students' Preference for STEM Courses

Chinese students continue to favor STEM (science, technology, engineering, and mathematics) courses, while their interest in disciplines such as business and management has declined. The 2023 Open Doors Report shows a shift in Chinese students' major preferences in the US, with an increase of 62.5 percent in STEM courses in 2022–23 — much higher than the average for all international students. On the other hand, the number of Chinese students taking up business administration courses in the US has declined from 24.3 percent to 13.4 percent since the 2015–16 academic year. The trend in Australia and Germany is similar.

Simultaneously, the reasons Chinese students choose to study abroad are diversifying, for instance, they seek greater international exposure and want to widen their vision and engage in cross-cultural exchanges. This development is reflected not only in their increasing choice of education destinations but also in the shift toward more diverse fields of study and more personalized educational experiences.

For example, France has become a preferred destination for Chinese students interested in the humanities, arts, and languages, with 40 percent of the Chinese students in France enrolled in these courses. This trend underscores the growing demand for personalized development, which is linked to new industries and career paths.

Drastic Increase in Overseas Returnees

An increasing number of Chinese students are returning home after completing their studies abroad, with returnees outnumbering new overseas students in 2020 and surpassing the one million mark in 2021. Since the launch of reform and opening-up, more than six million Chinese overseas graduates have returned to the country and played a crucial role in China's modernization. This represents a pattern of circular mobility, influenced by global corporate activity and increased international engagement.

In fact, overseas returnees dominate multiple fields. In 2023, for example, 57.9 percent of the newly appointed academics in the Chinese Academy of Sciences, the Chinese Academy of Engineering, and other institutions and organizations were overseas returnees. Specifically, 81.4 percent of new Chinese Academy of Sciences' appointees and 39.2 percent of the fresh Chinese Academy of Engineering's recruits had overseas education experience.

According to the Ministry of Human Resources and Social Security, as of 2023, individuals with overseas degrees headed over 70 percent of key national projects, accounted for about 40 percent of national science and technology award winners, and occupied the president's post in more than 70 percent of the universities under the Ministry of Education and the director's position in most top-tier hospitals.

Overseas returnees have made significant contributions to China's innovation capacity, entrepreneurship and emerging sectors, especially in high-tech and the new economy. Starting in 1992, overseas returnees began establishing leading companies such as Baidu, Ctrip, and Meituan, marking a pivotal shift toward a market-oriented economy and increased sustainability.

By July 2023, an increasing number of overseas returnees were playing significant roles in China's governance, with a substantial percentage of high-ranking government officials being overseas returnees.

This blend of entrepreneurial vigor and involvement in governance underscores the vital role overseas returnees have played in working out and implementing China's domestic policies.

The government, on its part, has implemented favorable policies to help overseas returnees, particularly budding entrepreneurs. In 2017, for example, the State Council introduced the "Support Program for Overseas Educated Personnel Returning to China for Innovation and Entrepreneurship", which included sub-programs promoting innovation.

Expanding Global Reach of Chinese Enterprises

Overseas returnees have also been playing a key role in expanding Chinese enterprises' global reach and localizing multinational corporations in China. They have helped Chinese enterprises get listed on overseas stock exchanges, strike merger and

acquisition deals and establish overseas production units. In fact, they have been involved in the listing of about 80 percent of Chinese companies on Nasdaq.

They have also facilitated the smooth integration of multinational corporations into the Chinese market, enhancing China's economic globalization.

Moreover, overseas returnees have contributed to people-to-people diplomacy and cultural exchanges, boosting China's image abroad and its diplomatic relations, as emphasized by the country's top leader at the 110th anniversary of the Western Returned Scholars Association.

China remains committed to promoting economic globalization, with initiatives such as the Belt and Road Initiative, demonstrating its global engagement in different fields, including education and diplomacy.

This commitment, strengthened by President Xi's aspiration to welcome 50,000 US students to China made during his meeting with US President Joe Biden at the APEC meeting in San Francisco last November, reflects a broader policy of openness and people-to-people exchanges, which is vital for developing mutual understanding and facilitating cooperation. China's continued efforts to foster international cultural exchanges are a testament to its ethos of reform and opening-up.

These and other dynamic developments highlight the momentum of the Chinese economy's continual integration with the global economy.

Five Ways China Can Attract US Students Back to Its Universities Again²

The decline in the number of American students studying in China is alarming and could impact China-US ties. China should explore ways to attract American students and other global talent.

Amid the turbulence of China-US relations, a stabilising force has stood the test of time: exchanges between people, particularly educational exchanges. International students are a bedrock of ties, with their experiences fostering understanding and building vital bridges between the two nations. As the world's leading destination for international students, the US has long attracted Chinese students seeking a top-notch education and cross-cultural experiences.

A recent report on international talent mobility by the Center for China and Globalization (CCG), highlights the pivotal role of the US in shaping global talent flows. Despite geopolitical tensions, Chinese enthusiasm for an American education remains unabated. In 2023, the number of Chinese students in the US rebounded to 77.7 per cent of pre-pandemic levels in 2019. China remained the largest source of international students in the US, according to CCG research, demonstrating the unwavering appeal of American universities.

But educational exchanges should not be a one-way street. As China continues on its development journey, it is imperative to attract more international students, especially from the US. While China has made strides in this regard, there is still room for improvement.

In a worrying trend, the number of Americans studying in China has plummeted in recent years. US ambassador to China Nicholas Burns revealed at a Brookings Institution talk last December that the figure had fallen to just 700, a sharp decline from the 15,000 recorded six or seven years ago. "Last year [2022], we were down to 350 American students in all of China," he noted.

This year, we expect to see an increase in the number of American students coming to China, including at US-China partnership campuses such as the Duke Kunshan University, NYU Shanghai, Wenzhou-Kean University, Tianjin Juilliard School and Hopkins-Nanjing Centre.

But there is still a stark imbalance in educational exchanges and this underscores the need for China to enhance its appeal as a study destination. Doing so would not only enrich its higher education landscape but also contribute to more balanced and robust exchanges between the peoples of both countries.

To achieve this, China can draw inspiration from the CCG report's recommendations and take the following steps to create a more welcoming environment for international students.

First, streamlining visa policies and application processes would make it easier for American students to study in China. Introducing more flexible visa categories,

² First published on June 20, 2024 by SCMP and revised for this collection.

such as internship visas for STEM (science, technology, engineering, and mathematics) students and talent visas for outstanding graduates, would incentivise more Americans to consider China as a study destination.

Second, China should strive to create a more inclusive environment for international students by encouraging an open and inclusive public attitude towards international students. This would deepen people's understanding of their role in fostering cultural exchange, creating a more welcoming social environment.

Third, internationalising curricula and expanding English-taught programmes would cater to the needs and preferences of international students. Chinese universities should be encouraged to develop interdisciplinary and globally oriented courses that better align with the interests of American students.

Fourth, enhancing the living environment for international students is crucial. Efforts should be made to address practical challenges, such as facilitating mobile payments for foreigners and providing convenient internet access. Schools and communities can use their unique resource advantages to provide language training and cultural adaptation programmes for international students. Creating a more internationalised campus atmosphere and offering tailored support services would help international students feel more at home in China.

Fifth, promoting cultural exchange programmes and partnerships between Chinese and American universities would foster deeper understanding and collaboration. Encouraging joint research projects, faculty exchanges, and student mobility programmes would create more opportunities for meaningful interactions between Chinese and American students.

While implementing these measures, China can also draw lessons from the US approach to attracting international students. The CCG report highlights the US strategy of offering scholarships, simplifying visa processes and providing employment opportunities for international graduates. By adopting similar practices and tailoring them to the Chinese context, China can enhance its competitiveness in the global race for talent.

China's recent efforts to boost international tourism provide a solid foundation for attracting more foreign students. In the first quarter of this year, inbound tourism in China exhibited a strong recovery, with more than four times as many foreign visitors as the same period last year, according to the National Immigration Administration.

The easing of travel restrictions and improvement of tourism infrastructure have made China a more accessible and appealing destination. Building upon these achievements, China can further develop its education tourism sector, showcasing its rich cultural heritage and modern advancements to potential international students.

As the CCG report emphasises, people-to-people exchanges are not only essential to promote understanding and friendship between nations but also to drive economic growth and innovation. By attracting more American students to study in China, the country can tap a diverse pool of talent, foster cross-cultural collaboration and contribute to the development of a more interconnected and cooperative world.

In a time of geopolitical challenges, educational exchanges serve as a powerful reminder of the shared aspirations and common humanity that bind us. By investing in exchanges and creating a more welcoming environment for international students, China can strengthen the foundations of its relationship with the US and pave the way to a brighter future of mutual understanding and cooperation.

Research Co-operation Pays Dividends Far Beyond Academia³

Despite rising frictions and fluctuations in cross-border educational exchange, the quiet persistence of research co-operation and academic collaboration on an individual level remains strong, generating mutual cultural understanding and goodwill.

Global flows of students, scholars, and ideas have soared over the past two decades, proving to be one of the most resilient aspects of globalization. By 2019, the number of higher-education students in a foreign country hit six million, triple the number from 2000, while almost one-quarter of all scientific publications had cross-border co-authors, up from 18.6% in 2011. This exchange has created incalculable value in interpersonal connections, economic benefits and in collaborative research such as the Human Genome Project and COVID-19 vaccines.

Nowhere has the growth in global academic exchange been more visible than in exchange between the United States and China. In the decade since the 2009–10 academic year, the number of Chinese students on American campuses almost tripled to 372,532. China and America are by far the largest bilateral-research collaborators, with more than 300,000 co-authored publications between 2017 and 2021. According to the Nature Index, which tracks such collaborations, between 2015 and 2020 the number of China-US co-authored papers in top-tier journals rose by more than that of any other international pairing.

However, there are signs that this tide of co-operation may be ebbing, owing to both the pandemic and politics. In the first half of 2022, the number of Chinese applicants granted US student visas dropped to 31,055—less than half of pre-COVID levels. Meanwhile the number of American students in China has fallen from perhaps thousands to perhaps hundreds.

That slowdown is starting to show in research databases. An analysis for *Nature*, found that in 2021 China-US co-publications fell for the first time, while the number of researchers with dual China-US affiliations had dropped by more than 20% over the previous three years.

COVID-19 and its attendant mobility restrictions are part of the dynamic, reducing the flow of researchers in both directions. But signs of reduced exchange were visible before the pandemic. And similar drops were not reflected between China and other major partners. In Britain, for example, higher-education applications from China soared by 59% between 2019 and 2022, and co-authored papers continue to rise. Meanwhile, in research conducted at the Center for China and Globalization, we found that more Chinese students are increasingly going to Asian countries where it is felt they will be safer and less likely to be discriminated against.

Geopolitical and trade tensions dating from the Trump administration have also contributed to the chill. For example, the China Initiative, a Trump-era national-security programme focused on scholars and projects with a connection to China,

³ First published on October 14, 2022 by *The Economist* and revised for this collection.

faced claims of racial targeting and misconduct by the FBI before it was wound down in February.

At a time of rising friction and global challenges, the revival and strengthening of China-US academic co-operation matters more than ever and provides numerous benefits. First, bilateral exchange in education and science has huge benefits for both economies. In 2019–20, Chinese students contributed an estimated \$15.9 billion to America's economy. They represented 35% of the international—student body and often pay full tuition fees, on which many hard-pressed institutions depend. Many Chinese academics who remain in America contribute in key sectors such as technology and finance, while those who return to China are a crucial force in spurring entrepreneurship and innovation.

Second, China-US research collaboration remains critical for addressing climate change, public health crises, and other challenges that no country can handle alone. Over the past five years, China and America each accounted for about one-fifth of the world's scientific journal articles. Together they have 3.3 million research personnel, about 37% of the global total. Yet there is a risk that current tensions could affect scientific co-operation for decades to come, given that collaborative links endure long after students return home.

Finally, academic exchange is vital for stabilising and strengthening what is likely to be the most consequential bilateral relationship of the twenty-first century. Nothing can replace directly experiencing another country. Interactions with local colleagues are a catalyst for deeper interpersonal and commercial ties, trust, and a sense of connection that can withstand bilateral frictions. Cultural relations built through academic exchange can provide a route for dialogue when other channels may be difficult.

Crucially, academic exchange is key for the next generation of Chinese and American policymakers, scientists and entrepreneurs to understand and work with each other. A survey conducted this year shows that Chinese people with experience studying or travelling in America have more-positive attitudes toward the country. It is also important that more American students cross the Pacific to study, learn Chinese and build a pipeline of China literacy for the future.

There is hope that, as the pandemic recedes, China will open its borders and America will move on from the Trump administration's ill-conceived policies, so that academic exchange can begin to recover and fulfil its vast potential. China is lifting barriers to foreign students, and more are expected after this weekend's 20th Communist Party Congress.

Those collaborations that have continued provide promising evidence that long-held professional ties have remained strong. Away from the headlines, scientists continue to co-operate quietly on ground-breaking research in fields from astronomy and climate science to oncology, where researchers in New York and Guangzhou are running world-first joint clinical trials. We should hope that such exchanges are a model for the future. In a world where collaborative research holds the key to overcoming our greatest challenges, we cannot afford for the two science superpowers to be divided.

How China Can Borrow from Aristotle's "Art of Rhetoric" to Tell Its Story Better⁴

China's reputation faces biases and misconceptions throughout the world despite its impressive achievements and contributions to global development. By using classic Aristotelian concepts of logos, pathos, and ethos, perhaps China can better reach Western and even global audiences.

We've come a long way since the writer Lu Xun bemoaned the plight of a "voiceless China" to an audience at the Hong Kong YMCA nearly a century ago. Today, China has built the world's largest diplomatic network, a globe-spanning media organisation, and plays a prominent role in multilateral organisations.

The country is one of the world's great developmental success stories and its handling of the pandemic has been remarkable by any measure.

Yet negative views of the country persist abroad and have increased in advanced economies since the outbreak of COVID-19, according to the latest survey by the Pew Research Center.

What explains this gap between China's achievements and its international image? Geopolitics, cultural differences, and the global media hegemony of the West are surely part of the answer. China's image is often coloured by misunderstandings, stereotypes or biased reporting.

Even so, those who "speak for China" could do more to nurture a national image that is credible, admirable, and respectable. Simply having a voice is not enough. It must also be used to tell stories that global audiences find persuasive.

For a guide in this endeavour, one could do worse than to pick Aristotle. The Greek philosopher laid out principles that have shaped Western rhetoric since ancient times. His *Art of Rhetoric* is one of the most important works ever written on the topic of persuasion.

At the heart of Aristotle's theory is a trinity of elements and how they work together: logos, pathos, and ethos.

First comes logos—appealing to reason. When facing false claims or distortions, people speaking for China should remain calm and construct rational counter arguments. In our current charged atmosphere, it is all too easy to react impulsively to unreasonable attacks and try to fight fire with fire. But such responses will not win over sceptical audiences unless they are based on solid logic and empirical evidence.

China's story is full of mind-boggling numbers: 800 million people who have been lifted out of extreme poverty; a vast market set to import over US\$22 trillion worth of goods over the next decade; a 2 billion vaccine doses pledge to other countries, and the promise of 36,000 square kilometres (14,000 square miles) of newly planted forest each year.

These facts and figures are proof of China's contribution to global growth and public goods. They appeal to the interest of nations and people around the world and are powerful tools to deploy in the name of logos.

⁴ First published on February 19, 2022 by SCMP and revised for this collection.

However, when it comes to persuasion, Aristotle reminds us that logic alone is not enough. To sway an audience, pathos—emotional appeal—is also important.

One way to create emotional resonance is to frame issues in terms of themes and values shared by global audiences. Another is to bring narratives to life with relatable characters.

The importance of characters in storytelling is universal and a widely held belief in modern public relations and marketing. Recent research has even found that character-based narratives cause the synthesis of oxytocin, a neurochemical that motivates people to cooperate.

Telling stories imbued with human pathos is especially important in a fragmented era when all things local are making a comeback. Stories about abstract processes like “globalization” or “the rise of China” are complex and difficult to comprehend. They can even cause anxiety—especially when shaped by malign interests.

Macro narratives should be fleshed out at a more human scale to make them more resonant. For example, there could be vivid portraits of how poverty alleviation changes the lives of individual farmers and families, or how the Belt and Road Initiative benefits overseas communities at the grass-roots level.

This brings us to the persuasive power of ethos, which rests on the credibility, authority, and moral character of the speaker. Without ethos, appeals to logic and emotion may not be trusted in the first place.

To establish ethos, those speaking for China must be willing to engage and build rapport with others who may have different world views or preconceptions. This means accepting invitations to speak to the foreign media and public audiences, instead of refusing because they might be critical.

Ethos requires a willingness to listen and converse in good faith, a recognition that confidence and humility are not mutually exclusive, and that to be tolerant is not to lack a firm stance.

The need to engage and promote constructive dialogue is a key theme of *Engage the World on China*, a recent book by the Center for China and Globalization. It recounts the think tank’s efforts to connect with global audiences on stages such as Davos, the Munich Security Conference, and the Paris Peace Forum.

An effective way to boost credibility and emotional pull at the same time is to empower a diversity of voices to tell stories about China, forming an eclectic non-governmental discourse that spans policy, business, culture, and everyday life.

Social media allows anyone to tell their story—young or old, male or female, rural or urban, from any walk of life. Giving voice to these stories will help to convey the diversity and complexity of China, unlike simplistic narratives that reduce the lives of 1.4 billion people to narrow tropes or political issues.

Scholars can support this polyphonic model of storytelling by drawing on their specialist expertise and research to frame and discuss China’s development, challenges and solutions in the language of social science and other disciplines.

Non-governmental voices can be more enterprising in shaping the terms of the debate on China by using diplomatic backchannels and developing new multilateral platforms for exchange.

When it comes to speaking for China, Aristotle reminds us that an acerbic tone does not help convince others; that facts and figures are important, but that China's story cannot be told in terms of GDP and bilateral trade alone. China has a great story to tell and a diverse cast of calm but proactive voices are needed to tell it.

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Chapter 6

Chinese Policy and Regional Relations



As Chinese policy continues to evolve with changes in the wider global environment as well as China's own domestic situation, we see a China that is more confident and in many situations more assertive of the positive impact it can have on global, but especially regional affairs. As an ancient civilization, modern nation, economic powerhouse, and key member of the United Nations, China views itself, and rightly so, as being on par with traditionally dominant Western powers. This, in conjunction with the increasingly fragmented state of overall global governance in general, means that China has naturally placed a great deal of emphasis on its own "backyard", making regional relations a priority in setting global policy.

Bordering fourteen countries and facing complex and often unresolved issues of sovereignty, economic competition, and security issues, these considerations must take priority, and while they are somewhat independent of the United States and other great power relations, they are always considered within the context of the broader global environment.

In cultivating and building relations with its regional neighbors, China's positive moves such as participation in ASEAN, construction of infrastructure in any number of countries, and desire to join the CPTPP are sometimes rendered moot because of territorial issues as in the South China Sea or poisoned by security concerns among neighbors that have long been allied with the United States. However, whether in terms of economic foreign policy or security related issues, China naturally looks first to its closest neighbors.

China has a number of historical issues and complex relations to deal with, from the Taiwan issue, to the South China Sea, and more. However, as China becomes more global and a clear leader in the Global South, its relations with other developing countries and regions has also become increasingly important. This is most keenly represented in China's relations with African nations and its work to foster development and good will in that region.

We begin this chapter with an article titled "In a Broken World, China-Japan-Korea Cooperation Is Asia's Backbone," highlighting the key role of East Asia as a

stabilizing force in today's world. As mentioned previously, China has long been a central part of Asian as well as global politics and trade. As the world transitions and searches for a new balance, China and its neighbors, who should not have to choose between China and the United States, could be a transformative force for both the region and the world.

Moving farther afield, the next article in this chapter, titled "China's Foreign Policy Is Misunderstood", opens by addressing China's relations with Russia, explaining how it is far from being an anti-Western alliance, but instead is China simply seeking to engage Russia and work on peaceful shared interests. The article also highlights the importance that China attaches to economic ties with the West, especially in terms of strategic autonomy for the EU, which in China's view acts as a truly multipolar counterweight that rejects the ideas of a bipolar G2 model.

The third article in this chapter focus on Asian regional issues and how China interacts with its closest neighbors. The first of these, titled "China-Philippines Cooperation Puts Relations with ASEAN on a Friendly Footing in 2023", focuses on what has been one of the most volatile relationships in Asia, especially in terms of marine, territory and fishing rights in contested parts of the South China Sea, the article points out the positive steps that, has already been made and further improved through communication and exchange.

The fourth article in this chapter provides insight into the unique historical and experiential relationship that China and Asian nations share. Asian countries are looking for another option that avoids the pitfalls of tensions between China and the US. The final article turns to Latin America, illustrating how China and Latin America can find common cause in pushing for openness, sustainability, reform, and a mutually beneficial relationship. However, far from an exclusive relationship, today China hopes to work with leading global powers through the G3, and structures such as the Belt and Road Initiative and others, to pool resource and ensure the world is stable and sustainable.

In a Broken World, China-Japan-Korea Cooperation Is Asia's Backbone¹

By blending economic advantage, technological skill, and cultural bonds, cooperation in East Asia could be elevated into a transformative inspiring force for the region.

Chinese Foreign Minister Wang Yi was in Tokyo recently for the 11th China-Japan-South Korea Trilateral Foreign Ministers' Meeting—the first since November 2023. During the visit, he also co-chaired the Sixth China-Japan High-Level Economic Dialogue with Japan's Foreign Minister Takeshi Iwaya.

The results were promising: 20 consensus points emerged from the economic dialogue, spanning trade to green development, alongside a commitment to hold a trilateral summit by the end of the year.

Just days earlier, speaking at the 20th Roundtable Japan in Tokyo, I witnessed the palpable momentum for cooperation in East Asia. Our three nations are bound by geography—neighbours who cannot escape one another. This proximity demands that we prioritise our geopolitical relationships, harnessing our collective strengths for mutual benefit.

Our economic interdependence is a cornerstone of regional stability. Last year, China-Japan trade hit US\$293 billion—Japan is China's second-largest trading partner, while China is Japan's top trading partner and import source, and the second-largest export market after the US. South Korea's exports to China, its biggest market, rose by 6.6 per cent last year. Investment flows thrive too: Japanese companies bolster China's manufacturing, while Chinese companies tap South Korea's tech sectors.

Yet, global trade faces headwinds. The return of US President Donald Trump signals renewed protectionism, with tariff threats and a US-led North American bloc looming.

Wang has stressed that talks on a China-Japan-South Korea free trade agreement should be resumed soon. Building on the Regional Comprehensive Economic Partnership (RCEP), which has boosted intraregional exports, such an agreement could leverage Japan's precision manufacturing, South Korea's semiconductor prowess and China's logistical might.

China is also pursuing frameworks such as the Digital Economy Partnership Agreement (DEPA)—initiated by New Zealand, Singapore, and Chile—and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Japan, a CPTPP linchpin, could support China's accession, fostering shared prosperity.

Beyond trade, cooperation must address regional challenges. First, ageing populations pose a crisis. China has over 300 million people aged 60 or older—nearly a quarter of its population—straining healthcare and pensions. Japan, with decades of experience in elderly care and robotics, and South Korea, with its healthcare tech innovations, offer models worth emulating. Joint research could turn this demographic shift into an opportunity.

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Second, climate change demands collective action. Sharing the same ecosystem, we face challenges from air pollution to marine threats. Recent dialogue includes the September 20 consensus reached between China and Japan, committing to transparency over the management of radioactive water from the Fukushima nuclear plant.

Third, supply chain resilience is vital amid disruptions. China's ports, railways, and workforce complement Japan's manufacturing and South Korea's semiconductor expertise. Our proximity positions us to forge secure, efficient supply chains—imagine a “Made in East Asia” label rivalling global competitors.

Economic ties are only half the story. Our shared heritage—steeped in Confucianism and Buddhism—fosters mutual understanding. These traditions emphasise harmony and respect, easing communication at governmental and societal levels.

Among youth, this bond thrives: K-pop fans in China, anime lovers in South Korea, and Chinese students in Japanese universities fuel a dynamic cultural exchange. Tourism amplifies this connection—China's visa facilitation measures, paired with Japan's welcoming policies, have sparked a surge in visits.

This reflects the power of open borders and a shared culture. As these ties deepen, political barriers erode, paving the way for a united East Asia.

Regional integration is gaining momentum, and Asia must seize this opportunity to lead. As economic powerhouses, China, Japan, and South Korea—representing 1.6 billion people—can spearhead this effort alongside the Association of Southeast Asian Nations and other partners, gradually forging an “Asian Union” that could unite nearly half the world's population and economy by the middle of the century.

McKinsey predicts Asia will drive half of global consumption growth by 2030, a testament to our innovation potential: China supplies nearly half the world's top artificial intelligence (AI) talent, while Japan and South Korea stand among global leaders in patent filings.

DEPA's emphasis on digital trade complements the RCEP and CPTPP, bolstering regional resilience and cementing Asia's role as a global digital leader. This trio could pioneer joint initiatives such as coordinated AI research hubs linking Beijing, Tokyo, and Seoul or a unified e-commerce platform streamlining trade.

Our combined market size and innovation capacity rival any bloc's, offering a counterbalance to Western dominance and reducing reliance on external powers. Success here could inspire broader Asian unity, from standardised 5G networks to joint space exploration. By blending economic might, technological prowess, and cultural bonds, we can elevate cooperation into a transformative force, inspiring global integration.

The trilateral partnership of China, Japan, and South Korea is Asia's backbone, and in a fractured world, it is a lifeline. Trade, supply chains, and cultural bonds trump differences. The consensus points reached in Tokyo prove pragmatism works. Let's harness our strengths and shape an Asian century—now.

China's Foreign Policy Is Misunderstood²

Talk of a new Cold War ignores the fact that the world today is not bipolar, but multipolar, even more so because of common threats like climate change that all countries must face together.

Fifty four years ago, President Nixon made a landmark visit to Beijing that thawed tensions with China and reshaped the geopolitics of the Cold War. After the Sino-Soviet split of the 1960s had effectively turned a bipolar world order into one of “tripolarity”, Nixon’s trip and the rapprochement it symbolised substantially altered the balance of power in the triangle of China-Soviet-US relations.

The ‘strategic triangle’ was the dominant frame through which geopolitics was understood at the height of the Cold War. It largely fell dormant with the fall of the USSR, but has now been revived by some Western observers, with Putin’s Russia filling in for the Soviet Union.

This revival has been triggered by events in Ukraine and the joint statement between China and Russia on February 4th, which was seen by some as a mirrored version of Nixon’s 1972 China visit—one that brought Beijing and Moscow together against the US. It generated a wave of headlines in the US warning of “The New Axis of Autocracy”, an “alliance of autocracies”, and an incipient “New Superpower Struggle Among US, Russia, and China”.

But whatever the Cold War echoes in the current Ukraine crisis, applying this 20th-century triangular framing to our world today is a dangerous and misguided anachronism, for three major reasons.

First, it misreads China’s relations with Russia and intentions vis-à-vis the West. Ultimately, China wants to stabilise and improve ties with the US and its allies, not forge an anti-Western alliance with Russia.

The next major flaw with the triangular view is that our world is not tripolar, or indeed bipolar, but multipolar.

The February 4th statement was a commitment to work together on shared interests, not the declaration of a joint anti-Western front that some have made it out to be. China has no alliance with Russia and has never supported a Russian invasion of Ukraine, as was made clear again recently by Foreign Minister Wang Yi’s call to respect the sovereignty of any country and to find a solution to the Ukraine crisis through dialogue and consultation.

For all the budding talk of ties with Moscow, it is worth remembering that China’s economic interests with Russia are dwarfed by those it shares with the West. In 2021, bilateral trade between China and Russia jumped by 35 per cent to a value of \$147 billion. This was still less than a tenth of the combined trade with the US (\$657 billion) and EU (\$828.1 billion).

Russia may be a big fish militarily, but it is an economic minnow in long-term structural decline, with a GDP barely larger than that of the EU’s fifth-largest economy,

² First published on April 1, 2022 by *IPS Journal* and revised for this collection.

Spain. It is not in China's interests to open up a long-term confrontation against the West with such a partner and there is no intention of doing so.

The EU's Quest for Strategic Autonomy

The next major flaw with the triangular view is that our world is not tripolar, or indeed bipolar, but multipolar. The Cold War framing leaves out important geopolitical players, not least the EU, which has major interests at stake in Ukraine and is pursuing an increasingly independent foreign policy.

True, the EU has traditionally punched below its weight strategically and the Ukraine crisis has temporarily reinvigorated the transatlantic alliance. But the EU no longer wishes to be hemmed to the US position and appears to be at the dawn of a new political era in which it will carve out its own global role.

There is a danger that framing the world as a strategic triangle of competing powers will become a self-fulfilling prophecy.

With Angela Merkel gone and Germany's new chancellor Olaf Scholz still finding his feet, Emmanuel Macron is set to be the EU's dominant voice for some time to come, provided he wins the upcoming presidential election in April as expected.

The French president is a strong proponent of 'strategic autonomy' for the EU and has made it clear the EU should not gang up on China with the US. In a call with President Xi Jinping on February 16th, the leaders pledged that China and the EU will work together on shared interests like trade, the delayed China-EU investment agreement (opposed by the US), and climate change.

This Is Not Another Cold War

The issue of climate brings us to the third and perhaps the most important reason Cold War framings are an unhelpful way to view power and security in the 21st century.

In an age of global threats that cannot be overcome by brute force or any country acting alone, to focus solely on 'power over' other countries is to neglect the more important dimension of 'power with' other countries to tackle our shared challenges. The need to consider power in both its competitive and cooperative forms should be clear as we continue to face a global pandemic and looming climate emergency.

There is a danger that framing the world as a strategic triangle of competing powers will become a self-fulfilling prophecy and lock us into a zero-sum view of our interests, when in fact the biggest threats we face come not from other states, but from a collective failure to cooperate on our shared challenges.

Fifty years ago, the leaders of China and America were able to put pragmatism over ideology to achieve a diplomatic breakthrough that reshaped the Cold War triangle and served the interests of both countries.

But reviving this outdated view of the world half a century later will only push China and Russia closer together, raising the risk of great-power conflict, and hampering our ability to work together on existential threats that go far beyond Ukraine.

China-Philippines Cooperation Puts Relations with ASEAN on a Friendly Footing in 2023³

Often at odds, this visit by President Marcos demonstrates how communication and discussion can resolve many issues and spark changes in bilateral as well as regional policy and relations.

Recent years have seen ups and downs in China's relations with Southeast Asia. Economic ties continue to grow, but there have also been periodic frictions due to territorial disputes in the South China Sea, COVID-19, and rising strategic competition between Beijing and Washington.

This year presents a chance for Beijing to put relations with the Association of Southeast Asian Nations (ASEAN) on a more steady footing. China is eager to shore up ties with its ASEAN neighbours to prevent them from being drawn too far into Washington's orbit, while the country's reopening paves the way to revive exchanges with the region.

Meanwhile, ASEAN members are prioritising growth and jobs as they face stiff economic challenges in the wake of the pandemic, increasing incentives to resolve differences and work closer with China.

The recent state visit to Beijing by Philippine President Ferdinand Marcos Jr is the latest sign of the positive momentum in China-ASEAN relations. Marcos left Beijing with an impressive haul of deliverables, including US\$22.8 billion in investment pledges, an agreement to allow Philippine fishermen to resume operations at their historic fishing grounds, and an offer by President Xi Jinping to reopen talks on joint oil and gas exploration.

Both sides have good reasons to pursue energy cooperation in the South China Sea and find ways to overcome the constitutional and sovereignty constraints that led to the breakdown of negotiations last year. Most importantly, working together to develop energy resources will help avoid conflict over disputed waters.

The Philippines is keen to tap new sources of fossil fuels; its reliance on energy imports makes it highly exposed to rising oil prices, while its main domestic gas supply, the Malampaya gas field, is nearing depletion.

For China, successful cooperation with the Philippines on developing energy in the South China Sea would not only help secure new sources of energy amid ongoing geopolitical uncertainty, but also provide a model for solving other disputes in the region such as with Brunei, Malaysia, and Vietnam.

Marcos' visit comes after a marked uptick in diplomatic engagement between China and ASEAN since the 20th party congress. At the end of October, Nguyen Phu Trong, General Secretary of the Communist Party of Vietnam, became the first foreign leader to visit China after the party congress, making his first overseas trip since suffering a stroke in 2019. Xi and Trong vowed to upgrade their "special bond" and signed 13 major agreements covering key aspects of bilateral relations.

³ First published on January 19, 2023 by SCMP and revised for this collection.

A month later, Laos President Thongloun Sisoulith also made a state visit to China. Both sides vowed to increase cooperation, including on further boosting connectivity between the Belt and Road and landlocked Laos, around a year after the China-Laos railway opened.

Away from Beijing, November saw a flurry of meetings between Chinese and ASEAN leaders at multilateral summits in Asia. Premier Li Keqiang met leaders of the 10-nation bloc at the ASEAN summit in Phnom Penh and between the G20 in Bali and APEC in Bangkok; Xi met the leaders of Indonesia, the Philippines, Singapore, and Thailand.

Economic cooperation is the core of China's appeal to Southeast Asian countries and an advantage over the US in efforts to woo the region. ASEAN has risen to become China's top trading partner since 2020, with two-way trade reaching US\$878 billion in 2021.

The Regional Comprehensive Economic Partnership (RCEP) trade deal, which entered into force at the start of 2022, will help to further integrate supply chains between China and Southeast Asia. In November, negotiations began to upgrade the China-ASEAN free-trade zone, bringing the prospect of further trade liberalisation.

Looking to the rest of this year, China's reopening will support efforts to improve relations with ASEAN. Entrepreneurs and officials will again be able to travel easily between the two regions, boosting trade, investment, and diplomatic initiatives such as negotiations on a code of conduct for the South China Sea.

ASEAN countries are well placed to benefit from the rebound of Chinese tourism as pent-up demand is unleashed. Goldman Sachs estimates that increased trade and tourism from China's reopening may lift the GDP of Thailand, Singapore, and Malaysia by 2.9 per cent, 1.2 per cent and 0.7 per cent respectively.

Marcos' visit to China shows there is the political will in Beijing and ASEAN capitals to settle disputes in the South China Sea and deepen economic cooperation. Joint oil and gas development could be an effective vehicle to achieve this, especially amid fluctuating energy prices and economic uncertainty. China would do well to seize this opportunity and explore similar initiatives with other ASEAN members.

More Face-to-Face Interaction Needed with Asian Countries Seeking a “Third Way” out of the US-China Rivalry⁴

Stuck between the world’s two most powerful nations, Asian countries tired of having to choose, are looking for another option that avoids the pitfalls of tensions between China and the US.

As great power rivalry intensifies in the wake of US House Speaker Nancy Pelosi’s visit to Taiwan, Asian countries that look to China for prosperity and the United States for security face an increasingly difficult task in navigating tensions between the two sides.

Perhaps no country better illustrates this than South Korea. China provides almost 30 per cent of South Korea’s imports of material parts and absorbs nearly a quarter of its exports—more than the US and Japan combined. At the same time, South Korea relies on the US security umbrella to counter the threat from North Korea and is home to around 30,000 US troops.

Seoul now faces tough choices that will affect its relations with the US and China. These include whether to deploy the US-made Terminal High Altitude Area Defence (THAAD) anti-missile system and whether to join US President Joe Biden’s Chip 4 alliance.

More Asian countries will be caught in this kind of bind as the rivalry between China and the US unfolds. But despite growing pressure at home and abroad, policymakers in Seoul and other Asian capitals oppose being forced into binary choices. They are striving for a third way that preserves a degree of neutrality and allows for continued cooperation with both powers.

This was the key takeaway from our recent visits to Seoul and Singapore, the Asia leg of a global engagement tour by the Center for China and Globalization that also included stops in Berlin, Brussels, New York, Paris, and Washington.

In Singapore and South Korea, we met scholars, business leaders and diplomats to take the temperature of local politics and share views on global issues. These visits also went some way towards reviving in-person interactions with Asian countries after a two-year hiatus.

Our discussions supported the view that economic self-interest will continue to provide an incentive for Asian countries to get along with China given its role in the regional economy.

However, facing increasingly negative sentiment overseas, China should not rely solely on its economic gravity to anchor relations with its Asian neighbours. It is also important to cultivate other supportive elements, starting with restoring face-to-face relations that can open the door to deeper exchanges.

China’s public perception challenge is particularly acute in South Korea. The percentage of South Koreans holding a negative view of China has reached a record 80 per cent, according to the latest Pew survey.

⁴ First published on August 29, 2022 by SCMP and revised for this collection.

Several factors play into this. US involvement and the security situation on the Korean peninsula have long complicated ties between Seoul and Beijing. Public views of China have soured since the dispute over THAAD began in 2016 and have dipped further during the COVID-19 pandemic.

Cultural exchange has been a key channel for building relations between the two countries, but the pandemic disrupted these flows. At the peak in 2017, there were more than 73,000 South Korean students studying in China. That number plunged from 47,000 in 2020 to nearly 27,000 in 2021.

Hopefully, these cultural flows will begin to recover now that foreign students are allowed to return to China. The next step would be to gradually resume Chinese outbound tourism, which constitutes another important cultural and economic link between China and South Korea, as well as other Asian countries.

Like South Korea, Singapore has deep economic ties with China but is also a close security partner of the US. However, in many ways, the situation in Singapore is more conducive to positive relations with China. Singaporeans had the most favourable views among 19 countries polled in the recent Pew survey, with 67 per cent seeing China in a positive light, compared to 51 per cent with favourable views of the US.

During our visit, Singapore's Deputy Prime Minister Lawrence Wong, who is expected to take over as the country's next leader, said he wanted Singapore to play a neutral role between China and the US. Compared to Japan or South Korea, where there is more anxiety over China, we found the business community in Singapore more unified in wanting closer ties with China.

Singaporeans, especially Mandarin speakers, tend to see China as an opportunity. This is partly because Singapore is more oriented towards services rather than manufacturing and is well positioned as a gateway between China and the world.

Singapore has been an important conduit for China to absorb knowledge from abroad. We visited Nanyang Technological University, which has trained tens of thousands of Chinese government officials since 1992. Enrolment in such programmes has declined in recent years amid China's modernisation, but Singapore has gained importance as a gateway for Chinese companies venturing into regional or even global markets.

Its open environment has also seen the city state become a hub for global gatherings such as the Shangri-La Dialogue and the Bloomberg New Economy Forum. There is scope for Chinese think tanks to increase engagement with Singaporean counterparts and use the country as a platform to communicate with people across Asia and the rest of the world.

Like many Asian countries, Singapore and South Korea became independent nations during the Cold War and faced intense pressure to side with external great powers. Not being dominated by great powers was part of what prompted Singapore and four other founding members to create ASEAN in 1967, seeking a "third way" based on regional consensus and cooperation.

That is a hope that still resonates among significant constituencies in Asian countries. It is in China's interests to support this pursuit of a third way by increasing face-to-face interactions and strengthening human relations with its neighbours rather than relying on its economic muscle alone.

China and Latin America: Partners in a Shared New Era⁵

China and the countries of Latin America have common cause in pushing for openness, sustainability, reform, and a closer win-win relationship.

Across the Global South, nations are finding common cause in openness, sustainability, and reform. From deepening trade relationships with Brazil and Argentina, to a new and confident phase where the region as a whole is deepening its engagement with Beijing through green industry, digital transformation, and South-South connectivity.

Only months ago, foreign ministers and heads of state from across the hemisphere gathered in Beijing for the Fourth Ministerial Meeting of the China-CELAC Forum, to mark the forum's tenth anniversary. The President Xi Jinping's keynote address and the presence of leaders including President Lula da Silva of Brazil, President Gustavo Petro of Colombia, and President Gabriel Boric of Chile signaled a shared conviction: the China-Latin America relationship has matured from pragmatic cooperation into a long-term partnership.

The meeting produced the Beijing Declaration and a Joint Plan of Action (2025–2027) encompassing more than one hundred cooperation projects in clean energy, digital economy, agriculture, trade, infrastructure, and education. It also saw the unveiling of a RMB 66 billion (US \$9 billion) credit line for regional development visa-free travel for citizens of five nations—Brazil, Argentina, Peru, Chile, and Uruguay—starting June 2025. Initiatives that highlight a multidimensional partnership built on technology, sustainability, and people-to-people exchange.

I witnessed this new energy firsthand recently in São Paulo, where I joined Brazil's business community for the Brazil-China Business Council Conference last week. There the conversation revolved around investment in green mobility, digital infrastructure, and re-industrialization. From Bahia's BYD electric-vehicle complex, where the first locally assembled Dolphin Mini EV rolled off the line this year, to Iracemápolis's Great Wall Motors hybrid hub, examples of renewal abound. Just months earlier in May, I sat with the Foreign Minister of Peru, Elmer Schialer, over lunch as he passionately presented the Chancay Megaport—the Gateway to Latin America and a project expected to cut shipping times by roughly twelve days, positioning Latin America closer to Asia's supply chains. His enthusiasm captured a wider regional mood: a determination to connect, to trade, and to modernize on their own terms.

This is all part of a continental pattern of cooperation extending from the lithium triangle of Argentina, Bolivia, and Chile to Peru's ports and Mexico's high-tech corridors. Across Latin America, Chinese and local partners are investing in wind and solar energy, smart-farming technology, and AI-driven logistics. Huawei, Alibaba Cloud, and other digital firms are helping build the region's next-generation connectivity, while financial cooperation, including local-currency settlement and RMB clearing, is strengthening macro-stability.

⁵ First published on April 1, 2022 by *IPS Journal* and revised for this collection.

Taken together, these developments demonstrate how China-Latin American relations are evolving beyond the traditional “trade + infrastructure” paradigm into a comprehensive partnership for sustainable modernization. Both sides understand that in today’s volatile world, growth must rest on openness, resilience, and shared responsibility.

The latest joint plan’s reference to a “partnership of civilizations” captures the deeper purpose: to build connectivity not only of goods and capital but also of ideas, culture, and governance. It embodies a spirit and promotes a cooperation that is inclusive rather than exclusive, regional rather than bilateral, and strategic rather than transactional. Through more than 3500 scholarships, 10,000 training opportunities, and 300 political-party exchanges promised under the plan, a new generation of leaders and professionals will gain firsthand understanding on both sides of the Pacific.

Latin America’s growing partnership with China also reflects a maturing confidence within the Global South. China itself has announced that it will no longer seek new “Special and Differential Treatment” benefits in future WTO negotiations, a decision meant to stand on principle in a way that demonstrates both economic strength and a commitment to fairer global rules while maintaining its developing-country status and solidarity with other emerging economies. And it’s a sentiment shared with Latin America, where nations seek a voice commensurate with their potential in shaping international institutions.

By aligning green growth with digital innovation, and open markets with social inclusion, our cooperation can become a template for inclusive modernization. In a time when fragmentation and protectionism threaten global progress, the China-Latin America partnership offers a different story: one of connectivity, mutual respect, and shared prosperity.

To turn this shared vision into practical outcomes, I believe six areas deserve immediate focus:

First, Infrastructure and Connectivity, by continuing to expand collaboration through ports, like the Chancay Megaport, to a new flagship modern rail corridor linking São Paulo and Rio de Janeiro, as well as more highways, and power grids Latin American economies will not only benefit but shorten supply chains to Asia.

Second, Financial Innovation. By broadening the use of local-currency settlements, transaction costs and dependency on any single currency can be reduced. RMB-clearing banks in São Paulo, Buenos Aires, and Santiago would strengthen financial stability.

Thirdly, the Green Transition. Joint ventures in renewable energy, electric mobility, and green hydrogen are already on the rise. With deeper integration, Latin America would become a world leader in sustainable industrialization.

Fourth, Digital Economy and AI. Partnerships in 5G, cloud computing, and robotics—from agritech to fintech—can ensure the benefits of innovation reach all sectors.

Finally, Think-Tank and Academic Dialogue. Institutions such as CCG, CEBRI, and CEBC can build a permanent China-Latin America Forum on Sustainable Development, producing policy ideas grounded in research and mutual understanding.

Fifty years ago, the relationship between China and Latin America began with simple trade—soybeans, copper, and friendship delegations. Today it encompasses electric vehicles, AI research, and joint development finance. As President Milei's visit approaches and the new China-CELAC projects begin to take shape, both sides can look ahead to an era defined not by distance or ideology but by a shared commitment to innovation, sustainability, and mutual benefit.

The Pacific, once a divide, is becoming a bridge. If we can build upon the momentum of Brazil's green industry, Argentina's agricultural innovation, Peru's new connectivity, and Chile's energy transition, then the partnership between China and Latin America will stand as a model for the world—a partnership not of convenience, but of conviction.

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Chapter 7

Perspectives on Governance



Concepts and models of governance on a global scale are still relatively new to humanity. Initially broached after World War I and only truly implemented after the horrors of a second World War, the institutions and structures that we view today as fundamental to global exchange and global governance are not even a century old.

As the world changes and evolves, these institutions must also change and evolve. Concepts of democracy, morality, meritocracy, and effective governance permeate the discussion surrounding global governance and how the world can work together to create a model that is equitable, stabilizing and sustainable. These efforts and discussion, however, are also punctuated by divisive trends of protectionism, nationalism and the emphasis of security over cooperation.

The issue at the core of the discussion of global governance and how best to manage the world as a whole are the common global issues that we face, none of which a single country can face alone. These range from the fight against global climate change, public health crises like COVID-19 and increasing divergence on the question of how to manage global data flows and technological advances that change the very fabric of daily life.

The articles contained in this chapter explore various perspectives on governance on a global scale, touching on various interpretations of democracy, specifically how China's democracy has evolved and adapted to its own unique situation, and the dichotomy the West is pushing between democracy and autocracy in light of Russia's incursion into Ukraine. They also look at the contrast between the emphasis on security and military assurances as opposed to mutual reliance and mutual economic development as methods to ensure global peace and stability. Finally, they also explore the very institutions and platforms that guarantee the lines of communication stay open and that global powers communicate in effective and constructive ways.

An Increasingly Multilateral Approach to Concepts and Communication

Due to its unique history and in particular its recent revolutionary past, which has been overshadowed by the legacy of the Cold War, China has unfortunately been relegated to the “wrong side of the tracks” by many Western countries despite its continued efforts to implement a form of democracy that it considers most fit for purpose at its current stage of development. In the first article in this chapter, “Chinese Democracy: a Blend of Traditional Wisdom, Innovation”, we shed light on what makes China’s own form of democratic process unique and in some ways an improvement on traditional democratic processes. By incorporating traditional values of meritocracy and modern innovations based on big data and technological innovations, China is capable of ensuring that the voice of the people is heard and that decisions are made in line with their needs despite having significant structural differences to classic Western democracies.

Building on China’s unique development path and how that resonates with other developing countries that are looking for alternatives to the traditional Western liberal democratic model, the second article in this chapter turns to the African continent with a focus on how China and Africa have created a bond that establishes a common connection that is practical and unfettered by colonial histories. “The Evolving Landscape of China-Africa Cooperation” traces China’s efforts in Africa back to before the PRC was a presence on the world stage and how the goodwill that it built with African nations through infrastructure programs and economic development have paid dividends both economically and politically for China.

This trend toward a more multilateral and less Eurocentric world can be seen in the third article in this chapter, titled “A Democracy-Autocracy Divide Will Not Serve Global—or Even Western—Interests”. Mostly in response to Russia’s encroachment on Ukraine’s sovereignty and the shockwaves it sent through Europe, the United States and its European allies have decided to draw a line in the sand on what defines democracy versus autocracy. However, this is a simplistic binary narrative that doesn’t match the messy multipolar reality of today’s world and does not play to the interests of the world or even the West.

The fourth article in this chapter, “From Wars to Global Warming, the World Is Crying Out for Collective Action” sets the stage for the issues that global governance must deal with and the challenges that we face not only as individual nations, but as a global community. In addition to highlighting challenges, the article also suggests ten practical actions that we could take to drive cooperation and prevent the damage that could be caused if these global threats are not dealt with in a timely manner.

Increasingly Multilateral Global Institutions Focusing on Real Issues

With positive moves in the direction of a world that is decidedly more multilateral and pluralistic, it is time to identify some of the major issues that we face as a global community. The next two articles in this chapter focus on the different ways in which countries choose to address a couple of key issues that the world faces today.

Over the past nearly eighty years, the world has developed a very mature international network of coordinating bodies that provide what could be considered the beginnings of a global government, providing a foundation on which global stability and prosperity can be assured.

Institutions like the United Nations, the World Health Organization, and the World Trade Organization, just to name a few, along with global trade agreements and regional organizations, make up the basic architecture of global governance. However, surrounding these are a huge number of smaller non-profit organizations, research centers, think tanks, and forums that provide channels for communication in a number of areas.

It is the purpose of these organizations to drive the global conversation and provide solutions, or at least perspectives, on the very issues that face the global community. Without these conversations, the world would devolve into a state similar to what was seen during the COVID-19 pandemic, during which finger-pointing and accusation dominated the media and domestic discussion.

The next two articles in this chapter focus on the Munich Security Conference. Founded in 1963 at the height of the Cold War, it invited politicians, military personnel, diplomats, and others to work at peace through discussion. Originally dominated by NATO and European participants, the MSC later also included representatives from China, Japan, Russia, and other countries.

The first of these, titled “A Meeting of Transatlantic Minds”, focuses on the most recent MSC and how, while still dominated by a Western narrative, countries like China are providing an important perspective and voice that balance the transatlantic conversation. The next article, titled “The Munich Security Conference, A Platform Gathering More Global Attention”, follows up on this with a focus on the importance of the MSC becoming an increasingly multilateral and less Eurocentric venue for airing views and working toward resolutions on key issues like the Russia-Ukraine war to ensure security and peace in the world.

The penultimate article in this chapter, titled “Three Reasons Foreign Policy Driven by Security Concerns Will Make the World Poorer and More Dangerous”, highlights the potentially negative impact that policy of security alliances in the form of the Quad or AUKUS can have on both a regional and global level. This exclusionist approach, which focuses on conflict instead of cooperation, turns away from open discussions on cooperation in trade or other key global issues and pursues narrow conceptions of national security will not make us safer, but poorer and more susceptible to global threats such as climate change.

Articles focusing on international organizations and their function begin with a suggestion for a response to what has been described as the “oil of the 21st century”—data. In “A World Data Organization Needed to Avoid Rules-Based Disorder”, the argument is made that the world is in danger of falling into compartmentalized management structures in terms of how it manages global data flows. The consequences of this would impact not only the Internet as a whole, but also trade and business, with possibly dire results. The creation of a World Data Organization would help to coordinate among various countries and regional standards to ensure the free and smooth flow of data online.

It is new, emerging issues like climate change, new technologies, and changes in regional power, which did not exist when current institutions were established, that require new and innovative solutions. The more of the world that can be included in conversations, the more perspectives can be expressed that may contain the solutions required to ensure a peaceful, safe, and prosperous world.

Chinese Democracy: a Blend of Traditional Wisdom, Innovation¹

In blending elements of traditional meritocracy and administrative techniques with public and international oversight, China's democratic system continues to evolve to seek the most effective and suitable model for its unique situation.

The Athens Democracy Forum held early this month, featured a dialogue between Jeffrey D. Sachs, director of the Center for Sustainable Development at Columbia University, and myself, Dr. Henry Huiyao Wang of the Center for China and Globalization. Our discussion, titled the "Aristotle-Confucius Dialogue", explored the similarities and differences between Eastern and Western philosophies. In today's rapidly changing world, reflecting on the wisdom of ancient sages is not just an academic exercise, but also an endeavor to find ways to address contemporary global challenges.

Confucius and Aristotle, despite being separated by cultures and thousands of kilometers, share remarkable similarities in their philosophical approaches. Both emphasize the importance of balance and moderation in social order, as evidenced by Confucius's "Doctrine of the Mean" and Aristotle's concept of the "Golden Mean". These ancient thinkers advocated for the cultivation of virtues, and stressed the need for adaptable problem-solving in the face of changing circumstances.

However, their views diverge on political ethics: Confucius prioritizes benevolence and ritual propriety, grounding governance in moral virtue, while Aristotle emphasizes the rule of law to ensure societal justice. In today's world, effective governance draws upon both these traditions, balancing virtue-based leadership with robust legal frameworks.

The intellectual legacy of these ancient philosophers continues to shape the political systems of modern nations, influencing governance, ethics, and social structures. For instance, Confucius's emphasis on harmony resonates in China's projection of itself as a peaceful and cooperative major power, advocating for the resolution of international disputes through dialogue and negotiation.

Domestically, Confucian principles that regard the people as the foundation of a nation and set high moral standards for government officials have contributed to the development of China's unique democratic framework, characterized by "whole-process people's democracy" and consultative democracy.

Chinese-style democracy, evolving amid the influence of traditional values and modern trends, exhibits several distinctive features:

First, China can be described as a meritocratic democracy, emphasizing personal ability and virtue. This aligns with Confucian principles: "The officer, having discharged all his duties, should devote his leisure to learning; the student, having completed his learning, should apply himself to be an officer."

This philosophy manifests in modern China's educational and civil service systems. Every year, more than 13 million students participate in the *gaokao* (college

¹ First published on October 16, 2024 by *China Daily* and revised for this collection.

entrance examination), with about 12 million gaining admission to higher education institutions and entering the “elite system”. Concurrently, 2 to 3 million candidates compete in the civil service exam, though only about 10 percent clear it to work as civil servants for the central, provincial, or municipal government.

This rigorous selection process creates a system of “voting by examination” for access to public service careers and higher education. Typically, Chinese officials begin their political careers in local governments, from townships to counties to municipalities to provinces and then advance to serve the central government through further performance exams and competitions.

This meritocratic selection and election approach contrasts with Western systems, where politicians often secure votes based on their oratorical skills and popularity. Many times they make false promises and under-deliver. In short, in other countries ministers and officials are not judged after, but before, performance.

Second, the widespread adoption of online platforms has given rise to a form of digital democratic check and balance in China, transforming how citizens oversee civil servants. Gone are the days when Chinese citizens had to physically visit government offices to voice their opinions or provide feedback on officials’ performance. Now, they can engage with their local government anytime and anywhere through hotlines and social media.

A prime example of this is the “12345 Mayor’s Hotline”, implemented in numerous cities, which directly channels citizens’ concerns to local administrative officials.

Furthermore, popular social media platforms such as Weibo and Douyin have become powerful tools for public supervision of officials. Citizens frequently use these platforms to report official misconduct, uploading text, images, and videos as evidence. Such reports often draw significant public attention and support, frequently resulting in appropriate disciplinary actions against the erring officials.

While this form of oversight is not infallible, the proliferation of social media in the age of big data has greatly expanded its reach and effectiveness. This digital and technological approach to democracy with more than 1 billion smartphone users in China is steadily supplanting the traditional model that relied heavily on the oratorical skills and public gatherings in town squares and conventions.

Third, China’s engagement with the global society of democracies subjects it to international scrutiny, an integral aspect of its democratic evolution. In this context, the United States arguably functions as the primary opposition party, with the European Union playing a comparable role.

International media outlets and nongovernmental organizations further contribute to this oversight, offering specialized perspectives on China’s governance. A notable example of this dynamic is China’s response to international criticism of Beijing’s air pollution. The US Embassy’s installation of PM2.5 monitoring equipment to track air quality epitomized this external oversight.

While China initially resisted such foreign scrutiny, it ultimately served as a catalyst for significant environmental improvements. The dramatic improvement in Beijing’s air quality stands as a testament to the effectiveness of such global pressure. This case illustrates the broader principle that we now live in an era of

mutual enhancement, where global interconnectedness drives positive changes across national boundaries.

China's governance system, with roots dating back to the traditional civil service exams, has developed distinct characteristics that combine elements of meritocracy, digital engagement and international accountability to deliver positive results. This approach, shaped by China's specific historical and cultural context, aims to enhance the decision-making process and increase citizens' participation across various sectors of society.

As China navigates its path in the international community, its governance model faces both opportunities and challenges. The ongoing evolution of this system, blending aspects of traditional wisdom with advanced technology, presents a unique case of how countries can find different ways to approach governance in the 21st century.

The Evolving Landscape of China-Africa Cooperation²

The common plight and development experiences of China and African nations have created a unique bond that lasts to the present day. As this cooperation continues to evolve, China and Africa are testing the waters of a new global dynamic emphasizing collaboration and sustainable development.

China-Africa cooperation has evolved significantly in recent decades. From infrastructure projects to economic partnerships and cultural exchanges, this relationship has grown to encompass a wide range of mutually beneficial initiatives. As both regions face global challenges, their collaboration is increasingly shaping international development and governance.

During the 2024 Summit of the Forum on China-Africa Cooperation (FOCAC) held in Beijing, Chinese President Xi Jinping unveiled 10 partnership action plans with Africa. He also proposed elevating the overall characterization of China-Africa relations to an “all-weather China-Africa community with a shared future for the new era.” These governmental and civil exchange activities underscore the potential and vitality of China-Africa cooperation.

The history of China-Africa cooperation dates back to the Ming Dynasty (1368–1644), but following the founding of the People’s Republic of China (PRC), the nature of international cooperation and trade between China and Africa evolved significantly.

In the early years of the PRC, China provided support to Africa while seeking political backing from African nations. Within the limits of its economic capacity, China offered aid to Third World countries, emphasizing unconditional assistance. One of the most iconic projects during this period was the construction of the Tanzania-Zambia Railway in the 1970s. To facilitate this project, the Chinese government provided an interest-free loan of 988 million yuan (about \$400 million) and shipped nearly 1 million tons of equipment and materials. The railway system, known as the “Railway of Freedom,” made significant contributions to the socio-economic development of Tanzania and Zambia, as well as to national liberation movements in Southern Africa. Such projects garnered high praise from Africa and provided China with crucial support during the Cold War, a period when China faced international blockades. This support played a vital role in restoring the PRC’s legitimate seat in the United Nations.

Following the implementation of China’s reform and opening-up policy, the country’s focus shifted toward economic development, leading to remarkable achievements. Consequently, China’s investment in African projects began to reflect some features of its domestic development model. For instance, there was a strong emphasis on infrastructure. Over the past two decades, China, as the largest investor in African infrastructure, has been involved in more than 200 projects across the continent. These include the construction of approximately 30,000 kilometers of highways, 2,000 kilometers of railways, ports with an annual throughput capacity

² First published on September 9, 2024 by CGTN and revised for this collection.

exceeding 85 million tons, and more than 30,000 kilometers of power transmission lines. Additionally, Chinese investors in Africa have widely adopted the “industrial park” model that emerged in the early stages of China’s reform and opening-up. By 2021, African nations had built or co-developed 237 industrial parks, with nearly 60 of these planned, constructed or operated by Chinese companies. The success of this model has provided new momentum for industrialization on the African continent.

Moreover, cooperation between China and Africa has expanded into new areas, with green initiatives emerging as a significant focus. Leveraging Africa’s abundant sustainable energy resources and China’s advanced technology, 19 South-South cooperation memorandums of understanding on climate change have been signed between China and 17 African countries. Since 2021, China has participated in the construction of more than 120 African climate projects. This thriving green cooperation is a result of both China and Africa actively seizing opportunities presented by the new wave of technological revolution in clean energy and green development.

The moral dimension of China-Africa cooperation has also evolved in the 21st century. For instance, in late 2008, China deployed naval escort fleets to the Gulf of Aden to ensure the safety of maritime navigation in the region. In 2014, China dispatched medical teams to Liberia to combat the Ebola outbreak. By the end of 2019, China had deployed peacekeeping forces or observers to seven African regions. These actions reflect not only a continuation of the traditional moral responsibility in China-Africa cooperation but also a rare success in public security collaboration within the broader framework of global and regional cooperation.

China-Africa cooperation serves as a significant microcosm of China’s promotion of global and regional cooperation. Africa, a youthful continent with the world’s largest concentration of developing countries, is rich in natural resources and boasts a vast labor force. However, due to the legacy of colonial rule and historical challenges, many African nations continue to face obstacles in converting their valuable resources into economic gains. As the world’s largest developing country, China’s collaboration with Africa not only aligns with global development trends but also reflects China’s responsibility and commitment to helping Africa overcome its developmental challenges.

China is not only strengthening its bilateral cooperation with Africa but also collaborating with countries in the Organisation for Economic Cooperation and Development such as the United States and Japan to assist African nations in resource development. The international community must work together to help Africa achieve sustainable development. This effort also includes maintaining peace and stability across the continent. Key actions include preventing civil wars, such as the conflict in Sudan, and ensuring the security of vital routes like the Red Sea, that could create a stable foundation for Africa’s prosperity and stability.

China’s economic aid to Africa sets a compelling precedent for global cooperation. For instance, China has repeatedly canceled debt for Africa’s least developed countries, relieving their financial burdens. The Forum on China-Africa Cooperation Beijing Action Plan (2025–2027) further strengthens this commitment, pledging 360 billion yuan in financial support over the next three years, including credit lines, various forms of assistance, and direct investment from Chinese companies.

This comprehensive package promises to catalyze industrial development, enhance infrastructure, and boost technological innovation across Africa.

During a seminar co-hosted by the Center for China and Globalization and Development Reimagined, entitled “Reimagining the Current Global Governance System to Work for Africa and Prospects for China-Africa Cooperation” in August 2024, diplomats, representatives of international organizations, think tank experts, and scholars from both China and African nations had discussions and reached a consensus on how China-Africa cooperation could play a more significant role in global governance.

As this partnership evolves, it is set to become a model for South-South collaboration, driving sustainable economic progress and fostering a more equitable global order.

To get the ball rolling, the G3 could start with urgent but less contentious issues. Tackling the current global food security crisis is a promising area to find common ground. These efforts could build on the agreement reached by China and the EU to maintain stability in the global supply chain, including by discussing how to increase transparency and exchange information on the supply of certain critical raw materials and other products.

Amid this summer’s heatwaves, climate change stands out as a clear area for long-term G3 cooperation. China, the EU and the US account for around 40 per cent of global greenhouse gas emissions and consume nearly half the world’s energy.

Together, they have the critical mass to drive the global climate agenda forward and influence economic pathways—and therefore emissions trajectories—far beyond their borders. One area to work on would be developing a common framework for green finance and supporting decarbonisation projects in other countries.

On that note, the G3 could also serve as a forum to achieve some degree of coordination on global infrastructure development between the Belt and Road Initiative, the EU’s Global Gateway and the new Group of Seven Partnership on Global Infrastructure and Investment. If investments under these initiatives are uncoordinated and shaped by geopolitical competition, there is a danger they could lock countries into high-carbon paths for decades to come.

Talking to colleagues in Europe, there was a shared concern over an emerging dynamic that threatens to cleave the world into competing spheres. Getting China, the EU and the US to sit down and talk will take bold efforts in the current climate. But if we want a 21st century that is stable and sustainable, the G3 would be a good place to start.

A Democracy-Autocracy Divide Will Not Serve Global—or Even Western—Interests³

Conflict often serves to galvanize countries and communities, but a neat divide between democracy and autocracy, while convenient, is counter to the interests of today's multipolar world and will only serve to delay efforts to resolve conflict.

National leaders and foreign policy experts gathered in Bavaria last week for the Munich Security Conference, also known as the “Davos for Defense”. Over the years, the event has been a valuable factory for ideas and a barometer for shifts in geopolitics and states' responses to new threats and challenges.

In the early years after it was launched in 1963, the conference focused on the Cold War and nuclear threats and served to project the strength and cohesion of the transatlantic alliance. After the end of the Cold War, the conference agenda widened to cover issues like climate change, terrorism and cyber threats.

It remains a NATO-centric event, but as the balance of power in the world has shifted, representation from emerging powers like China and India has also grown. This includes participation by our think tank, the Center for China and Globalization, which held a side event on China-US relations at this year's event.

In 2020, the last time I attended the conference in person, the theme was “Westlessness”, reflecting an identity crisis in the West amid its declining relative power and fractures in the transatlantic alliance.

At this year's event, which took place amid the fallout from the China-US balloon saga and the war in Ukraine, there was no sense of “Westlessness” to be found. Russian President Vladimir Putin's invasion of Ukraine and hype about the “China threat” have galvanised the West with a new sense of purpose: a grand clash between democracy and autocracy.

The meeting held on the sidelines of the conference between China's top diplomat Wang Yi and US Secretary of State Antony Blinken, while signaling that both sides were moving on from the balloon incident, nevertheless served to highlight the division of the world into two camps.

This dichotomy has come to dominate strategic discussions in the West. It permeates US President Joe Biden's national security strategy and the European Union's Strategic Compass released last year. It is also prominent in the Munich Security Conference report released ahead of the conference, which warned of a growing divide between “competing order[s]”.

Despite the ascendancy of this vision, it is far from clear that framing the world as a competition between democracy and autocracy is the best way to address the complex and evolving threats of our age, even for the interests of Western countries.

First, a simplistic binary narrative doesn't match the messy multipolar reality of today's world. Take the positions that countries have adopted with respect to the war in Ukraine: they often don't align neatly along a democracy-autocracy divide.

³ First published on February 21, 2023 by SCMP and revised for this collection.

Many democracies have not lined up against Russia; these include India and South Africa, which abstained in UN resolutions against Moscow last year. Conversely, not all autocracies support Russia. The picture on sanctions is also mixed. Singapore has joined the sanctions campaign against Russia, but Israel has not.

As this year's Munich Security Index shows, the framing of democracy versus autocracy doesn't resonate well in many countries, according to a survey of 12,000 people from the G7, China, Brazil, India, South Africa and Ukraine.

For example, people in countries like India and South Africa see "rich versus poor countries" as the main fault line in global politics. Even in G7 countries, the democracy versus autocracy dichotomy is far from dominating the perceptions of citizens.

If the West pushes too hard on framing the world as a competition between democratic and non-democratic states, it risks alienating people who do not see things this way. This includes states destined to play a greater role in global affairs as they gain economic and demographic weight, states which should be encouraged to participate in shaping the international order if we are to keep multilateralism alive.

The second problem with seeing everything through a democracy versus autocracy lens is that it doesn't capture the risks and challenges people are most concerned about.

This year's Munich Security Index records an increase in 20 risk indicators compared to the previous survey, which itself registered significantly higher risk perceptions than in the preceding year. As the authors of the report write, the index reflects a new age in global politics marked by an "omnipresent sense of insecurity".

The aggregate risks people are most concerned about across the 12 countries are overwhelmingly transnational in nature. The top risk is an economic or financial crisis, likely fueled by rampant global inflation.

Climate change, the destruction of natural habitats, and extreme weather and forest fires are the second, third, and fourth highest risks respectively. Energy disruption also ranks high, claiming the top spot in South Africa and the United Kingdom.

These risks are not zero-sum problems; the West cannot deal with them by throwing more resources into escalating competition with non-democratic states. On the contrary, risks related to the global economy, public health and the environment can only be addressed by all nations working together, regardless of their governance system. Geopolitical competition may interact with these threats, but it is not their primary driver.

Political leaders do not agree on much these days, but this year's conference shows they do agree that the international order is at a critical juncture—a moment that German Chancellor Olaf Scholz has famously called *Zeitenwende*, an epochal turning point.

If we are indeed at a historic turning point, the question is: where are we turning to next, and what visions of the international order will shape our future?

Cleaving the world into two opposing camps has simplistic appeal as a rallying cry for the West. But it is a flawed way to understand a 21st century world that is more multipolar and interconnected than ever, not only through economic and cultural links, but also shared challenges like climate change, which calls for all states to work together.

From Wars to Global Warming, the World Is Crying Out for Collective Action⁴

Amid increased geopolitical strife, our interconnected world requires a collaborative approach to climate change, conflict, infrastructure, public health, trade, and more, to safeguard our shared home.

In an era punctuated by escalating geopolitical strife and a burgeoning anti-globalization sentiment, the imperative for international cooperation has vaulted to the forefront of global discourse.

This was the prevailing theme at the recent 8th China Global Think Tank Innovation Forum in Beijing, followed immediately by the European Union-funded EU-China Think Tank Exchange. The sense of urgency for collective action was palpable among the attendees, which included a diverse assemblage of over 100 think-tank representatives from more than 20 countries and regions.

As president of the Center for China and Globalization, which hosted the events with partners including the European Policy Centre, I had the opportunity to propose a framework of cooperation, designed to mend fissures among nations and initiate a united front to safeguard our shared home. Here are the 10 imperatives:

First, climate. The spectre of climate change looms large over humanity, challenging us to transcend mere conversation and take concerted action.

Despite the complex web of industrial policies, subsidies and commitments, particularly those by developed nations to their developing counterparts, the necessity for a collaborative approach to “de-risk” our planet is undeniable. It is incumbent on all nations to foster an environment conducive to finding solutions to this universal menace.

Second, conflict. In the shadow of the wars in the Middle East and Ukraine, the call for peace resonates with an urgency that transcends borders and political divides. The tragedies and suffering in the areas of conflict are stark reminders of the devastating toll of war on the global community.

It is necessary for the international community to champion the cause of peace, to mediate with unwavering resolve and to extend humanitarian aid where it is most needed through any means available, including diplomatic channels, multilateral organisations, and grass-roots movements.

The pursuit of peace must remain a paramount objective, for it is the bedrock on which a stable, prosperous and just world order can be built.

Third, infrastructure. Another domain ripe for cooperation lies in global infrastructure. Infrastructure serves as the backbone of development, particularly in the developing world.

China’s Belt and Road Initiative has catalysed a global movement that is echoed in the construction proposals put forward by the US-led Build Back Better World, Europe’s Global Gateway and the India-Middle East-Europe Economic Corridor.

Such initiatives, collectively supporting the developing world, highlight the imperative for leveraging existing financial platforms and could—and should—work together. Countries and multilateral lenders such as the World Bank and Asian

⁴ First published on November 12, 2023 by SCMP and revised for this collection.

Infrastructure Investment Bank can help bridge the global infrastructure financing gap.

Fourth, digital. In today's digital age, data has emerged as a crucial resource, likened to oil in the 21st century. An open attitude towards the flow of data is essential, but so is the establishment of a coherent global governance framework.

Disparate approaches, exemplified in the EU's General Data Protection Regulation, the California Consumer Privacy Act in the US, and China's Personal Information Protection Law, hinder the potential for digital globalization. A unified regulatory body, perhaps akin to a World Data Organisation, is critical to the harmonising of these disparate policies.

Fifth, public health. The COVID-19 pandemic was a harsh reminder of the pitfalls of insufficient cooperation. Unlike the successful collaboration against the Severe Acute Respiratory Syndrome (SARS) and Ebola outbreaks, the world failed to unite in the face of COVID-19, resulting in widespread catastrophe. This must serve as a lesson to enhance preparedness for future pandemics.

Sixth, institutions. At the core of global governance stands the United Nations, an institution whose authority must be safeguarded. As the second-largest payer of UN dues, China recognises the importance of upholding international law and order as defined by the UN, urging all member states, including the United States, to fulfil their obligations.

Seventh, North-South cooperation. The dynamic between the Global North and South presents an opportunity for China, which straddles both the developed and developing worlds, to serve as a mediator. By fostering greater cooperation in this area, China can help harmonise the interests of both communities, contributing to sustainable global development and governance.

Eighth, finance and trade. The post-1945 era has largely been a testament to the peacekeeping power of international trade and investment. As nations become increasingly interdependent, the imperative to strengthen—not weaken—the World Trade Organization and its mechanisms has grown ever more apparent.

In the realm of international finance, diversifying payment currencies beyond the US dollar, incorporating a greater share of major currencies, such as the euro and yuan, could yield a more balanced global economic framework.

Ninth, people-to-people exchanges. Promoting cultural tourism and international student and scholarly exchanges is another avenue through which nations can foster mutual understanding and respect. Such people-to-people ties are the bedrock of international cooperation and must become and remain the priority of governments after the lifting of COVID-19 restrictions.

Finally, international agreements. The lifting of sanctions and the revival of trade agreements, such as the China-EU Comprehensive Agreement on Investment, are crucial for enhancing economic cooperation and trade relations between nations.

While every country confronts its own set of challenges, the interconnected nature of our modern world necessitates a collaborative approach to our shared problems. Only through collective action can we endeavour to forge a stable, sustainable and prosperous world for future generations.

A Meeting of Transatlantic Minds⁵

While dominated by Europe and the US, the Munich Security Conference has become an increasingly important forum for resolving pressing global issues and China's return to the Conference in 2023 highlighted that fact.

Compared with the cold weather that plagued the 2019 and 2020 Munich Security Conferences (MSC), it was unusually warm outside the Hotel Bayerischer Hof, where the MSC 2023 was set to take place from February 17 to 19.

Nevertheless, when hundreds of people from around the world gathered in the conference hall—the largest-scale meeting of the MSC since the COVID-19 pandemic erupted in early 2020—to discuss topics ranging from war to climate change, they might have felt a slight chill in the air. The then rapidly approaching one-year anniversary of the Russia-Ukraine war and the looming global economic recession foreshadowed an unpleasant year, and few feasible solutions were on the table.

Across the Pond

The MSC used to be a busy annual “transatlantic family meeting” as Western media dubbed it. Debuting in 1963 following the Cuban Missile Crisis, it became a hub for politicians seeking consultation with leaders from the developed world on security policies. MSC 2023 saw dozens of state leaders, including all heads of the Group of Seven, with the exception of US President Joe Biden, who was represented by Vice President Kamala Harris along with some 60 US lawmakers. Ironically, despite the fact that Russia is one of the main actors in at least one of the many ongoing global crises, it failed to send delegates for a second consecutive year.

“How to escalate sanctions against Russia” was an important topic on the conference's agenda, accompanied by a mounting public denunciation of Russia's special military operation. In her speech to the MSC, to add fuel to an already raging social fire, Harris openly accused Russia of “committing war crimes” in Ukraine. German Foreign Minister Annalena Baerbock stuck to a more moderate narrative, saying “the war [would] end tomorrow” if Russia were to withdraw its troops from Ukraine.

Bolstered by a shared mentality, many Western participants tend to view the world from a dual perspective that the world is ruled by democracy and autocracy, which lends the West a strong sense of unity. This good-bad dichotomy, at its best, unifies the West by identifying their “enemies” through ideology; but, at its worst, it signifies how Western-style democracy is seemingly superior to the world's other political systems. Compared with the MSCs I'd participated in 2019 and 2020, it was clear that this dichotomy had become more instrumental in “bridging the Atlantic gap” in 2023.

⁵ First published on March 4, 2023 by *Beijing Review* and revised for this collection.

But democracy hardly matters if the gap is all about market shares and commercial profit. It was unlikely for the EU to overlook their disagreements with the US on certain economic policies, when Christoph Heusgen, Chairman of the MSC since 2022, challenged Harris on the US Inflation Reduction Act that heavily subsidizes American automobile manufacturers in a bid to outcompete their European counterparts. This sense of dissatisfaction demonstrated to me just how important a fair international order, which China has always advocated, is to everyone—great powers included.

China's High-profile Diplomacy

The return of China's official delegation and its think tanks to the MSC this year is another sign that China's diplomatic efforts are returning to normal after the long, grim days of COVID-19.

Unsurprisingly, China has long been one of the main topics of concern at the conference. I can recall an op-ed famously titled *China, China, China!* published by The Washington Post in its coverage of MSC 2020. Reinforced by its dispute over early February's "balloon incident" with the US and China's attitude toward the Ukraine crisis, the reappearance of high-level Chinese representatives at the MSC sparked broad speculation about the country's relationship with the US and the rest of the world. The world's largest and second largest economies seemed to be engaging in a new round of diplomacy, which very well may shape the trajectory of global development in this turbulent age.

The unofficial engagement between Wang Yi, Director of the Office of the Foreign Affairs Commission of the Communist Party of China Central Committee, and US Secretary of State Antony Blinken aimed to ease the lingering frustration about the "balloon incident," a goal they did achieve. Neither China nor the US were looking to waste this valuable opportunity to stabilize the bilateral relationship. Both sides cautiously took a step back and avoided any finger-pointing during the meeting, which will hopefully pave the way for easing tensions and boosting international collaboration on many global issues, including the Ukraine crisis.

China has always been an enthusiastic advocate of multilateralism and takes every opportunity to engage in multilateral diplomacy at the MSC. During these meetings with world leaders, Wang Yi stressed the importance of peace, mutual trust and multilateralism, and strongly opposed unilateralism. For the first time since the outbreak of the Ukraine crisis, Wang had a face-to-face meeting with Ukrainian Foreign Minister Dmytro Kuleba, reiterating China's stance that it is "ready to work with the international community to prevent the situation from worsening and to keep fighting for peace." To back up its words with actions, on February 24, the one-year anniversary of the war, China issued a 12-point proposal for a political settlement to the Ukraine crisis.

With the return of China's delegation, the MSC 2023 demonstrated more diversity, not only in its discussion of global issues but also in its participants and

formats—particularly at its sideline events where nongovernmental stakeholders actively engaged in Track II diplomacy. As an MSC participant, the Center for China and Globalization (CCG), hosted an event themed “Oasis or Mirage: Analyzing China-US Relations on Climate Change”. Drawing on insights of policy advisors and area specialists from China, the US and Europe, it aimed to examine the China-US relationship through the dual lenses of climate diplomacy and broader geopolitical issues.

In recent years, the MSC has become increasingly important for policymakers to collaborate with entrepreneurs to integrate business concerns with general political strategies. In 2019, the first time the CCG was invited to the MSC, Chinese companies and relevant tech issues were central topics at various MSC seminars and the consensus drawn from these debates and discussions to a large extent have been incorporated into industrial policies in the West.

One can hardly say that the three-day conference produced specific, immediate solutions to current international crises and challenges. People met and talked; ideas were presented and discussed; and solutions may surface after reaching a consensus. It may be weeks or months after the conference has ended until we realize something game-changing did happen. For the participants flying in from China, the MSC was not a platform to flex the muscle, but to showcase their determination to address global challenges together with the rest of the world.

The Munich Security Conference, a Platform Gathering More Global Attention⁶

Despite its origins in the Cold War, the MSC remains an important platform for security concerns and with the participation of China and other non-Western attendees, has increasingly gathered global attention.

In its nascent stage, the MSC comprised selected groups from Western political and academic spheres, who convened to discuss matters pertaining to security during the Cold War. Consequently, some referred to it as a family gathering of the West. While the conference's primary focus on security remained unchanged after the Cold War, the breadth of topics and participants expanded significantly, signaling a transition towards a global forum. However, the conference retains some of its earlier traits, particularly its emphasis on Western attendees with high credentials. The conference's discussions are characterized by unparalleled intensity and wield considerable impact on policy making. CNN has aptly described the Munich Security Conference as "the highest-level summit on diplomacy and global security."

This year, not only French President Macron, German Chancellor Scholz, British Prime Minister Rishi Sunak and US Vice President Kamala Harris attended and delivered speeches, but also more than one-third of the members of the US Congress were present, forming the largest delegation of the United States in the history of the MSC, so much so that the former head of the Wilson Center joked that they had enough congresspeople present to conduct their congressional business.

As customary, hundreds of participants convened at Hotel Bayerischer Hof in Munich for a tightly packed three-day session of meetings, featuring high-level interactions. The Munich Security Report provides insightful analyses and appraisals of global security matters from a Western perspective, often serving as a must-read for decision-making.

MSC 2023 saw Western representatives adopt an unyieldingly tough stance against Russia's military actions in Ukraine. US Vice President Harris delivered a speech outlining the United States' perspective on the Russian-Ukrainian war, accusing Russia of committing war crimes in Ukraine, whereas Germany's Foreign Minister Annalena Baerbock said that peace will be possible "tomorrow" if Russia stops bombing and withdraws troops.

China showed a more pragmatic attitude. Wang Yi's meeting with Dmytro Kuleba, Minister of Foreign Affairs of Ukraine, yielded a document titled "China's position on the political settlement of the Ukraine crisis." Beijing insists it is firm in advocating peace and dialogue, and "China's peace plan for Ukraine was greeted cautiously by the West," as The Guardian later reported. But at the same time many in the meeting welcomed China's position and hope China can play a more active role in the resolution of the Russia Ukraine crisis.

⁶ First published on February 22, 2023 by GD Today and revised for this collection.

Owing to the gathering's high-profile participants, it also emerged as a prime opportunity for senior government officials to engage in formal and informal communications.

Wang Yi, Director of the Office of the Central Foreign Affairs Commission of the Communist Party of China, engaged in "informal talks" with the US Secretary of State Antony Blinken, one of the highlights of bilateral interactions during the MSC and speaking to the conference's rising role as a platform. The New York Times referred to that as a "tense meeting," but face-to-face communications are certainly better than not having a meeting and are conducive to finding understanding between the world's two largest economies. The US State Department press release also expressed its interests in continued dialogue with China.

China has become an indispensable participant and a core topic in recent years at the MSC. For example, in 2020, there were as many as 11 side events explicitly involving China. At that 2020 MSC meeting, then-State Councilor and Foreign Minister Wang Yi refuted then-US Secretary of State Mike Pompeo's accusations against China.

French President Emmanuel Macron is expected to visit China shortly, and Chinese and US Presidents could meet again this year after a summit in Bali, Indonesia. Wang Yi's whirlwind diplomacy before, during, and after the MSC laid the foundation for China's diplomatic activities going ahead.

Remnants of stereotypical thinking from the West continue to persist. For instance, the Munich Security Index 2023 employed the "crisis of democracy" as a benchmark, illustrating the democracy versus autocracy divide that dominates the Western discourse. However, this polarization fails to resonate. Leaders in several Middle Eastern countries find it challenging to navigate this dichotomy and are reluctant to choose sides. During a side event, a representative from Singapore noted that this simplistic classification falls short in capturing the intricacies of governmental systems, urging a more inclusive approach. Many representatives expressed the hope that China would take a more vocal stance on this topic.

The presence of Chinese delegates at such events serves to provide a balance to Western speakers, leading to a more rational and objective discourse. At a side event focused on the topic of "democracy and autocracy," we responded to Western criticisms, and although there were only a handful of Chinese delegates present at the MSC this year, they played a significant role in ensuring diversity of perspectives.

The MSC also serves as a platform for China to facilitate détente and dialogue among major powers. The Center for China and Globalization (CCG) actively participated in various side events during the conference, where we conveyed China's policies, positions, and views from a civil society perspective.

The weather in Munich also lent added credence to the CCG side event on China-US climate cooperation, where friends old and new were invited. One notable quote came from Professor Graham Allison, the Founding Dean of Harvard University's Kennedy School of Government, who emphasized that China-US relations should not be solely defined by competition, but also by cooperation. He emphasized that the degree of emphasis on cooperation between China and the United States should

be no less than that of competition. Such a view, if recognized by US elites, could have a positive impact on bilateral relations

The impact of the Munich Security Conference on Western policymaking remains as potent as ever. An acquaintance of mine, a United Nations official who attended the meeting, revealed that he feels compelled to attend each year because many of the voices and insights he hears are incorporated into policies six months later. A clear example of this is that after the intense discussions of Chinese tech companies at a previous MSC, many Western nations implemented corresponding policies regarding these issues.

China needs to accord greater significance to this platform, not only to foster communication and dialogue, dispel misconceptions, and achieve consensus, but also to proffer Chinese solutions and proposals, and to strive to optimize the interests of all parties from a pragmatic standpoint.

Three Reasons Foreign Policy Driven by Security Concerns Will Make the World Poorer and More Dangerous⁷

When security concerns dominate policymaking, the world only becomes more fragmented. We must prioritize economic cooperation to ensure a world that is peaceful, prosperous and better equipped to deal with global issues.

It is hard to escape the feeling that we are at a decisive moment in history that will determine the future for a long time to come. Our world is riven by the COVID-19 pandemic, great power rivalry and now the war in Ukraine.

Challenges are multiplying as economic recovery sputters, the rate of technological change accelerates, and global threats such as climate change intensify. Multilateralism is in disarray and the old world order is dying, but a new one is yet to be born.

Will the new world that emerges from this tumult be prosperous and peaceful? Will we be able to cooperate and manage global challenges, or will globalization and the international order that supports it collapse?

In 1945, architects of the post-war order such as US President Harry Truman and Secretary of State Dean Acheson pondered similar questions as they surveyed a world destroyed by two global conflicts. A decade earlier, the Great Depression brought a vicious spiral of protectionism, economic hardship and nationalism that crippled global trade and sowed the seeds of war.

These leaders knew they had to prevent that cycle from repeating. They launched the Marshall Plan to rebuild European economies and formed the International Monetary Fund, World Bank and what would eventually become the World Trade Organization (WTO). Together, these institutions provided a framework for long-term economic cooperation that fed a virtuous cycle of openness, trade, prosperity and stability.

Economic cooperation was the foundation of the recovery from World War II, and it also helped us rebuild from the 2008 global financial crisis. Unfortunately, as we begin to emerge from the pandemic, current trends more closely resemble the isolationist 1930s than the post-World War II period.

The market integration that began in 1945 and spread after the Cold War is waning. Security is overtaking economics as the driving force behind international cooperation, especially after Russia's invasion of Ukraine.

The securitisation of foreign policy is perhaps most evident in the United States. Since former US President Donald Trump crippled the WTO and withdrew the US from the Trans-Pacific Partnership, Washington has focused on strengthening military alliances and forging new security arrangements such as the Quad and AUKUS.

Russian President Vladimir Putin's invasion of Ukraine has caused a sea change in foreign policy across Europe. The European Union plans to create a rapid deployment force, and countries are abandoning long-held taboos. Germany is increasing its military spending, and Finland and Sweden are moving towards joining NATO.

⁷ First published on May 19, 2022 by SCMP and revised for this collection.

The picture is more mixed in Asia. The region has become a focus of economic multilateralism, but at the same time, security concerns are rising.

The Quad is becoming more active, and the incoming administration in South Korea has expressed interest in joining. In Japan, some conservatives are pushing to revise the constitution and abandon pacifism. Meanwhile, China confirmed it had signed a security agreement with the Solomon Islands. Military spending is on the rise across Asia, growing by almost 50 per cent between 2010 and 2020.

The past two years have shown how vulnerable we are to supply chain disruptions. Shifting priorities from efficiency to resilience and security is understandable and desirable, but now there is a danger that the pendulum will swing to the other extreme.

Countries might withdraw from globalization, only trading with small groups of allies or even retreating into autarchy. Turning away from free trade and pursuing narrow conceptions of national security in dealing with other nations will not make us safer. Instead, it will make the world more dangerous, poorer and more prone to global threats such as climate change.

First, history suggests new security arrangements could have a destabilising effect by creating a security dilemma. One state's actions to enhance its security, such as forming a new alliance, could make others feel less secure. This could trigger countermeasures and a spiral of mutual suspicion, leaving the original state less secure.

This dynamic emerged in the years leading up to World War I. European countries forged alliances to enhance their security, but became what Henry Kissinger called a "diplomatic doomsday machine", allowing the assassination of Archduke Franz Ferdinand of Austria to ignite a deadly global conflict.

As new security initiatives create risk, curtailing free trade and investment also weakens the benefits of these linkages. Putin's invasion shows economic cooperation doesn't prevent war, but it can still be a force for stability by linking countries' interests and humanising trade partners.

Second, turning inward will stifle growth and innovation at a time when the global economy is already under severe strain from inflation, supply chain disruptions and the war in Ukraine. This risks tipping billions of people into poverty, destitution and hunger.

Prices will only go higher if we reconfigure supply chains for security rather than efficiency. As a recent report points out, the way to make supply chains more resilient is by more diversification, not less.

Finally, turning our focus from economic cooperation to traditional security concerns will hurt our collective ability to address global threats. Progress on developing solutions will falter if US and European scientists collaborate less with their Chinese and Russian counterparts. Our ability to implement joint solutions will also suffer if global cohesion and governance mechanisms are further weakened.

World leaders must recognise these risks and their power to shape the kind of world that emerges from the pandemic and the war in Ukraine. We must not allow security concerns to dominate policymaking and make our world more fragmented and militarized.

Instead, we must find ways to ensure economic cooperation thrives so we can build a world that, even if divided, is peaceful, prosperous and better protected from planetary disasters.

A World Data Organization Needed to Avoid Rules-Based Disorder⁸

A “Bretton Woods for data” moment could pave the way for an institution to set rules on data governance and create a workable framework to govern digital matters and disputes.

At a time when the economic outlook is bleak, the digital economy is a rare bright spot in the prospects of global growth. It now accounts for 15.5 per cent of the global gross domestic product. Over the next decade, it is expected that 70 per cent of new value created in the economy will be based on digitally enabled platform business models.

Monthly global data traffic soared during the pandemic and is forecast to reach 780 exabytes by 2026, up more than three-fold from 2020. Meanwhile, an estimated half a million new users connect to the internet each day.

By July 2021, the number of countries with rules on data localisation had risen to 62 from 35 in 2017, while the total number of measures in force had more than doubled to 144. Many more countries, such as India and Vietnam, are on the cusp of adopting sweeping new data protection legislation.

The European Union is moving towards a new law that will apply to all data generated there, building on the General Data Protection Regulation, which applies to personal data. China is currently drafting more regulations on the handling of data after new laws on data security and privacy came into force last year.

Cross-border data flows are fast becoming a new sphere for geopolitical rivalry. In May, it was reported that the US, Japan, South Korea, and four other Asia-Pacific Economic Cooperation members have agreed to set up personal data transfer rules independent of the regional forum’s current framework in order to exclude China and Russia.

Standards for cross-border data transfer will be a core aspect of the “connected economy” pillar of the Indo-Pacific Economic Framework (IPEF), which also excludes China and several other Asian countries.

The politicisation and divergence of data governance regimes threaten to create a “spaghetti bowl” of incompatible systems that reduces trade, slows productivity, and stifles innovation. These barriers will increase complexity, uncertainty, and costs for businesses, especially for smaller firms, which will find it harder to access global supply chains.

As data plays an ever-greater role in our lives and in all spheres of economic activity, the fragmentation of our global technological system will also weaken the economic, social, and cultural links between nations, making confrontation more likely.

Some regional agreements have begun to forge common standards for regulating data transfer in a rules-based way that minimizes barriers to trade. These include the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Digital Economy Partnership Agreement between Singapore, Chile and New

⁸ First published on June 8, 2022 by SCMP and revised for this collection.

Zealand. However, arrangements that include a small group of countries will only take us so far, especially if they are only open to select invitees such as the IPEF.

What's really needed is an international conclave to rethink our global institutions for a world of data—what former UK information commissioner Elizabeth Denham called a “Bretton Woods for data”.

The original Bretton Woods conference in 1944 facilitated the creation of global institutions that provided a stable framework for cooperation in a world economy based on the open trade of tangible goods. However, these post-war institutions have hardly changed since the 1990s, while the intangible economy has become exponentially larger and more complex. In effect, the world is trying to run a 21st-century, cloud-based economy on the equivalent of Windows 95.

We now need a new global governance framework for the data-driven economy, including robust mechanisms to support open data flows and manage the far-reaching impacts of digital technology.

A good place to start would be to upgrade existing institutions for the data age. The World Trade Organization Ministerial Conference in June is a chance to speed up e-commerce negotiations to set global ground rules and exceptions for data.

The Digital Economy Working Group under the G20, which held its first meeting in March, is a welcome addition and should accelerate the coordination of data policies between members of the group.

Beyond this, there is a good case for creating an entirely new institution, a kind of “World Data Organisation” solely focused on the digital economy. Its top priority would be to set rules of the road on data governance and create a workable framework to govern digital matters and resolve disputes.

Of course, forging such a resolve consensus would be hugely challenging, especially in the current geopolitical climate. Different countries have different ideas, laws, and values when it comes to data governance. They must be allowed the flexibility to domestically manage the social, political and security consequences of emerging technologies. But a body like the World Data Organisation could at least provide a platform for cooperation in keeping data barriers low and ensuring interoperability between different regulatory systems.

The Bretton Woods conference was a pivotal moment in establishing an open system of rules-based trade that helped the global economy recover from the ravages of World War II. The global economy is now struggling to get back on its feet after being hard hit by the pandemic.

It is time for a “Bretton Woods for data” to haul our multilateral trade rules into the 21st century and stem the tide of digital protectionism so that data flows can be a source of growth and opportunity, not discord.

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Part II

Geopolitics and Multilateralism: Finding a Salient Solution to Geopolitical Tension

In a world that has become exponentially smaller, connected by technology that enables instant communication, conflict and tension has intensified in an increasingly multipolar world. This, combined with both the benefits and challenges of globalization, creates a geopolitical atmosphere that is complex and constantly in flux. In this multilateral context, it is the prerogative of responsible nations to find salient solutions to the problems that face the world.

Chapter 8

China's Role and Contributions



After its return to the global stage following Nixon's historic visit and the restoration of relations with Western nations, as well as its return to the United Nations, the role of the People's Republic of China has been evolving and changing as the country grows and develops. Its increased economic influence and status as the largest trading partner of many nations has given it increased political and diplomatic influence, which has enabled it to contribute considerably to resolving global conflict and maintaining global peace.

Particularly in recent years, as significant global conflicts have arisen in Ukraine and the Middle East, China has been working to broker peace and promote stability in regions where conflict is damaging trade, economic development, and the overall welfare of the people of those regions. Following its "Five Principles of Peaceful Coexistence," China has continually called for conflict parties and major global players to sit down and work together to establish a diplomatic solution.

However, China's relatively neutral stance and even perceived cooperation with certain parties vis-à-vis the West, as well as criticisms that its peace proposals are unactionable, have made it difficult for China to make headway and take the lead in peace talks in conflicts like Ukraine and the Gaza Strip. That said, despite its soft-touch approach of engagement with all parties and its reluctance to take sides, or rather because of it, China enjoys the trust and maintains channels of communication that countries like the United States and EU members states lack, which could be extremely consequential in brokering true peace with countries like Russia.

Bridging this gap is possibly China's greatest advantage in conflict resolution and one that could make the difference in negotiations for a real, lasting peace that is based on mutual respect and shared interest. In this chapter, we will focus on China's evolving role and the work it has done to foster peace and stability in some of the world's most conflict-prone regions. This focus will be mainly on the Middle East and the Russia-Ukraine war but also provides a mirror for other global conflicts and alternative options for resolution.

Becoming a True Global Player

China's historical impact on the world stage, both regional and global, is undeniable. From a cultural powerhouse that has influenced not only its Asian neighbors, but also the palaces and homes of Europe and America, to its economic and political prowess, which in recent years has weighed increasingly heavy on global relations, China is becoming a true global player.

As a member of the United Nations Security Council, China's role in maintaining global peace and security is enshrined at the core of the very institutions that are charged with preventing and resolving conflict. During the early days of its membership, its status as a developing country and relatively weak military meant that it was unable to fully participate in global peacekeeping efforts, but in recent years, China has stepped up to take a more active role.

China's position that its increased involvement in international affairs and action taken on global issues is not a threat to the status quo or any other nation, but it has, nonetheless, concern among traditional powers, which see the outcome as a zero-sum situation in which if China gains, they lose. China's non-traditional approach has been welcomed by much of the developing world, which is also often used as a synonym for the Global South, which increasingly views China as a preferable partner in brokering peace in times of conflict. It is for this reason that China is increasingly seen as a stabilizing force in geopolitics.

The first article in this chapter, "China Is Ready to Be an Anchor in a Brave New Multipolar World," China's position as a staunch and effective supporter of multilateralism and equality for marginalized nations is important in reaching the developing world. The next article in this chapter, "China as a Global Player in the International Arena: A Growing Role on the International Stage," builds on this theme by taking a close look at China's approach to international diplomacy, including its efforts to mediate conflicts, but also how it engages the world through BRICS and broader economic collaboration, opting for alternative avenues to peace that differentiate it from traditional Western approaches.

China's Role as a Mediator for Peace

The role of mediator is one to which China is uniquely suited. Having risen from a developing country to the verge of a middle-income country, China still remains rooted in the Global South, from its relations with ASEAN and Central Asian nations to African countries, which is epitomized in its Belt and Road Initiative. The goodwill and economic relations it has built with these countries is something that the developed world cannot match.

However, China, the economic powerhouse, has made it indispensable to developed countries as well, which relies on China for a large part of their manufacturing and as a key market for the products that they consume. This economic link means that China has the leverage and the channels to work both within the developed world as well as the developing world.

As China becomes a more proactive member of peacekeeping missions and works with other nations to prevent and resolve conflicts, it has gained a reputation for being more flexible and open to alternative ways of mediating those conflicts. The third

article in this chapter, titled “Why China Is Becoming a Top Choice for Mediation in Global Conflicts,” examines how China is reaching across regional and economic gaps to create consensus among BRICS member nations, Middle Eastern countries as well as Russia, making a transformative force for peace.

The fourth article in this chapter, “China Can Play a Greater Role in Mediating Major International Conflicts,” makes the case that China can and should leverage its advantages to actively participate in the mediation of conflicts and foster peaceful resolutions, providing nine points on how China can contribute constructively to this process. This is also echoed in the fifth article in this chapter, “China Can Serve as a Catalyst in Global North-South Cooperation,” which examines how China's relationship specifically with the Global South places it in a unique position to bridge the gap that exists between the West and many non-Western or developing nations experiencing conflict.

Turning the focus to China's economic influence as an important factor that it can leverage in mediating conflict, the sixth article in this chapter, “China's Mediation Role and Economic Diplomacy: Fostering Peace and Progress in the Middle East,” takes a closer look at China's success in a region where Western diplomacy has traditionally had limited impact. Highlighting China's achievement in restoring relations between Saudi Arabia and Iran, it argues that the same techniques could be used to broker a lasting peace between Israel and Palestine.

China's Unique Approach to Brokering a Russia-Ukraine Peace

Perhaps the most contentious conflict in recent history with far-reaching implications for global order and global peace, the war between Russia and Ukraine is redefining how the world aligns itself. Russia's actions have created fear in Europe of a real threat of war, which has not been felt since the end of World War II, as evidenced by both Finland and Sweden choosing to join NATO.

It has also affected China, which, because of its willingness to maintain normal trade with Russia and not join sanctions on its biggest neighbor, has caused the West to say that it has allied itself with Russia, creating an ideological battle of autocracy vs. democracy.

However, China has continued to maintain its middle-of-the-road position, showing its opposition to Russia's actions by maintaining its support for sovereignty for all nations and calling for the immediate cessation of hostilities as part of a framework peace proposal. At the same time it continues to emphasize inclusive negotiations that bring together not only conflicting parties, but other major regional and global powers to discuss a solution together.

The next article in this chapter, titled “China Can Help Trump and Putin End the War in Ukraine,” highlights the latest developments in negotiations to bring peace to Ukraine, emphasizing the role of China and other BRICS countries as essential to the peace process and future rebuilding efforts. The eighth article in this chapter, titled “Why China Remains the World's Best Chance for Peace in Ukraine,” provides more background on this, highlighting that the difficulties the United States and Europe are facing in resolving the war in Ukraine, while also highlighting the fact that China's unique position on the global stage, including its relations with Russia, could make

it the most effective in achieving a lasting peace. This theme is revisited again in the next article, titled “Why China Is Best Placed to Help Negotiate an End to the Ukraine War,” starts by highlighting the inroads made with Russia and other nations through the Shanghai Cooperation Organization, which demonstrates the importance of keeping the channels of communication open with all parties and exploring all options, which China, along with Türkiye, been successful in accomplish and may very well make them best placed to negotiate a lasting peace in Ukraine.

With more understanding of Russia's position than most, at the very start of the war, China saw that Russia was in an awkward position from which it could not easily extricate itself. The tenth article in this chapter, “It's Time to Offer Russia an Offramp, China Can Help with That,” highlights China's approach to compromise at a very early stage in the war when Western nations were focused on hitting Russia with painful sanctions to frustrate its war efforts, to find a multilateral solution.

However, far from unequivocally supporting Russia, China has clearly voiced its opposition and continually called for a peaceful diplomatic solution to hostilities, putting forward its own peace plan. The next article in this chapter, “As Ukraine War Drags On, Why Not Give China's Peace Plan a Chance?,” reiterates China's efforts in pushing for peace. Despite Western criticisms that the plan has no actionable solutions, it remains the best foundation for ending hostilities and bringing everyone together to discuss the road toward peace.

The final article in this chapter, titled “Alarm over a ‘China-Russia Axis’ Revives Unwanted Cold War Mentality,” warns against jumping to conclusions over a perceived alliance between China and Russia. The return to a simplistic bipolar Cold War narrative in today's clearly multipolar world is unrealistic and impractical. China is not in an alliance with Russia, and attempts to push this narrative could have the unintended result of pushing the two countries closer together.

As a great power, China has historically contributed positively to regional peace and global prosperity. Despite the relatively recent contributions by the West to global institutions and practices, as well as the real contributions made to global peace and prosperity, especially post-World War II, it is important that China reclaim its traditional role to ensure a balance in global decision-making and ensure that it can once again be a part of and contribute to global governance.

China Is Ready to Be an Anchor in a Brave New Multipolar World¹

What seems clear from this year's MSC is that an evolution towards a pluralistic world order is coming. We need an effective governance framework to embrace this new multipolar world by reforming institutions and involving more nations in the conversation.

The title of the latest Munich Security Report says it all. After 2022's "Turning the Tide—Unlearning Helplessness," 2023's "Re: vision" and last year's "Lose-Lose?," this year's tome, released ahead of the Munich Security Conference last month, is called "Multipolarisation" The unipolar era has ended.

I was the sole Chinese speaker invited to the conference's kick-off event and attended the report's release. Having taken part in the Munich Security Conference's side events for years, I reckon far more delegates this year were from the Global South, a reflection of rising multipolarity.

As US President Donald Trump's agenda takes shape, many attendees seem to view China as a stabilizing counterweight—a role China appears poised to embrace.

The conference's thematic arc mirrors a broader reckoning. Three years ago, the debate over "collective helplessness" captured the disarray in the transatlantic sphere. Last year's exploration of "lose-lose dynamics" framed the tensions of zero-sum competition. This year's focus on multipolarization reflects a world of dispersing powers—a transition turbocharged by Trump 2.0.

Trump's tariff threats and deal-making instincts dominated Munich's corridors, casting a shadow over discussions as attendees grappled with the implications of his aggressive trade agenda.

Amid this, Chinese Foreign Minister Wang Yi's call for multilateralism resonated deeply, offering a counterpoint that emphasized cooperation over confrontation in a shifting geopolitical landscape. His vision of an "equal and orderly multipolar world" struck a chord with those seeking stability, while his critique of protectionism underscored China's contrasting approach to global ties.

China's actions—slashing tariffs to zero for over 40 least developed nations last year, after waiving duties on 98% of products from over 20 African countries—are a rebuttal to protectionism. These initiatives have yielded results, with Chinese imports from Africa increasing by 14% year on year to US\$60.15 billion in the first half of last year, according to China customs.

Such economic diplomacy has earned China accolades as a stabilizing force in an uncertain world. Meanwhile, the Russia-Ukraine war has highlighted China's potential as a peacemaker.

Trump's plan, which bars Ukraine from joining NATO and relies on European forces to keep the peace, faces widespread skepticism. With Russian President Vladimir Putin likely to resist a Western-led peace corps, the Trump administration has shifted the dynamics: no US troops, relying instead on contributions from Europe and potentially elsewhere.

¹ First published on March 4, 2025 by SCMP and revised for this collection.

Here, China could take a leading role. Having contributed more UN peacekeepers in recent years than any other permanent UN Security Council member, China could spearhead a neutral force, possibly alongside India and Brazil.

Beijing's diplomatic clout is growing, as seen in Iran-Saudi Arabia rapprochement and Myanmar ceasefires. A UN-led effort could give Putin an exit, stabilizing Eastern Europe and advancing a multipolar conflict resolution.

Economic tensions took center stage at the Munich debates. In a closed-door session on economic security, I suggested countering Trump's tariff hikes with reductions, mirroring the spirit of China's visa-free entry policy for 54 nations, including the United States.

One representative—not from China—sparked enthusiastic commentary by proposing a unified response: cutting tariffs as Trump raises them, maintaining open markets and reinforcing frameworks like the Paris Agreement and the World Trade Organization to offset his policies. Such a strategy could dull the impact of protectionism, showcasing China's resilience and reinforcing Beijing's role as a pillar of multilateralism.

Trump's deal-driven approach strains Western unity. In his conference speech, US Vice President JD Vance targeted Europe's vulnerabilities—restrictions on free speech, secular shifts—framing them, I believe, as leverage for trade negotiations. Reports of Trump's phone call with Putin suggesting a thaw have further unsettled transatlantic confidence.

Departing from past military-centric agendas, Trump's focus on economic wins over ideology signals a profound shift. At the conference, I suggested this could usher in a "grand triangle" era, with US-China-Europe ties shaped by practical agreements rather than dogma.

The world is evolving into a pluralistic order with China, the United States, and Europe as three interconnected pillars. Take the recent Paris AI Action Summit: China, France, Germany, indeed the entire European Union and dozens of countries forged a pact while the United States and Britain stood apart.

Yet this multipolarity still lacks effective governance. The Munich Security Conference's inclusivity, with growing voices from the Global South and women, marks progress, but global frameworks are lagging behind. The UN Security Council, WTO, and the Paris Agreement remain tilted toward Western interests, often marginalizing emerging powers.

China's diplomatic track record provides a potential model: its advocacy in expanding BRICS to offer membership to the likes of Saudi Arabia and the United Arab Emirates amplifies the Global South's voice. These nations crave a bigger role in global systems—perhaps via a reformed UN Security Council with permanent African and Latin American seats, or a trade pact to rival the WTO's faltering reach.

Trump's deal-making era challenges this emerging order. His economic focus—reflected in picks like Ambassador to China David Perdue, a former Fortune 500 CEO, and Treasury Secretary Scott Bessent, a Wall Street veteran—might splinter alliances or spark new ones. China's response—blending peacekeeping with openness—positions it uniquely.

China's extension of visa-free access to countries such as the United States and Canada, as I suggested at the conference, could amplify its soft power, while joint Belt and Road Initiative-EU Global Gateway projects in Africa could model cooperation across poles.

Munich made it clear: the multipolar world has arrived. Given this shift, with its diplomatic finesse and multilateral commitment, China can guide the new world toward peace and stability.

China as a Global Player in the International Arena: A Growing Role on the International Stage²

From diplomatic breakthroughs in the Middle East and brokering peace between Russia and Ukraine to calming economic waves with Europe, China's increasingly important and consequential role on the global stage is undeniable.

As the global economy and politics undergo significant shifts, China, as one of the largest beneficiaries of the global system, seeks to strengthen and enhance the global governance with all major powers. We have entered into a multipolar world and China has risen as a key player, utilizing its economic power and diplomatic skill to contribute and improve the international multilateral system. With conflicts simmering worldwide, China's role as a mediator in wars and disputes has increasingly come to the fore. This influence stems not only from its economic strength but also from its sophisticated approach to diplomacy, anchored in principles of peaceful coexistence and mutual respect. Furthermore, China has implemented innovative strategies for economic development and green transition, while also advocating for multilateral cooperation and strengthening its engagement with the Global South. These efforts are poised to profoundly redefine the contours of international relations in the evolving world order.

China's Emerging Role in Mediation of Wars and Conflicts

As global conflicts simmer, China's role as a mediator is gaining prominence, with its economic influence and diplomatic connections helping it to foster dialogue.

Last month, Ukrainian Foreign Minister Dmytro Kuleba met his Chinese counterpart Wang Yi in Guangzhou. During their talks, Wang reiterated China's commitment to promoting a political resolution to the Russian war on Ukraine, a stance that received a positive response from Kuleba. China's significant influence largely stems from its economic connections with the parties to the conflict. During the Guangzhou talks, Wang emphasized China's role as Ukraine's largest trading partner.

According to the Chinese customs office, bilateral trade was at \$6.81 billion last year. Wang also pointed out China's position as the primary importer of Ukrainian agricultural products and underscored Ukraine's early participation in the Belt and Road Initiative.

At the same time, China's position as Russia's top trading partner, with bilateral trade rising to US\$240.1 billion last year, further solidifies its unique role as a potential neutral mediator. This economic interdependence with both nations gives China leverage that few other countries can match.

China's economic diplomacy scored a notable success a year ago when it brokered the restoration of ties between long-standing rivals Iran and Saudi Arabia. As a major

² First published on September 2, 2024 by *Bled Strategic Times* and revised for this collection.

trading partner and the largest oil customer of both nations, China wielded significant influence. This economic leverage was bolstered by major bilateral agreements: a 25-year cooperation deal with Iran reached in 2021 and a strengthening of its comprehensive strategic partnership with Saudi Arabia in 2022.

China's deep economic ties with these Middle Eastern powers provided both the means and the motivation to push for their reconciliation. As Israel's third-largest trading partner, and with bilateral trade volume reaching US\$14.5 billion last year, China can also play a significant role in promoting a peaceful resolution to the Gaza crisis, potentially offering a path to dialogue where traditional diplomacy has faltered.

Furthermore, China's seat on the UN Security Council has become a cornerstone of its growing diplomatic influence, particularly in its push for multilateral solutions to global conflicts. After the conflicts in Ukraine and Gaza broke out, China proposed high-level international conferences to address the crises. This approach bore fruit earlier this year when rival Palestinian factions came together for the Beijing Declaration, a rare moment of unity brokered through Chinese diplomacy. Days later, on July 25, China's Permanent Representative to the UN Fu Cong reiterated Beijing's stance on the war in Ukraine during a Security Council review, emphasizing the need for peace talks and a political resolution.

More importantly, China's approach to international diplomacy is deeply rooted in its historical narrative and foreign policy principles. China doesn't have a colonial past and has not engaged in invasive military campaigns in recent history, which serves as a foundation for its credibility on the global stage. This stance, encapsulated in its "Five Principles of Peaceful Coexistence," emphasizes dialogue and consultation over force and aggression in resolving international disputes.

In addition, China's diplomatic efforts extend to developing nations, as evidenced by the recent China-Brazil consensus on the Ukraine crisis. Their six-point proposal outlines key de-escalation principles, including no expansion of the battlefield, no escalation of fighting, and no provocation by any party. Significantly, it proposes an international peace conference to be held at a time agreeable to both Russia and Ukraine, ensuring equal participation and fair discussion of all peace plans. This trend was also underscored last year when an African peace delegation visited Ukraine and Russia.

China Can Promote Global Economic Collaboration and Green Transition

On July 4, 2024, the European Commission announced anti-subsidy duties ranging from 17.4% to 37.6% on Chinese EVs. The EU's decision to impose additional taxes on Chinese new energy vehicles is unnecessary. At a time when the global climate is experiencing record-breaking changes, we should be more committed to adhering to the Paris Agreement. The International Energy Agency (IEA) projects that global demand for new photovoltaic installations will reach 820 gigawatts, roughly four

times the capacity added in 2022. This surge in demand is driven by the need to meet the ambitious targets set by the Paris Agreement. The green appetite of the world market is huge and dwarfs the capacity of suppliers. To achieve climate goals outlined in the Paris Agreement, substantial investments in clean energy are imperative—\$4 trillion in annual investments are required according to the IEA, with only \$1.7 trillion having been fulfilled in 2023. The gap between required investment and actual expenditure underscores the need for high-cost-effective products, advanced technologies, and efficient resource allocation. It is impossible for China to handle the challenge of climate alone.

China has made significant progress in enhancing its capacity to produce renewable energy technologies. In 2023, China manufactured 90% of the world's solar panels, cementing its position as a global leader in this sector. Moreover, China has emerged as a dominant force in the electric vehicle market, accounting for 60% of global EV sales.

Therefore, China and Europe should promptly resume the China-EU Comprehensive Agreement on Investment, lifting sanctions previously imposed on each other. Further the removing EU Parliament should encourage Chinese companies to invest in Europe, thereby boosting local employment, increasing tax revenue, revitalizing the manufacturing sector, and removing tariffs. Decoupling between China and Europe is not an option.

China and Europe should also vigorously develop cooperation on the digital economy and AI.

I have recently co-hosted with H.E. Patricia Flor, German Ambassador to China and H.E. Bertrand Lortholary, French Ambassador to China, a symposium at the CCG titled "European and Chinese Perspectives on AI Governance" to outline the importance of AI cooperation between the EU and China. Moreover, the importance of the digital economy and its governance cannot be emphasized enough. According to the China Academy of Information and Communications Technology (CAICT), the digital economy now accounts for nearly 60% of global GDP. In China, the digital economy has shown remarkable growth, consistently outpacing overall GDP growth for 11 consecutive years. As the latest data suggests, the digital economy contributes 41.5% to China's GDP, a figure that highlights its increasing significance, rivaling the contribution of the secondary industry to the national economy, which presents enormous opportunities for European companies to work in China and jointly in third countries.

China Can Deepen Global Cooperation with the Global South

China is steadily carving out its role as a responsible major power on the global stage, with a firm commitment to actively engage with a wide range of international bodies, including the United Nations, BRICS, G7, and G20. This engagement underscores China's dedication to global governance and its proactive stance on addressing the pressing challenges facing the world today. Among its core priorities is the advocacy

for global peace and stability, with a particular emphasis on the critical need to prevent the escalation of nuclear conflict.

In pursuit of these goals, China has expressed a strong willingness to collaborate with key global players, notably Europe and the United States, to tackle a host of global issues that require collective action. One of the areas where China's diplomatic influence could be particularly impactful is in the ongoing Russia-Ukraine war. By taking an active role in mediating this crisis, China has the potential to contribute significantly to de-escalating tensions and finding a peaceful resolution. Simultaneously, Europe's involvement could serve as a catalyst in advancing China-US relations, fostering a more constructive dialogue and cooperation between these two major powers. Through such multilateral efforts, China demonstrates its commitment to a balanced and pragmatic approach to international relations, aiming to build bridges and reinforce global stability in an increasingly complex world.

China has been collaborating with members of the Global South to bridge the gap between developing and developed countries. China, as a founding member of BRICS, has engaged heavily with developing countries in commerce and trade through BRICS. This BRICS mechanism is an increasingly influential force in the global financial sector and political security. Measured by purchasing power parity, the BRICS countries have already outpaced the G7, accounting for 35.6% of the world's GDP compared to the G7's 30.3%. By 2028, this disparity is projected to grow even more in favor of the BRICS, with estimates showing a ratio of 36.6% to 27.8%. The robust intra-BRICS economic cooperation has attracted more "middle power" nations to join. For example, in June, Turkish Foreign Minister Hakan Fidan discussed his country's pursuit of new opportunities to cooperate with BRICS in a speech at the Center for China and Globalization.

Conclusion

In conclusion, China's evolving role as a mediator in global conflicts underscores its growing influence on the international stage. By leveraging its economic ties and diplomatic principles, China has positioned itself as a key player in fostering dialogue and promoting political resolutions, as seen in its involvement in the Ukraine-Russia war and its successful mediation between Iran and Saudi Arabia. China's commitment to peaceful coexistence, coupled with its innovative approaches to economic development and green transition, further solidifies its leadership in shaping a new world order. As China advocates for multilateral cooperation and continues to deepen its engagement with the Global South, its efforts will likely play a pivotal role in redefining the contours of international relations in the years to come.

Why China Is Becoming a Top Choice for Mediation in Global Conflicts³

Specifically regarding the Ukraine-Russia war, China's economic influence, diplomatic connections and commitment to multilateral solutions makes it a potentially transformative force for peace.

As global conflicts simmer, China's role as a mediator is gaining prominence, with its economic influence, and diplomatic connections helping it to foster dialogue. Last month, Ukrainian Foreign Minister Dmytro Kuleba met with his Chinese counterpart Wang Yi in Guangzhou. During their talks, Wang reiterated China's commitment to promoting a political resolution to the Russian war on Ukraine, a stance that received a positive response from Kuleba.

China's significant influence largely stems from its economic connections with the conflicting parties. During the Guangzhou talks, Wang emphasized China's role as Ukraine's largest trading partner. According to Chinese Customs, bilateral trade was at US\$6.81 billion last year. Wang also pointed out China's position as the primary importer of Ukrainian agricultural products and underscored Ukraine's early participation in the Belt and Road Initiative.

For his part, Kuleba acknowledged the importance of the bilateral relationship, calling the two not just trade partners, but also important economic and strategic partners. As the war in Ukraine grinds on, Kyiv appears to see Beijing's influence as increasingly vital. China, with its infrastructure expertise, could play a significant role in Ukraine's post-war reconstruction.

At the same time, China's position as Russia's top trading partner, with bilateral trade rising to US\$240.1 billion last year, further solidifies its unique role as a potential neutral mediator. This economic interdependence with both nations gives China leverage that few other countries can match.

China's economic diplomacy scored a notable success a year ago when it brokered the restoration of ties between long-standing rivals Iran and Saudi Arabia. As a major trading partner and the largest oil customer of both nations, China wielded significant influence. This economic leverage was bolstered by major bilateral agreements: a 25-year cooperation deal with Iran reached in 2021 and a strengthening of its comprehensive strategic partnership with Saudi Arabia in 2022.

China's deep economic ties with these Middle Eastern powers provided both the means and the motivation to push for their reconciliation. As Israel's third-largest trading partner, and with bilateral trade volume reaching US\$14.5 billion last year, China can also—I have reason to believe—play a significant role in promoting a peaceful resolution to the Gaza crisis, potentially offering a path to dialogue where traditional diplomacy has faltered.

Furthermore, China's seat on the UN Security Council has become a cornerstone of its growing diplomatic influence, particularly in its push for multilateral solutions

³ First published on August 16, 2024 by SCMP and revised for this collection.

to global conflicts. After the war in Ukraine and the conflict in Gaza broke out, Wang proposed high-level international conferences to address the crises.

This approach bore fruit earlier this year when rival Palestinian factions came together for the Beijing Declaration, a rare moment of unity brokered through Chinese diplomacy. Days later, on July 25, China's Permanent Representative to the UN Fu Cong reiterated Beijing's stance on the Ukraine war during a Security Council review, emphasizing the need for peace talks and a political resolution.

Over the past three decades, China has grown to become a major contributor of troops in UN peacekeeping operations, providing more peacekeepers than all the other UN Security Council permanent members combined, and is the second-largest financial backer of these operations. These commitments have helped to reshape China's international image, portraying it as a nation dedicated to global peace and a respect for sovereignty, which is markedly different from its once isolationist stance.

More importantly, China's approach to international diplomacy is deeply rooted in its historical narrative and foreign policy principles. China doesn't have a colonial past and has not engaged in invasive military campaigns in recent history, which serves as a foundation for its credibility on the global stage. This stance, encapsulated in its "Five Principles of Peaceful Coexistence," emphasizes dialogue and consultation over force and aggression in resolving international disputes.

China's policy of non-interference in other countries' internal affairs, offering an alternative to interventionist approaches, has gained significant support, particularly among developing nations. As China's global interests expand alongside its economic and military capabilities, it continues to advocate for peaceful coexistence and non-intervention. Free from Cold War-era alliance constraints, China positions itself as a neutral mediator in global affairs—a role it increasingly embraces in today's complex geopolitical landscape.

In addition, China's diplomatic efforts extend to developing nations, as evidenced by the recent China-Brazil consensus on the Ukraine crisis. Their six-point proposal outlines key de-escalation principles, including no expansion of the battlefield, no escalation of fighting, and no provocation by any party. Significantly, it proposes an international peace conference, to be held at a time agreeable to both Russia and Ukraine, ensuring equal participation and fair discussion of all peace plans.

This trend was also underscored last year when an African peace delegation visited Ukraine and Russia. As a member of the BRICS bloc (original members include Brazil, Russia, India, and China), China encourages developing countries to join in fostering peaceful development frameworks.

Through sharing information, financial aid, project collaboration, and participation in international negotiations, Beijing of the Global South is strengthening its ties with the Global South, amplifying the collective voice of the Global South in global peace initiatives.

In conclusion, China's emerging role in global conflict resolution leverages its economic influence and diplomatic reach to unite diverse stakeholders. By creating dialogue platforms that bridge long-standing divides, Beijing offers a fresh approach to peace negotiations.

China's commitment to multilateral solutions and engagement with all parties positions it as a potentially transformative force in international peacekeeping. This approach not only advances China's diplomatic interests but also reflects its vision of a shared future for humanity, potentially reshaping the landscape of global conflict resolution in the years to come.

China Can Play a Greater Role in Mediating Major International Conflicts⁴

Stalemates in global conflicts such as Ukraine and Gaza are evidence that traditional powers are having difficulty quelling tensions, but China shows promise as a new mediator in international conflict areas.

In the turbulent landscape of global affairs, conflicts such as the ongoing Russia-Ukraine crisis and the perennial strife between Israel and Palestine serve as stark reminders of the human cost and geopolitical repercussions of unresolved disputes. As the world reflects on the devastating toll of these conflicts, it is increasingly evident that concerted efforts toward peace and stability are imperative. In this context, as a major power, China has emerged as an advocate for peaceful resolutions to international conflicts, actively engaging in diplomatic efforts that promote global harmony.

The Russia-Ukraine war is now entering its third year and has left a trail of devastation on both sides. Ukrainian President Zelenskyy's announcement that 31,000 Ukrainian soldiers have been killed underscores the grim reality of the war's human toll.

According to the United Nations Human Rights Monitoring Mission in Ukraine, over 10,000 civilians, including hundreds of children, have perished, with thousands more suffering injuries. Similarly, significant casualties have been reported among Russian forces, with hundreds of thousands either killed or wounded.

Meanwhile, the ongoing strife between Israel and Palestine continues to exact a heavy toll on civilian lives, particularly in the besieged enclave of Gaza. With over 22,000 fatalities and tens of thousands injured, the conflict has inflicted immeasurable suffering on the population, representing a significant loss of life in proportion to Gaza's pre-war population.

In the midst of these crises, China has positioned itself as a proactive advocate for peace and stability on the international stage. Foreign Minister Wang Yi's address at the 60th Munich Security Conference underscored China's commitment to serve as a stabilizing force in global affairs. China's proactive engagement is evidenced by its multifaceted diplomatic initiatives, including its twelve-point peace proposal for the Russia-Ukraine war and its instrumental role in facilitating the restoration of diplomatic relations between Saudi Arabia and Iran. Moreover, China has consistently championed constructive and responsible actions by influential nations, particularly in safeguarding critical maritime routes such as Red Sea shipping lanes.

Despite these efforts, these and other conflicts continue to destabilize the international order. It is imperative that we consider truly actionable recommendations aimed at mitigating tensions and fostering peaceful resolutions. The following are immediate, practical actions that we believe would have a real impact on resolving existing conflicts and promoting peace:

⁴ First published on April 30, 2024 by *Global Solutions Journal*: Issue 10 and revised for this collection.

The first of these is a Peace Conference for Ukraine. As a third party not directly or indirectly involved in the Ukraine war, China has remained objective and impartial on the issue of Ukraine, advocating for peace and dialogue. President Xi Jinping has personally had in-depth conversations with leaders from multiple countries including, Russia and Ukraine. China has proposed a twelve-point peace plan, emphasizing the importance of respecting national sovereignty and territorial integrity, and upholding the United Nations Charter. China has stated that a nuclear war cannot be waged in Ukraine and that nuclear facilities should not be bombed. All these efforts have been aimed at paving the way for a ceasefire and dialogue.

We believe that a comprehensive peace conference should be convened, inviting all relevant stakeholders, including Russia, and welcoming mediation efforts from countries such as Türkiye and Switzerland. In previous meetings, Russia has not been invited to participate as Ukraine insists on the complete withdrawal of all Russian troops from its territory, the restoration of borders to their pre-1991 Soviet era configuration, and the establishment of mechanisms to hold Moscow accountable. However, genuine peace talks cannot occur without Russia's involvement.

The 10th China and Globalization Forum, organized by CCG, offered a timely and flexible platform that was conducive to analyzing the complexities surrounding the Ukraine issue. Its focus on fostering dialogue and exploring global issues gave policymakers, academics, and experts from around the world a unique opportunity to come together and engage in constructive discussions regarding the various aspects of the situation in Ukraine. The insightful analysis, exchange of perspectives, and exploration of potential solutions that came out of the discussions during the forum could ultimately pave the way for informed and collaborative efforts toward peace and stability in the region.

Second, a High-Level International Conference for Israel and Palestine should be convened. Currently, Israel has ignored warnings and condemnations from the international community, not only refusing to exchange hostages with Hamas but also reiterating its threats to attack the southern Gaza city of Rafah. Humanitarian supplies provided by the international community to the Gaza Strip need to enter through the Rafah crossing connected to Egypt. If the area falls victim to airstrikes and ground attacks or ultimately comes under the control of the Israeli military, it will be extremely difficult for international humanitarian aid to reach the hands of civilians in Gaza. Even the United States has expressed opposition to the current situation, with the US State Department announcing sanctions against three individuals and two entities in Israel. While these sanctions may seem mild, they represent the first public condemnation by the United States of Israel's violence toward Palestinians.

China hopes to find a comprehensive, equitable, and lasting solution to the Palestinian issue. More immediately, it hopes to facilitate an immediate ceasefire to prevent further escalation or loss of control. It opposes actions that harm civilians or violate international law and calls for the protection of civilians and humanitarian assistance to prevent an even more severe humanitarian disaster. China supports the prompt convening of a more authoritative, extensive, and effective international conference to promote the resumption of Israeli-Palestinian talks, including the development of a specific timetable and roadmap. China insists that the United Nations should

take the lead in organizing high-level talks involving the permanent members of the Security Council, alongside Palestinian and Israeli representatives. China's proactive stance on the Israeli-Palestinian conflict has been exemplified by its presidency of the Security Council last November, which culminated in the passage of Resolution 2712 and underscores its potential to advance peace efforts in the region.

Third, China can serve as a guarantor of a Russia-Ukraine ceasefire. On June 17, 2023, during a meeting with a delegation from Africa in Saint Petersburg, Russian President Putin presented a draft of the Istanbul Agreement, which was outlined in March 2022 in Istanbul, aimed at resolving the Ukraine issue. The draft designated China, the United States, the United Kingdom, Türkiye, France, and Belarus as "guarantor countries" of the agreement. Given its amicable relations and strategic partnerships with both Russia and Ukraine, China is well-positioned to serve as a guarantor of a ceasefire agreement, thereby facilitating diplomatic negotiations and peace-building efforts.

Fourth, UN Peacekeeping Forces should be rapidly deployed to Ukraine and Palestine, ensuring that peacekeeping operations adhere to international law and norms, having obtained proper authorization and clear mandates. The deployment and activities of peacekeeping forces must be decided by the United Nations Security Council or General Assembly and require the consent of relevant parties. A key benefit of this is that UN peacekeeping actions can only proceed after the consent of all parties involved in the conflict, to prevent UN peacekeeping forces from becoming a new party to the conflict. China's continued commitment to UN peacekeeping operations positions it as a valuable contributor to efforts aimed at maintaining peace and stability in conflict-affected regions.

Fifth, China can support reconstruction efforts in Ukraine and Gaza. Having endured the ravages of war and suffering immense destruction, Ukraine will be in urgent need of reconstruction. Leveraging its expertise as a major infrastructure builder, China can play a pivotal role in post-conflict reconstruction efforts, thereby fostering socio-economic development and stability in the conflict-affected areas. Ukraine could facilitate this by ending sanctions on the China Railway Construction Corporation (CRCC), which were implemented because of the company's cooperation with Russia. It should also retract its statements that it would "not use Chinese high-speed rail" technology post-war. It should instead welcome Chinese infrastructure companies to participate in the reconstruction of Ukraine. In the Gaza Strip, China has provided emergency humanitarian aid such as food and medicine, and has announced it will provide hundreds of millions of dollars in aid to the Gaza Strip for the purpose of rebuilding infrastructure and providing relief. This funding will help restore the normal economic order of the Gaza Strip and improve the living conditions of its people.

Sixth is the implementation of a Two-State Solution for Israel-Palestine. Looking ahead, a two-state solution remains the most viable path forward for the region. The ongoing status quo and long-standing history of conflict in the region since 1947 means that the primary challenge lies in facilitating and implementing a feasible resolution. This should manifest itself in the creation of a Palestinian state that can foster harmonious coexistence between Israel and Arab nations. China, ranked as the

third-most-favored mediator among Palestinians according to an Arab News YouGov poll, behind Russia and the EU, has the potential to play a core role in this process.

Seventh, the international community should support Ukraine's accession to the EU without NATO membership. If Ukraine successfully joins the European Union, it will benefit from the free movement of goods within the EU market, freedom of investment, and more convenient trade conditions. This would bring about more economic development opportunities for Ukraine and enhance the country's economic standing. However, joining NATO would provoke continued strong opposition from Russia, which sees NATO membership as a challenge to Russia's security interests and could lead to increased tension between the two countries.

Eighth, cooperation among major powers and middle powers should be enhanced. In the pursuit of global peace and stability, collaboration among major powers such as China, the United States, and Europe, alongside middle powers like Türkiye, Japan, South Korea, Australia, and BRICS nations, is essential. By leveraging multilateral platforms such as the United Nations, these countries can collectively address major international conflicts through dialogue and diplomacy. China is in a unique position to engage extensively with all parties, promoting openness and inclusivity over isolation and exclusivity, as well as negotiation and cooperation over confrontation and antagonism. China could proactively lead a call for multilateralism and the exploration of win-win outcomes while working to prevent scenarios that result in losses for individual countries and the international community.

Last but not least, as frictions in commerce and technology mount between major powers, especially manifested in export controls, sanctions, punitive tariffs, and investment restrictions, China, the United States, and the EU have a growing interest in preventing the situation from getting out of control. Further, spillovers from these challenges pose a growing threat to the supply chain and end users in Global South as well. It would be feasible to put in a guardrail mechanism for telecom equipment vendors, social media giants, and AI companies in front a gathering of various authorities, to have sensitivities and controversies laid out and tackled.

In conclusion, in finding solutions to the daunting challenges posed by ongoing conflicts, we feel that China's proactive approach to peacemaking offers a beacon of hope for global peace and stability. By leveraging its diplomatic influence, fostering dialogue among conflicting parties, and advocating for constructive engagement, China can play a pivotal role in easing tensions and fostering lasting peace in regions marred by strife and suffering. As the world grapples with the consequences of conflict, concerted efforts toward peacemaking and mediation are imperative, and China stands ready to contribute to these noble endeavors.

China Can Serve as a Catalyst in Global North-South Cooperation⁵

As the world continues to lean into regionalism and derisking, the Global South could serve as a new source of partners. In this context, China could help to facilitate North-South trade and exchange.

2023 was dubbed the “Year of the Global South” in some media, with *Foreign Policy* publishing that the rise in political influence of countries in the Global South was a pivotal trend to watch in 2023.

Initially coined in Carl Oglesby’s 1969 anti-colonial piece, the term “Global South” received official endorsement in the 2004 “Forging a Global South” initiative by the United Nations Development Programme.

During the Cold War, the term “Global South” often designated the Third World countries which remained non-aligned with either the United States or the Soviet Union. After the Cold War, the term evolved into “developing countries,” a term now prevalent in contemporary national and UN discourse.

However, “Global South” today is a term more frequently encountered in less formal contexts and seldom features in official records or documents. In general, the Global South is characterized by three main attributes: a non-Western perspective, an anti-interventionist stance, and a focus on development.

As the global power dynamics undergo substantial adjustments with a reconfiguration of power structures, the Global South has demonstrated considerable flexibility and independence, which has objectively increased its influence and contributed to a more balanced distribution of power.

Surging Influence of Global South

Since the 2008 financial crisis, the rising GDP proportion of developing nations has to some extent laid a foundation for the Global South’s burgeoning clout. Developing G20 member states saw their collective GDP leap from 18.28% in 2008 to 30.52% in 2021, while the wider developing world contributed over half of global GDP.

Beyond economics, some non-Western countries leverage their geographic or resource advantages to reshape regional geopolitical dynamics. Türkiye exploits its pivotal location, OPEC countries wield their energy reserves and output, and Mexico benefits from its integral role in trade routes and supply chains. All are helping to recalibrate the political and economic landscape while maximizing their own interests. The Global South employs its comparative strengths to broaden its influence and yield tangible outcomes.

⁵ First published on January 22, 2024 by *People’s Daily* and revised for this collection. This article was co-authored by CCG Co-Founder and Secretary-General Mabel Lu Miao.

Following the onset of the Russia-Ukraine war in 2022, developing nations have asserted their independence through neutrality and advocated for negotiations while avoiding polarized stances. Amidst aggressive US monetary policy between 2022 and 2023 that rattled global finance, Brazilian President Luiz Inacio Lula da Silva's suggestion for BRICS nations to adopt local currencies for settlements aroused heated discussions in Western countries. BRICS today is an intergovernmental organization comprising Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, and the United Arab Emirates. Meanwhile, BRICS' expansion in 2023 lent a heightened potency to the Global South in setting agendas and providing leadership.

China Link to Global South

Developed nations, acknowledging the Global South's ascending influence, are eager to collaborate on fronts including trade, climate change, infrastructure, and the digital economy. Strategies and objectives vary.

The United States has been seeking to woo developing nations and isolate China.

The European Union views the development of relations with the Global South as a part of its so-called "derisking" strategy. Facing more severe security, economic, and leadership challenges, the EU is more focused on forging a "third way" for its vision of a new global order through cooperation with developing countries.

As a developing nation, China aligns with the Global South through its membership in the Group of 77, its advocacy within the Non-Aligned Movement, and its natural synergies with this demographic. China's cooperation with the Global South is marked by inclusiveness and innovation as epitomized by the Belt and Road Initiative.

The post-Cold War period featured a long-established so-called "only superpower and multi-great power" global hierarchy. Recent years have seen unavoidable adjustments. The ascent of the Global South signals a pivot toward a new equilibrium in the global order, a transition that is far from simple. The sheer variety in politics, culture, and economies makes the Global South less risk-averse but susceptible to internal divergence.

China is the largest developing country in the world, and China can be an ideal bridge between the Global South and North. China, while prioritizing Global South interests, can judiciously mediate between the aspirations of developing and developed countries. By enhancing North-South cooperation and mitigating zero-sum scenarios, China can foster more enduring global development and improved world governance.

China's Mediation Role and Economic Diplomacy: Fostering Peace and Progress in the Middle East⁶

China's historical experience and non-colonial past create a resonance between it and Middle Eastern nations, which gives it a unique advantage in mediating peace and progress in that region.

China's position as the third-most-favored mediator among Palestinians, according to an Arab News YouGov poll, trailing Russia and the EU, comes as no surprise. This ranking aligns with the perception of Palestinians and resonates with China's fair stance and thoughtful contributions to peace in the Middle East. Notably, China played a pivotal role in brokering the Saudi-Iran rapprochement in March, underlining its commitment to fostering dialogue and reducing tensions in the region.

The thaw between Riyadh and Tehran highlights the importance of having a reliable and impartial mediator, rather than a major power flexing its muscles and overpowering smaller nations. It is evident that a mediator who operates in good faith, ensuring reliability and fairness, can inject new momentum into the process of easing hostility. China's contribution, after hard work by Oman and Iraq, was instrumental in facilitating the resumption of diplomatic relations between Saudi Arabia and Iran.

The Middle East rightfully belongs to the people of the region, and its future should be determined by them. Irrespective of the complexity and challenges involved, a mutually acceptable solution can only be achieved through equal-footed dialogue based on mutual respect.

It is no coincidence that both Saudi Arabia and Iran enjoy substantial trade links with China. China holds the position of being the top trading partner of both nations, and it stands as the largest buyer of their oil. Recent years have witnessed the strengthening of these relationships through significant agreements, including the signing of a 25-year cooperation deal with Iran in 2021 and a comprehensive strategic partnership agreement with Saudi Arabia in 2022. These developments position China with unique persuasive power and a strong incentive to advocate for detente.

The re-establishment of diplomatic ties between Saudi Arabia and Iran is set to exert influence on regional developments. The widespread welcome from almost all regional countries is indicative of their belief that these agreements will contribute to political stability and economic development. The Saudi-Iran deal can be seen as a continuation of the ongoing process of Middle Eastern normalization, which has gained momentum in various dimensions, including intra-Gulf/Arab efforts.

Many regional countries have been actively diversifying their foreign relations, seeking to improve ties with different regional and global powers. This strategic approach aims to break dependencies on specific global powers and enhance autonomy in decision-making.

From the perspective of the Chinese people, the turbulence in the Middle East, including the Palestine-Israel conflict, is seen as a legacy of the problematic geopolitical order established during the era of colonialism. The imperial powers partitioned

⁶ First published on June 6, 2023 by *Arab News* and revised for this collection.

the Middle East, reshaped political maps, and reduced the region to a provider of oil pipelines and gas stations—largely for just a few. The historical reality of the Middle East, reinforced by international power structures, continues to shape the challenges faced today.

China's approach to the Middle East is informed by its own history, marked by a period of humiliation in the nineteenth and twentieth centuries. The lessons learned have guided China to avoid repeating such experiences and to refrain from imposing its will on others, particularly through force or coercion.

China unequivocally rejects the replication of failed interventionist approaches pursued by others. It instead seeks neutral engagement with all parties based on mutually beneficial agreements, coupled with empathy. China established formal diplomatic relations with Palestine in 1988, preceding its relations with Israel by four years. In 2013, China presented a four-point proposal emphasizing the importance of an independent Palestinian State, peaceful coexistence between Palestine and Israel, and the establishment of a sovereign Palestine based on the 1967 borders, with East Jerusalem as its capital—a right inherent to the Palestinian people.

The recent escalation of the Palestine-Israel conflict serves as a stark reminder of the pressing need to address the Palestinian question. The international community must prioritize this matter, placing it high on the international agenda. A steadfast commitment to the two-state solution, advocating for the early resumption of peace talks, and addressing the legitimate aspirations of the Palestinian people are essential steps toward realizing their dream of establishing an independent Palestinian state.

China's vested interest lies in witnessing a peaceful and prosperous Middle East. With its expanding economy and trade relationships, China has become a vital partner to countries in the region. China's Belt and Road Initiative spans the Middle East and seeks to contribute to much-needed infrastructure development that will benefit participating countries, including China itself, in the long run.

China has said that it does not intend to change the existing international order, nor to challenge or displace the United States. Instead, China aims to foster development, including complementing domestic and international development programs throughout the Middle East. At a time when the West is experiencing fatigue with Middle East affairs, China's substantial investments, trade, and aid provide public goods that foster development and stability in the Middle East.

In the aftermath of prolonged turmoil in the region, a developmental approach to peace-building is worth exploring. Addressing the root causes of regional insecurity, such as economic stagnation, high unemployment, inadequate infrastructure, rapid population growth, and brain drain, should take precedence over exporting governance models. Expanding mutually beneficial trade and investment, facilitating economic assistance, and prioritizing sustainable development are paramount for achieving long-lasting peace in the Middle East.

China Can Help Trump and Putin End the War in Ukraine⁷

The continuing war in Ukraine has proven that Russia finds it difficult to work with European- or American-led negotiation teams, but China may be able to serve in a facilitating role that could help secure peace.

US President Donald Trump and Russian President Vladimir Putin's upcoming summit in Alaska this Friday represents a hopeful start to ending the war in Ukraine. But true peace will require more than just the involvement of the United States and Russia. It also requires Ukraine, Europe, the United Nations, and China.

Moscow and Kyiv remain far apart on how to end the war. Despite having suffered staggering casualties with few dramatic changes on the ground, neither side has shown any public willingness to compromise on its key demands. Ukraine is unwilling to accept terms that demand disarmament or the cessation of territory without securing some meaningful protection in return. Russia, of course, is still pushing for these concessions, while rejecting the possibility of a security commitment to Ukraine from NATO.

Yet behind the public posturing, a different reality is taking shape. Ukrainian President Volodymyr Zelenskyy has signaled an openness to a resolution with Russia under the right conditions. Putin's regime, in turn, has conveyed its willingness to consider a UN-led peace framework, as shown by statements by Russian UN Ambassador Vassily Nebenzia. In this context, negotiating a solution that respects both sides' red lines is difficult but not impossible.

China is uniquely positioned to help break the gridlock. Beijing can convene a follow-on summit bringing together Ukraine, Russia, the United States, and Europe, leading to a face-to-face meeting among the leaders of all these players. The goal would be to create a formal seven-party talks framework consisting of the five permanent members of the UN Security Council, plus Ukraine and representatives from the European Union.

China has both the diplomatic standing and economic leverage to pull this off. It remains both Russia's and Ukraine's largest trading partner, at \$240.1 billion and \$12.8 billion, respectively, in 2023. Both Russia and Ukraine are members of the Belt and Road Initiative, and China is particularly invested in the stability of Ukraine's grain exports. As a result, Beijing can offer Russia the offramp it needs and provide reconstruction and recovery assistance to Ukraine.

A seven-party talks framework avoids forcing one side to capitulate to the other's narrative. Instead, it works to reframe the problem by seeking out shared interests—such as nuclear safety, regional stability, and an end to the human misery created by active fighting—that can be de-linked from more contentious zero-sum debates.

The first step is a ceasefire. History shows that even partial success here could stop escalation, reintroduce flexibility, and help create a framework within which more lasting arrangements can eventually take shape. The summits and early work need not resolve every territorial or legal claim up front. Instead, they should seek to

⁷ First published on August 13, 2025 by *Foreign Policy* and revised for this collection.

freeze hostilities, open humanitarian corridors, restore basic economic functionality, and begin negotiations on a longer-term settlement.

Once even a limited ceasefire is secured, space would be open for a UN peacekeeping force to expand on it. US Defense Secretary Pete Hegseth has stated in NATO meetings in Brussels and at the Munich Security Conference that deploying US forces to Ukraine would be unacceptable and that “any security guarantee must be backed by capable European and non-European troops.”

Hegseth's comments offer a promising way forward. An effective peacekeeping force could be composed of a mixture of non-aligned states and European ones. This would offer a politically viable middle ground, allaying fears on both sides of the conflict. Their physical presence would inhibit future conflict and ensure the beginning of a reconstruction process. Such a force could be composed of five European countries—such as Germany, France, the United Kingdom, Poland, and Italy—and five BRICS nations such as China, Brazil, India, South Africa, and Egypt. This arrangement would underscore neutrality and also distribute responsibility, thereby ensuring broad-based legitimacy and a durable security guarantee.

The BRICS countries' relative distance from European security affairs can be turned into an advantage. Because they are less historically entangled, they are more capable of offering creative guarantees and confidence-building measures that all parties can accept. These should include not only peacekeeping support but also long-term development assistance.

Plans for post-war recovery will be vital. The task of rebuilding Ukraine requires sustained international effort—not only financial, but also logistical and technical. BRICS countries, especially China, have the engineering expertise and financing capacity to aid in reconstruction. China's participation would not only help accelerate Ukraine's recovery but also demonstrate Beijing's wider commitment to peace, stability, and inclusive development. Within this framework, smaller working groups could tackle specific challenges: humanitarian access, territorial disputes, energy infrastructure, and long-term security guarantees—each reinforced by a more diverse coalition of contributors.

A peace summit that includes all stakeholders—perhaps announced at the UN—could demonstrate that competition need not preclude cooperation. As new conflicts from the Middle East to East Asia threaten to multiply, the entire world has a responsibility to help preserve peace. By hosting seven-party talks, Beijing can help lead the way.

Why China Remains the World's Best Chance for Peace in Ukraine⁸

Despite consistent rhetoric surrounding a suspected China-Russia axis, the impasse between Russia and the West means that China with its diplomatic access and record of engagement with all parties, could be the best positioned to bring peace to Ukraine.

The International Organisation for Mediation, an institution designed to supplement and actualize Article 33 of the United Nations Charter, was launched in Hong Kong late last month. Including 32 countries as founding signatories, the organization represents what the world increasingly needs as Russia's invasion of Ukraine drags into its fourth year.

Recent peace talks in Istanbul produced no substantial progress, while blows on the battlefield have long since given way to a grinding impasse. Neither side appears capable of achieving peace, much less victory on the battlefield. Meanwhile, sanctions, weapons deliveries, and rhetorical escalation continue to exacerbate global fragmentation.

Both parties remain deeply divided. US-led efforts to push the two into accepting a ceasefire have so far failed, and it is little wonder why, given the challenges remaining. However, peace could still be in reach if the thorniest issues are addressed. Ukrainian President Volodymyr Zelenskyy has expressed his openness to direct negotiations with Russian President Vladimir Putin. At the same time, Russia's ambassador to the United Nations Vassily Nebenzia has reiterated Moscow's willingness to support a UN-led peace initiative for Ukraine, suggesting there is at least an opening.

NATO does not hold the answer, and neither does the presence of US troops. US Defense Secretary Pete Hegseth has made it clear that deploying US forces in Ukraine in a peacekeeping role is unacceptable. "...any security guarantee must be backed by capable European and non-European troops," he told a gathering of transatlantic alliance members in Brussels.

Russia is unwilling to accept a peace deal where NATO divisions would be stationed on its border. Similarly, Ukraine cannot accept a peace on Russia's terms that would see it disarmed and geopolitically isolated. A mixture of European and non-European peacekeepers will be vital in allaying the anxieties that have prolonged the conflict.

The situation calls for a force that is militarily capable and politically neutral, one that can be made up of actors with no stake in the conflict. It is in this context that China can offer a solution that warring parties in Europe cannot—a credible alternative grounded in neutrality and mutual respect instead of ideology and alliance politics.

China is the largest contributor of peacekeeping troops among the five permanent members of the UN Security Council. Its forces have served across Africa and the Middle East, from Lebanon to Mali. And unlike many NATO and European

⁸ First published on June 12, 2025 by SCMP and revised for this collection.

nations, China retains diplomatic access and trading relationships with both Kyiv and Moscow.

This is more than a theoretical discussion. Foreign Minister Wang Yi and Ukrainian Foreign Minister Andrii Sybiha met on the sidelines of the Munich Security Conference in February. During their talk, Wang emphasized China's commitment to peace through a negotiated resolution. He also highlighted China's role as Ukraine's largest trading partner and a leading importer of Ukrainian agricultural goods.

Meanwhile, China's bilateral trade with Russia reached US\$244.8 billion in 2024, making it Russia's top trading partner. China's simultaneous economic engagement with both warring states makes it one of the few actors with sufficient leverage to bring both to the table. Its links with Russia give it quiet influence, while its openness with Ukraine gives it credibility.

China's refusal to condemn Russia's invasion of Ukraine has been cited as a reason to question its neutrality, but in reality, neutrality is reflected in diplomatic behavior and consistency, not sound bites. China has not provided arms to either side, and while it has not joined the West in imposing sanctions on Russia, nor has it shielded Moscow from the consequences of its actions.

Beijing has stayed engaged with both sides when others have walked away. It has even issued two separate peace proposals. As early as 2022, President Xi Jinping spoke against attempts at nuclear coercion, leading to a 12-point peace proposal on February 24, 2023, the anniversary of the Russian invasion. China and Brazil followed up last year with a six-point joint statement, proposing an international peace conference with equal participation and support from neutral actors.

Western observers have dismissed China's initiatives as vague and driven by self-interest. Yet China's connections to Russia and Ukraine mean there is no country better placed to mediate. Beijing wants to make diplomacy possible, not dictate terms.

Unfortunately, much of Western debate remains framed by talk of a China-Russia axis, which has distorted perceptions and narrowed options. This narrative ignores China's enduring ties with Ukraine and misreads Beijing's intentions. China's strategic interest is in promoting regional stability and preventing economic fallout. It does not benefit from a prolonged war that disrupts supply chains, raises global inflation, and hardens bloc rivalries.

China's regional weight and open diplomatic channels give it a unique opportunity to act quietly but decisively. None of this will be easy. Peace in Ukraine will require difficult compromise and international coordination, and this will not come via escalation or exclusion. A new pathway—one that both involves old actors and brings in new ones, in particular China and the Global South—must be created to restore order through dialogue, balance, and quiet diplomacy.

Ukraine deserves a peace that lasts, and the world deserves a process that works. With its diplomatic access and track record of engagement with all parties, China could be the decisive last mile required to bring about peace in our time.

As we celebrate the 80th anniversary of the UN this year, let us renew our commitment to peace and mediation. We must take this opportunity to break the impasse.

Why China Is Best Placed to Help Negotiate an End to the Ukraine War⁹

Regional links and the apparent weight China seems to carry with Russia could give China formidable influence in pushing forward peace in Ukraine thanks to its open channels of communication with both Kyiv and Moscow.

Last week, many eyes were trained on the ancient city of Samarkand for the annual meeting of the Shanghai Cooperation Organisation (SCO). Coming at a time of mounting global challenges and geopolitical tensions, the summit showed the importance of the SCO and China's role in promoting multilateralism, connectivity, and development in Central Asia and beyond.

In Samarkand, SCO members adopted more than 40 outcome documents covering a range of fields and issued statements on pressing issues such as food security, energy security, climate change, and supply chain security. New infrastructure projects were also announced, including the Mongolian section of a new Russia-China gas pipeline and a joint agreement between China, Kyrgyzstan, and Uzbekistan to build a transnational railroad.

Once complete, it will shorten the rail freight journey from China to Europe, which currently goes through Russia, by 900 km. This new route through Central Asia had long been considered but previously did not proceed, partly because it went against Russia's strategic and economic interests.

The fact that it is now going ahead reflects shifting power dynamics in the region and the evolving China-Russia relationship. These changes were also seen in the meeting between the leaders of the two countries.

On the one hand, China and Russia underscored the strength of the bilateral relationship and pledged to support each other on issues concerning their respective core interests. Russian President Vladimir Putin described the strategic partnership between China and Russia as "solid as a mountain."

In the last few months, a series of events have drawn China and Russia closer together. China was already Russia's biggest trading partner and has become even more economically important for Moscow amid Western sanctions. In the first eight months of this year, total goods trade between China and Russia jumped 31.4% year on year to US\$117.2 billion.

In Samarkand, Putin expressed strong support for China, going so far as to condemn the "provocative moves by individual countries on issues concerning China's core interests." Ongoing developments, such as the progression of the Taiwan Policy Act through the US Congress, are likely to further cement China-Russia alignment on this issue.

On the other hand, in contrast to their unified stance on Taiwan, perhaps the most notable outcome of the meeting was to put clear water between Beijing and Moscow regarding the war in Ukraine. Putin acknowledged the "balanced position"

⁹ First published on September 23, 2022 by SCMP and revised for this collection.

and “questions and concerns” of China on the Ukraine crisis and said he would “explain our position.”

Coming from a leader not known for feeling a need to explain anything to anyone, Putin's admission of Beijing's reservations signals that, contrary to the views of some people, China is not fully aligned with Putin on Ukraine and did not conspire to support the invasion. Putting these statements together, we see that while the bilateral relationship remains strong, China has put some distance between itself and Russia on the Ukraine issue.

Since the start of the war, China has tried to calibrate its actions to remain above the fray. It has not condemned Russia's invasion but has also avoided running afoul of Western-led sanctions against Russia. China also maintains close relations with Ukraine, and in August Ukrainian President Volodymyr Zelenskyy again urged Beijing to help end the war.

China's balancing act has put it in a position of having the necessary degree of influence and impartiality to help mediate a way out of this crisis. This could involve China and the United Nations taking on a mediating role to facilitate seven-party talks between the five permanent members of the UN Security Council, Ukraine, and the European Union to broker a ceasefire and launch a peace process to end the war.

Some people might find the idea of giving Putin a way out through negotiation unpalatable, especially after breakthroughs by Ukrainian forces have raised the prospect that Ukraine might prevail. But the reality is that there are only four possible outcomes of the war from this point, and none of them are pretty.

First, Russia could lose and be forced to effect a complete withdrawal. However, mounting pressure on Putin could make the situation more dangerous as Russia's leader feels pushed to take increasingly extreme measures—as indicated by the recent escalation of attacks on Ukraine's civilian infrastructure and his ominous warning on Friday that the war could yet “get more serious.”

Second, Russian forces could regroup and eventually defeat Ukraine, forcing Kyiv accept all of Moscow's terms. However, a third, more likely outcome is a grinding and protracted conflict in which neither side prevails, both suffer heavy casualties, and the rest of the world continues to suffer from economic instability and shortages of food and energy.

This leaves the fourth possible outcome and the only real way to stop the bloodshed: a negotiated settlement. That might seem a distant prospect amid the current hostilities and defiant posture of both sides. But the grain export deal brokered by Russia, Ukraine, Türkiye, and the UN in Istanbul on July 22nd shows that intermediaries can play a constructive role.

Like Türkiye, China is one of the few countries to have open dialogue channels with both Kyiv and Moscow, and it has much more influence. Achieving a multilateral resolution to the ongoing War will be a huge challenge, but the SCO summit underscored the fact that there is no country better placed to help achieve this than China.

It's Time to Offer Russia an Offramp, China Can Help with That¹⁰

Russia's miscalculations at the start of the Russia-Ukraine war have put it in an awkward position. Perhaps a China mediated off ramp would be in the interests of all.

Vladimir Putin seems to have assumed he could get a swift victory, underestimating the fierce resistance from Ukraine. Two weeks in, Russia is intensifying its assault on Ukraine, and Western nations in turn are intensifying their financial and economic punishments against Russia, including by triggering the financial “nuclear option”—banning Russian banks from the SWIFT payment system. Meanwhile, Mr. Putin has put his actual nuclear forces on high alert.

We are now in an escalatory spiral. Mounting pressure on Mr. Putin will likely make the situation more dangerous as Russia's leader feels pushed to take increasingly extreme measures—such as what we've seen in the past few days with the Russian army's siege tactics and attacks on civilian areas.

And so, unpalatable as some in the West may find the idea, it is time to offer the Russian leader an offramp with China's help. On Tuesday, President Xi Jinping of China held a virtual summit with President Emmanuel Macron of France and Chancellor Olaf Scholz of Germany, urging a diplomatic solution.

The United States and its allies might be reluctant to have China play any role in this crisis, given that they view Beijing as a strategic rival. That's foolish and short-sighted; the conflict's immediate dangers far outweigh any competitive considerations. Ukraine itself sees the potential of Chinese-led conflict resolution. So far, China has called for dialogue and says it supports humanitarian aid efforts. But Beijing's interests in more proactive involvement are growing by the day.

China has a significant economic interest in a quick resolution to the Russian-Ukrainian war. China enjoys strong ties with Russia and Ukraine and is both countries' largest single trading partner, though each trades more with the EU bloc than with China. Russia and Ukraine are crucial components of the Belt and Road infrastructure program as well as conduits for China's trade with Europe. China-Europe rail transports have experienced a 100-fold increase since the beginning of the 2010s, but the ongoing war threatens to disrupt these trade flows.

China is also uniquely positioned to act as a neutral mediator between a Western-supported Ukraine and Russia. Yes, Beijing and Moscow have a strong and growing relationship, especially in the economic realm. China's demand for resources that Russia has in abundance—food and energy—as well as a mutual dissatisfaction with the current state of the US-led world order have increasingly drawn the two countries together. This alliance was cemented when Mr. Putin and Mr. Xi met last month and issued a joint statement underscoring their deep ties and reaffirming a partnership with “no forbidden zones.”

¹⁰ First published on March 13, 2022 by *The New York Times* and revised for this collection.

It is not in Beijing's interests to rely solely on an anti-Western alliance with Moscow. Russia may possess a mighty military, but its economy is in long-term structural decline, with a GDP not much larger than that of Spain. For all the talk of ties with Moscow, it is worth remembering that China's economic interests with Russia are dwarfed by those it shares with the West. In 2021, trade between China and Russia may have jumped by 36% compared to the prior year, to \$147 billion—but that's still less than a tenth of the combined trade with the United States (\$657 billion) and European Union (\$828 billion).

Even if China isn't joining in the sanctions, it is possible that Chinese businesses and banks will decrease involvement with Russia to avoid a backlash in other, more important markets. As Russia becomes isolated from the world economy, China will not want to shoulder Russia's economic burden alone.

The prospect of a growing economic relationship between Moscow and Beijing may be threatening to the West, but from Mr. Putin's perspective, it provides China with leverage over him in potential negotiations. As he and his country face increasing isolation, he can't afford to lose China, too.

There are also political reasons China wants this war to end in a way that is appealing to all involved. The longer the war lasts, the more it will reinvigorate the Western alliance around the idea of a values-based confrontation between East and West, bringing the United States and the European Union into even closer alignment while driving military budgets up around the globe. That is not good for China, which would prefer to maintain lucrative economic ties with the West and focus its resources on domestic development.

At a time when China faces increasing global criticism for its human rights violations, mediating an end to this war could help improve the country's standing with the West. Beijing has long striven to convince political and business elites in Europe and America that the rise of China does not present a threat. Support for Russian aggression—even perceived support—threatens to undermine that assertion. By contrast, playing a constructive role in ending the war could help cast China as a strategic and not just economic partner.

Ideologically, China has common ground with both Ukraine and Russia. China deeply values the principle of state sovereignty and has long opposed outside interference in what it considers internal affairs such as Taiwan. Last month, Foreign Minister Wang Yi of China once again called for a global respect for territorial integrity, saying, "Ukraine is no exception." In this way, at least, Mr. Putin's invasion directly undercuts one of China's key values.

China—like Russia—is wary of pro-democratic Western influence globally. So far, Chinese media has avoided criticism of Russia and even adopted Moscow's narrative of the war. The two countries share grievances over perceived Western hostility and hypocrisy. Framing the invasion as anti-West and anti-NATO helps justify Mr. Putin's action to a domestic audience.

The longer the war goes on, though, China may find itself in a position of diminishing returns in its close relationship with Russia. This makes the argument for Beijing to take on an active mediation role even more compelling.

What form could mediation take? Any serious resolution would have to involve the United States and the European Union as key actors in European security arrangements. Beijing could help to broker an immediate ceasefire as a prelude to talks among Russia, Ukraine, the United States, the European Union and China.

Beijing's goal would be to find a solution that gives Mr. Putin sufficient security assurances that can be presented as a win to his domestic audience while protecting Ukraine's core sovereignty and NATO's open-door policy. Finding a landing zone for such an agreement is challenging but not impossible. Some creative diplomacy could solve this, such as a formula for NATO expansion that rules out Ukrainian membership in practice while preserving its sovereignty and NATO principles in theory.

Securing a multilateral resolution to the crisis in Ukraine will be a tough and risky challenge, but there is no country better placed to do so than China.

As Ukraine War Drags On, Why Not Give China's Peace Plan a Chance?¹¹

Suspicious of Beijing's motives, the West has dismissed its plan as having no actionable solutions. But with leverage over Moscow and skin in the game, there is no other country better placed to mediate.

There are basically two ways that wars end: in an outright victory or with a negotiated settlement. After a year of fighting in Ukraine, there is a growing consensus that neither side can secure a total victory any time soon.

Russia appears to lack the capability to overcome Ukraine while Western support continues. But Russian forces have dug in and it looks increasingly unlikely that Ukraine can eject them, even with better kit from the West.

Russian President Vladimir Putin will not give up—he sees defeat as an existential threat and has the resources to fight a prolonged war of attrition. And there remains the nightmarish possibility he could reach for the nuclear option if backed into a corner.

Meanwhile, sanctions have not crippled the Russian economy, and there is no sign of a serious effort to topple Putin. Any putsch is more likely to come from the ultranationalist right, and unlikely to end the fighting.

The longer the war drags on, the more suffering it causes. Odds are, we will be marking another grim anniversary next year—and who knows how many after that. Countless people will be killed, wounded, or made homeless. Disrupted flows of grain and energy will worsen hunger in vulnerable regions and aggravate global inflation, feeding instability.

If neither side can prevail, the only way the bloodshed can end is at the negotiating table. Granted, that too seems unlikely—but not impossible.

The peace plan issued by China two weeks ago was immediately dismissed by the European Union and the United States—but, importantly, not by Russia or Ukraine. The United Nations called the plan an “important contribution”, and while it is by no means perfect, it is the only option on the table.

With no end to the war in sight, the plan deserves proper consideration—if only as a stepping stone to a ceasefire and seven-party peace talks under the UN, to include the five permanent Security Council members, Ukraine, and the EU.

There are two main criticisms in the West of Beijing's proposal. But neither is sufficient to dismiss it out of hand.

The first is that the paper doesn't offer actionable solutions. Indeed, it is largely a reiteration of principles and leaves crucial issues unaddressed. But it should be taken as a starting point. There is no way China—or any other party—can provide ready-made answers. Specifics must be thrashed out through negotiations between the key players.

The second, more serious objection is that many in the West do not see Beijing as a credible mediator. From the start of the war, Beijing has straddled an awkward

¹¹ First published on March 7, 2022 by SCMP and revised for this collection.

position on Ukraine. Its refusal to condemn Moscow's invasion means many in the West view China's stance as "pro-Russian neutrality."

But it should be recognized that China has been cautious to avoid crossing the line on Western sanctions. China has provided humanitarian support to Ukraine, but there is no evidence it has supplied arms to Russia.

China's refusal to join the campaign against Moscow may not sit well in the West, but it remains the majority stance elsewhere. More importantly, it is precisely this reluctance to intervene that puts Beijing in a unique position to help mediate.

Many are suspicious of Beijing's motives for stepping in now. There is no doubt China has much to gain if it can help broker an end to the war.

International trade has been hit, and China is the biggest trading nation and the largest trading partner of both Russia and Ukraine. Fighting has also disrupted a key corridor of the Belt and Road Initiative and overland trade with Europe, while driving volatility in global markets that hurts China as a major importer of energy and grain.

Strategically, playing mediator will help China enhance its image, especially in the Global South, and preserve its strategic partnership with Russia, while ending a conflict that is damaging relations with the West. Brokering peace may not diminish competition with the United States, but would surely help Beijing repair relations with the EU and peel the bloc away from Washington.

Cynical motivations aside, China remains best placed to mediate—and the only one with significant leverage over Moscow. Beijing's skin in the game only raises the chance of success; mediation does not have to be an act of altruism to work.

US President Joe Biden said the idea of China helping to negotiate a peace is "just not rational." But it seems to me the objection is driven more by emotion and moral outrage.

Beijing's self-interest and failure to take a stance against Russia do not negate the fact that peace would benefit everyone, and let us focus on our other manifold challenges. The West would be cutting off its nose to spite its face if it dismisses a potential path to peace just because it came from China.

Also, if Beijing is serious about brokering peace, it must address the doubts over its willingness and ability to mediate fairly. For example, China's leadership has been in contact with Putin since the crisis began, but has yet to speak to Ukrainian President Volodymyr Zelenskyy. After the plan was released, Zelenskyy said he planned to talk to President Xi Jinping. Making this happen would be a good start.

Securing a multilateral resolution to the crisis in Ukraine is a long shot. China will have to stick its neck out further than it has ever been willing to for there to be any chance of success. But there is no country better placed to do so. The West should give it a chance.

Alarm over a “China-Russia Axis” Revives Unwanted Cold War Mentality¹²

Rumors of a new alliance between China and Russia are counter to both China's interests and actions. China's consistent foreign policy and calls for peace and continued engagement with all parties should serve to dispel lingering Cold War-era paranoia.

Fifty years ago last week, President Nixon made his landmark visit to Beijing that thawed tensions with China and reshaped the geopolitics of the Cold War. After the Sino-Soviet split of the 1960s had effectively turned a bipolar world order into a “tripolarity,” Nixon's trip and the rapprochement it symbolized substantially altered the balance of power in the triangle of Chinese-Soviet-US relations.

The “strategic triangle” was the dominant frame through which geopolitics was understood at the height of the Cold War. It largely fell dormant with the fall of the USSR but has now been revived by some Western observers with Putin's Russia filling in for the Soviet Union.

This revival has been triggered by events in Ukraine and the joint statement between China and Russia on February 4th which was seen by some as a mirror moment of Nixon's 1972 China visit. It has generated a wave of headlines in the US warning of “The New Axis of Autocracy,” an “alliance of autocracies,” and a “New Superpower Struggle amongst US, Russia, and China.”

But whatever the Cold War echoes in the current Ukraine crisis, applying this twentieth-century triangular framing to our world today is a dangerous and misguided anachronism, for three major reasons.

First, it misreads China's relations with Russia and intentions vis-à-vis the West. Ultimately, China wants to stabilize and improve ties with the United States and its allies, not forge an anti-Western alliance with Russia.

The February 4th statement was a commitment to work together on shared interests, not the declaration of a joint anti-Western front that some have made it out to be. China has no alliance with Russia and has never supported a Russian invasion of Ukraine, as made clear again recently by Foreign Minister Wang Yi's call to respect the sovereignty of any country and find a solution to the Ukraine crisis through dialogue and consultation.

For all the budding talk of ties with Moscow, it is worth remembering that China's economic interests with Russia are dwarfed by those it shares with the West. In 2021, bilateral trade between China and Russia jumped by 35% to a value of US\$147 billion. This was still less than a tenth of the combined trade with the United States (US\$657 billion) and the EU (US\$828.1 billion).

Russia may be a big fish militarily, but it is an economic minnow in long-term structural decline, with a GDP barely larger than that of the EU's fifth-largest economy, Spain. It is not in China's interests to open up a long-term confrontation against the West with such a partner, and in Beijing there is no intent to do so.

¹² First published on March 1, 2022 by SCMP and revised for this collection.

The next major flaw with the triangular view is that our world is not tripolar, or indeed bipolar, but multipolar. The Cold War framing leaves out important geopolitical players, not least the EU, which has major interests at stake in Ukraine and is pursuing an increasingly independent foreign policy.

True, the EU has traditionally punched below its weight strategically, and the Ukraine crisis has temporarily reinvigorated the transatlantic alliance. But the EU no longer wishes to be hemmed to the US position and appears to be at the dawn of a new political era in which it will carve out its own global role.

With Angela Merkel gone and Germany's new chancellor, Olaf Scholz, still finding his feet, Emmanuel Macron is set to be the EU's dominant voice for some time to come, provided he wins the upcoming presidential election in April as expected.

The French president is a strong proponent of strategic autonomy for the EU, and has made it clear the EU should not gang up on China with the United States. In a call with President Xi Jinping on February 16th, the leaders pledged that China and the EU will work together on shared interests like trade, the delayed China-EU investment agreement (opposed by the United States), and climate change.

The issue of climate brings us to the third and perhaps the most important reason Cold War framings are an unhelpful way to view power and security in the twenty-first century.

In an age of global threats that cannot be overcome by brute force or any country acting alone, to focus solely on "power over" other countries is to neglect the more important dimension of "power with" other countries to tackle our shared challenges. The need to consider power in both its competitive and cooperative forms should be clear as we continue to face a global pandemic and looming climate emergency.

There is a danger that framing the world as a strategic triangle of competing powers will become a self-fulfilling prophecy and lock us into a zero-sum view of our interests, when in fact the biggest threats we face come not from other states, but from a collective failure to cooperate on our shared challenges.

Fifty years ago, the leaders of China and America were able to put pragmatism over ideology to achieve a diplomatic breakthrough that reshaped the Cold War triangle and served the interests of both countries.

But reviving this outdated view of the world half a century late will only push China and Russia closer together, raising the risk of great power conflict and hampering our ability to work together on existential threats that go far beyond Ukraine.

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Chapter 9

Geopolitical Tensions and Multilateral Solutions



The world has always been and continues to change, going through periods of relative peace and relative upheaval. Recent history shows that major global shifts in power seem to be coming in more frequent succession due to the fact that our world in a figurative sense is becoming smaller and smaller. The time it takes to travel to or send a message is a fraction of what our ancestors could have even imagined a century ago.

The increased interactions of different peoples from different corners of the world with different cultural and political systems are bound to ultimately produce tension on some level. Globalization as a phenomenon has contributed to both the prosperity of the human race as well as its tendency toward conflict or crisis. In just the last 80 years, this has been exemplified by the extent of the Second World War, which touched nearly every corner of the world simultaneously, the prosperity of the post-war era in the United States and Europe, the tension of the Cold War and the fall of the Soviet Union, China's meteoric rise as a global economic powerhouse, the shock waves sent through the world during multiple financial crises around the turn of the millennium, and most recently the COVID-19 pandemic, which nearly paralyzed the entire world.

As we prepare for the next phase in global evolution, geopolitical tensions, specifically between the United States and China as the world's two most powerful nations, but also within specific regions, present both challenges and opportunities. As global institutions and partnerships struggle to keep pace with the times and establish new methods to adapt to transformations in global power structures as well as global threats like climate change and data security, the line between national interests and human security is possibly more consequential than ever before in human history.

However, the fact that the world is also more multilateral and inclusive than at most other points in history provides a glimmer of hope for humanity. If the nations of the world, especially great powers, can look past their individual interests and focus on the greater welfare of the world as a whole, we may be able to move past

current geopolitical tensions and leverage multilateral efforts to ensure a more secure and prosperous future.

Multilateralism from China's Perspective

If we assume that a multilateral solution to the problems the world currently faces is the best option, we must strengthen the institutions that can contribute to those solutions. From China's perspective, it has a key role not only in contributing to these solutions, but also in advocating for the interests of its fellow Global South nations. The first article in this chapter, titled "How to Fix the Security Council" and published by *Foreign Policy*, focuses on the crisis facing the UN Security Council and, by extension, the overall United Nations system. By pointing out the paralytic state of the UNSC, this article reminds us of how times have changed, and that a reckoning about how the UN can once again be made "fit for purpose" in a changing world is urgently necessary. The next article, "Transformation and Opportunities in the Multipolar Era: Regional Integration, Global Governance and China's Historical Wisdom," seeks possible inspiration for these reforms by focusing on how China's historical perspective provides a more stable and measured approach to creating a multilateral world that is beneficial to all. In place of increased confrontation through the creation of security blocs, China champions an evolution through trade to mutual respect and universal development. The third article focuses on another key international institution—the Shanghai Cooperation Organization—a collection of diverse nations that come from all backgrounds, but collectively drive the fundamental tenets of the United Nations, acting not as a countermeasure to the current global order and its institutions, but as a bulwark that maintains its values and principles amid a global system that is increasingly functionally paralyzed.

The fourth article in this chapter, "Only a Multipolar Coalition Can Secure Ukraine Peace," suggests that the Korean War Armistice Agreement could serve as a reference for resolving the Russia-Ukraine war with the support of a multipolar coalition. The next article, "The Outlook for Multilateralism Under the Shadow of Protectionism," meanwhile, highlights China's key role in the fight against protectionism in global trade by promoting more open trade among Asian nations to leverage the strength of emerging economies in Asia, specifically to combat protectionism in the United States and other developed economies. The sixth article in this chapter, titled "Toward a More Multipolar World: Sino-US-Europe Dynamics in the Trump 2.0 Era," takes a closer look at the position of the United States, and a second Trump administration in particular, on the relationship between China, the United States, and European countries in a world that is becoming irreversibly more multipolar. It also highlights the difficulties that Europe may face in this changing environment because of its historically close relationship with the United States, which has become increasingly inward looking and recalcitrant in terms of global policy. By comparison, the developing countries that make up most of the Global South generally remain enthusiastic about a more multilateral world in which continued globalization is central. The seventh article in this chapter, "China and the Global South: Unleashing the Tides of Transformation in the Global Order," focuses on how these countries will

be key in future changes in the global order and how their values, systems, and unique needs will shape this transformation.

The Global South, including BRICS member countries, view traditionally Western institutions like NATO as being focused on individual security rather than overall human security, which is the topic of the eighth article in this chapter, “Alliances Like NATO Are out of Touch with a World in Need of Human Security.” This chapter highlights the fact that existing institutions were founded to ensure the security of the leading nations of the world, which were then charged with managing global peace, rather than including the developing, or newly independent, world in a conversation on an even playing field.

Great Power Relations and Mechanisms for Communication

The most contentious relationship, yet the one with the most potential in the world today, is that between China and the United States. The first- and second-largest economies in the world with perhaps the greatest combined political influence in the world, these are truly two great powers and have the ability, as well as the responsibility, to shape the future of the world.

However, their vast difference in histories, ideologies, and visions for the future of the world often put these two countries at odds. China’s incredible economic rise has not only made China wealthy and given it greater influence among its trading partners, but it has also resulted in an interdependence with the United States that is so inseparable that they have been described as Siamese twins. While recent reshoring and derisking efforts have been working to mitigate this reliance, it has been difficult as many companies are already established in China.

Despite the seemingly unresolvable issues and persistent trade war environment that exists today, the ninth article in this chapter, titled “As US-China Rivalry Heats Up, Soft Power Competition Need Not Be a Zero-Sum Game,” the conflict and a long-term rivalry between the world’s two biggest economies should not prevent them from working together on issues that affect the entire world.

As with many relationships, direct conversation can sometimes make things worse, and there are times at which an intermediary can facilitate a kind of *détente*. In this next article, “A Close-Up Look at New Trends in China-US-EU Relations,” we look at the role that the EU can play to create a balance in geopolitical relations. The EU’s close relationship with the United States and its practically amicable relationship with China puts it in a position to facilitate discussions to work on issue-based solutions that benefit everyone.

In the wake of the Second World War, the United States has maintained a global reach militarily, politically, and economically that has remained essentially unrivaled, especially after the fall of the Soviet Union. However, China’s economic rise and perceived political and military rise has caused concern in the United States, which has regularly used a policy of containment with respect to China. This remained true through the Biden administration, which we examine in the eleventh article in this chapter, titled “Biden’s Indo-Pacific Framework Cannot Succeed without China.” The constant vacillation in US policy with regard to East Asia has created uncertainty and a lack of credibility among nations in the region. While Asian nations welcome

US engagement in the region, they would rather not have to choose between China and the United States in the course of that engagement.

In the midst of bilateral bickering and trilateral tinkering, the best solution would be a multilateral one that includes as many voices as possible. In the twelfth article in this chapter, titled “How a ‘G3’ Mechanism Could Reset US-China-EU Relations and Tackle Global Challenges,” we focus on the suggestion of CCG experts to establish a “G3 mechanism” that would foster communication between the three most influential regional powers in the world in order to better facilitate and coordinate efforts to deal with challenges that face the world as a whole.

Beyond West and East—Engaging the Global South

In today’s multilateral world, the general consensus is that the world should progress together as a whole, with wealthier and more powerful nations supporting the developing world. In the context of China and the United States, or even Russia and Europe, the world is often divided into East and West, but moving beyond those traditional geographic markers, we find that some of the most vibrant emerging regions are in what has become known as the Global South.

While China is often considered part of the Global South, its economic success and geopolitical influence has placed it at the top of the developing world and on par with the United States and EU. As a quasi “*primus inter paribus*” among developing nations, China’s strengthening relations with the Global South have been consistently bearing fruit in terms of new cooperation models, improved regional relations and recognition among developing nations. In the thirteenth article in this chapter, “China’s Ties with the Global South Show a Different World Order Is Possible,” shows how countries from the Caribbean to Central Africa approve of China’s approach to trade and partnership vis-à-vis Western countries, which have also begun to pull traditional support due to changing policies of protectionism and putting domestic affairs first.

One of the key institutions that has been working on driving development across the Global South by the Global South is BRICS. The fourteenth article in this chapter, “BRICS Is Not Anti-West, It Just Wants a Fairer World Order,” highlights the desire of the Global South to participate in global economic governance and development on equal terms within the current system.

While sometimes viewed as a challenge to the established power structure, it is more likely that the newly found capacity among Global South countries presents an opportunity for both sides to join hands and drive development across the board. This is the topic of the next article in this chapter, titled “How China and the West Can Join Hands to Truly Help Africa.” With the youngest population on average and an abundance of resources, the African continent has great potential for prosperity, but historical legacies and a lack of infrastructure has stymied efforts at development. If China, which has worked to develop infrastructure in Africa, could work with Western tech giants and international institutions, a real difference could be made in Africa.

As mentioned previously, China is potentially an ideal bridge between East and West as well as North and South. The next article in this chapter, “How China Can

Step Up to Its Responsibilities in a Rising Global South,” focuses on how China must also work to foster South-South cooperation, especially with its regional rival India, highlighting five practical areas in which it can contribute to sustainable development in the Global South. The seventh article in this chapter, titled “How Modi’s Visit to China Can Reshape Asia’s Future,” once again emphasizes the importance of improved relations between China and India as two of Asia’s most influential countries, invoking the spirit of the Bandung Conference, to which both countries were a party when it was convened in 1955.

The next article in this chapter, titled “From ASEAN and G20 to APEC, as World Leaders Meet in Person Again, Three Reasons to Root for Multilateralism,” highlights specifically how the initial meetings of these multilateral organizations post-COVID were able to reach a number of agreements on key issues, providing positive momentum for a multilateral future.

Meanwhile, China’s own multilateral efforts through its Belt and Road Initiative, while ambitious, must also continue to become more inclusive. In the nineteenth article in this chapter, titled “How China Can Multilateralize the BRI,” suggestions are given on how the initiative should move past bilateral Memoranda of Understanding to include members in its administration while also engaging with other international organizations.

Technology—The Double-Edged Sword of a Multilateral World

The final two articles look at the impact of technology on a multilateral world and how to ensure the flow of information while ensuring security and protecting privacy in the information age.

In the penultimate article of this chapter, “China Can Embrace the Global Internet for Its Narrative,” the merits of China engaging with the world through the global internet by both encouraging domestic institutions to increase their online presence beyond China’s cybersphere and by making it easier for individuals to engage with the world and change the China narrative through online exchange.

The final article focuses on the real concerns of data security in the United States and how China is attempting to reassure not only the United States, but the world as a whole, that it is equally committed to data security. “US Concerns about China’s Data Security Should Be Addressed, But Not with a TikTok Ban” outlines China’s efforts to demonstrate its respect for data sovereignty as well as the positive impact that global platforms like TikTok and others have on individual users and the economy, arguing that an outright ban would have only a negative impact.

How to Fix the Security Council¹

Adding Members and Removing the Unilateral Veto Would Make the Body Stronger.

At the 80th United Nations General Assembly high-level debates last week, a host of global leaders called for a more effective and representative Security Council. In the words of Finnish President Alexander Stubb: “If countries from the Global South, from Latin America, from Africa, from Asia, do not get agency in the system, they will turn their backs against the United Nations.”

Indeed, the Council’s shortcomings are playing out all too clearly today in Gaza and Ukraine. The United States has used its unilateral veto to block a host of resolutions calling for a ceasefire in Gaza, enabling the genocidal conflict to continue. Meanwhile, Russia has consistently blocked any meaningful Security Council response to the war in Ukraine since 2022, despite international condemnation and profound humanitarian suffering.

However, despite the Security Council’s flaws, there is no real substitute for it. If it drifts into irrelevance, this would simply remove the last vestiges of effective global coordination. The challenge, then, is not whether to reform the council, but how to do so.

It is against this backdrop that Chinese President Xi Jinping launched a new Global Governance Initiative. Xi is calling for a fairer and more inclusive multilateral system, one without double standards that places the United Nations at its core.

To realize this global vision, the Security Council should enact structural and procedural reform. First, the council should expand its membership to better reflect the world of today. Second, it should develop a mechanism to limit the use of unilateral vetoes to prevent a single state from standing athwart an international consensus. Together, these reforms can revitalize the Security Council’s credibility and capacity, transforming it from a forum of gridlock into a more responsive and effective guardian of the peace.

The Security Council’s current structure—five permanent members and 10 rotating nonpermanent members—reflects, at best, the geopolitical realities at the time of the last set of Security Council reforms in 1965. This structure should be updated by adding a new class of associate permanent member seats.

To that end, all current G21 (formerly G20) members should be given a seat on an expanded Security Council. This would eliminate the 10 existing rotating seats and create 16 new permanent associate seats. These new states would not have an individual veto, but together with the other four permanent members, they could override the use of the unilateral veto.

This would preserve the institutional legacy of the original five full members, while elevating voices that reflect today’s multipolar economic and political order. In doing so, it would enhance the Council’s legitimacy, improve regional representation, and embed the Security Council more firmly within the real architecture of the current global order.

¹ First published by *Foreign Policy* on September 30, 2025.

Previous reform efforts have stumbled over the question of how to allot new seats in the Council. Here, the G21 offers an elegant solution. It is comprised of an even mix of developed and developing countries. Using it as the basis for reform addresses some of the underrepresentation of the Global South while still recognizing the enduring power of incumbents. Today, the G21's members comprise over 85% of global GDP, and has already helped coordinate multilateral responses to some of the world's most pressing economic challenges. Under this new model the expanded UN Security Council would consist of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, the United Kingdom, and the United States, along with the African Union and the European Union, which would each have one collective vote.

The second reform necessary to restore function is a procedural one. The unilateral veto has created paralysis in the Security Council, allowing even urgent humanitarian measures to be stalled indefinitely. To this day, the veto has seen use a staggering total of 324 times in less than 80 years at an average rate of four vetoes a year. This includes 159 vetoes by the Soviet Union or Russian Federation, 94 by the United States, 32 by the United Kingdom, 21 by China, and 18 by France.

Even seemingly straightforward matters, such as the admission of new members, can become mired in contention as the Soviet Union adroitly demonstrated early in the Cold War and as the United States demonstrates today in blocking Palestinian membership. Beyond this, the impact of the veto is likely worse than we can see. Its looming presence ensures that many resolutions are killed behind closed doors in private conversation, as those drafting the documents are quietly informed that their resolutions will be vetoed.

Previous reform initiatives have attempted to tackle the veto problem. The French-Mexican proposal, first advanced in 2013, called for permanent members to voluntarily suspend their veto in cases of mass atrocities. The Accountability, Coherence, and Transparency Group later advanced a code of conduct, now supported by more than 120 states, which urges P5 states to refrain from using their vetoes in situations of genocide, crimes against humanity, or war crimes.

But a more substantial fix is required. To solve the problems created by the unilateral veto, we must weaken it by instituting a supermajority override. Under this proposal, if over two-thirds of the expanded Security Council, that is to say 15 of its members, and two-thirds of the General Assembly voted to override the veto of a single P5 member, the resolution in question would pass.

After all, if two-thirds of both bodies can agree to override a single P5 member veto, it clearly represents a broad international consensus. A singular P5 member should not be able to block a UNSC resolution passed by all other permanent members, two-thirds of the other 16 permanent associate members, and two-thirds of the 193 members in the General Assembly.

This new proposal would benefit countries in the Global South that previously were unable to meaningfully take part in international rulemaking and security due to inviolable vetoes from above. At the same time, there is no reason for existing P5 members to fear the consequences of this reform. The P5 would still be able to

impose a binding veto on any resolution so long as at least two members were in agreement. This would offer some reassurance, even as it prevents a single power from derailing collective action and raised the political cost of casting a veto in the first place.

This simple change would have immediate ramifications. From Yemen to Gaza, it would open the door to resolving conflicts that have gone from ugly to horrific. The removal of the unilateral veto would break down the barrier that has all too often kept UN peacekeepers and relief efforts from addressing some of the worst tragedies in history.

Reforming the UN would signal a renewed commitment to the founding ideals of the United Nations—peace, cooperation, justice, human rights, and shared responsibility. The result would be a Security Council better suited for the present and better prepared for the future.

Transformation and Opportunities in the Multipolar Era: Regional Integration, Global Governance, and China's Historical Wisdom²

At the edge of a new, multipolar world, we stand at a crossroads of evolution and division. While some countries would like to divide the world into camps, China's historically based long-term vision is one of integrated evolution that benefits all nations.

The world today is undergoing profound transformation. The once dominant unipolar order, US hyperpower, has gradually given way to a more complex and diverse multipolar landscape. While China has long been an advocate of multilateralism, its presence is now no longer deniable. At the Munich Security Conference, it was the central topic of discussion and was treated effectively as already a truism.³ Furthermore new blocs are rising, regionalism is resurging, and independent actors are asserting their autonomy. Traditional patterns of influence are being replaced by new forms of cooperation and competition. Amid this sweeping change, understanding the motivations and dynamics behind these shifts—especially how countries like China are likely to respond, drawing on their deep historical and cultural legacy—has become essential to grasping the future of international relations.

This evolving global landscape is still neck deep in the throes of globalization. Even as the star of economic liberalism seems to be under threat and liberal internationalism in retreat, the processes of regional integration and cooperation across multiple continents have only accelerated, signaling a decisive move away from centralized power toward a more distributed and interconnected world order. This is the core of Globalization 3.0, in that even as economic globalization slows at the broadest scope, all the forces undergirding globalization have remained in play and adjusted to this new post-hegemonic order.

And now that the movement toward multipolarity is unmistakable, with power and influence no longer concentrated in a single superpower or locked in bipolar rivalry, we are seeing a world of greater freedom of action, for better and worse. The dispersion of power across multiple centers and programs of regional integration as a reaction stands out as one of the most vivid expressions of this shift.

In North America, the United States has embarked on an effort to build its own pole, first under the Biden administration, when it tried to retrench itself in its traditional alliance structures and build a united front against the rising power of China, with assemblages such as the Quad and AUKUS as well as increasing NATO involvement in the Pacific. But amidst the second Trump administration, the United States has changed course, embarking on a more narrowly focused North American pole, attempting to coerce Canada, and Belgium via Greenland, to pursue closer relations, while threatening to reassert control over the Panama Canal. These moves reflect a

² This has been adapted from a Background Paper prepared for Trilogue Salzburg held in August 2025.

³ <https://securityconference.org/en/publications/munich-security-report-2025/executive-summary/>.

changing world and a determination to solidify a more modest pole amid intensifying global competition.

Meanwhile, Europe is accelerating its integration process and investing in military capacity and cooperation. Emerging from its post-Brexit slowdown, the European Union, which has since its inception expanded from six founding members to 27, now looks to continue with countries like Ukraine and Moldova as official candidates, signaling continued interest in external growth. Meanwhile, internally, economic integration, with the expansion of the EU's single market, the Eurozone and the Schengen Area, continues. Taken together, these facilitate the free movement of goods, capital, services, and people, and have seen member states cede rights and limited sovereignty by entrusting the supranational EU with greater authority, on topics ranging from the negotiation of trade deals to regulations on food production. Meanwhile, military spending within NATO is soon to rise to 4.5% of GDP across the Alliance, mostly impacting Western European members by signaling the end of their peace dividend and of Europe as a disarmed continent. Despite challenges from populism and political extremism, the EU remains committed to pressing forward with a dual-track approach of deepening and widening integration, while investing in the assets needed to act independently of the US security guarantee.

Beyond Europe and North America, the rise of the Global South has catalyzed the decentralization of power within the international system and demonstrated another path forward. The 2008 global financial crisis propelled emerging economies into global governance and led directly to the creation of the G20 Leaders' Summit—forming the basis of a new framework for cooperation on economic and global issues. Emerging economies hold 11 seats within the G20, and the African Union's inclusion at the 2023 New Delhi summit further amplifies the Global South's voice. BRICS countries stand as prominent representatives of this new wave and have become key drivers of the multipolar evolution. In 2022, measured by purchasing power parity, the BRICS nations accounted for 31.5% of the world economy—surpassing the G7's 30.7%.⁴ This gap is only likely to widen as opportunities for developing economies outpace those of developed ones.

At the same time, Asia is witnessing a surge in regional cooperation. High-profile summits involving China, ASEAN, and the Gulf Cooperation Council have underscored efforts to enhance economic connectivity, energy collaboration, and diplomatic dialogue—reflecting a growing recognition of the importance of regional solidarity in navigating global uncertainties.

Within Southeast Asia, the “ASEAN-X” mechanism exemplifies a pragmatic and flexible approach to regional integration. By allowing differentiated and phased implementation of commitments, ASEAN advances regional unity while respecting member states' sovereignty and diversity. Simultaneously, Southeast Asia is actively deepening cooperation with external powers and international partners, enhancing its strategic connectivity and influence in global governance. ASEAN's own dual

⁴ People's Daily Online, “Let World Hear More BRICS Voices, Witness Greater BRICS Contributions”, August 22, 2023. <https://en.people.cn/n3/2023/0822/c90000-20061840.html> (retrieved July 15, 2025).

approach—strengthening internal cohesion and expanding external partnerships—reflects the broader trend also seen in Europe of intensified regional cooperation under multipolarity. It positions Southeast Asia not only as a cohesive regional bloc but also as a dynamic actor contributing to the construction of a balanced, multipolar international order.⁵

Similarly, Latin America is actively pursuing regional integration as a strategic response to external pressures and internal challenges. The 27th São Paulo Forum, convened in Tegucigalpa, Honduras, gathered over 1000 representatives from more than 400 political parties, organizations, and social movements across Latin America, the Caribbean, and 21 countries worldwide. Under the theme of regional integration, the forum critically examined challenges posed by US and NATO hegemonic actions, the rise of right-wing forces and ongoing global crises that undermine regional unity. In response, it emphasized the necessity of strengthening solidarity and cooperation among left-wing parties to advance pluralistic and inclusive regional integration. Rejecting neoliberalism, neocolonialism, and exclusionary trade agreements, the forum advocated resistance against imperialist interference and unconventional warfare.⁶ Through comprehensive development plans and political unity, Latin America demonstrates a clear commitment to enhancing regional cohesion and collective empowerment.

Across Latin America, Africa, India, and all the nations of the broader Global South, there has been an increasing latitude and tendency to pursue independent foreign policies. This impulse is comingled with a refusal to align strictly with any major power bloc, with non-alignment reflecting a desire for greater autonomy and diversified partnerships. Meanwhile, liberal internationalism has receded in the United States, and the rise of tensions has hindered the free flow of trade. Yet despite these two factors, the continuing growth of global trade demonstrated another quiet truth: If the state of global trade over the past decades has been a dance, then yes, the dance partners may be changing, and regional dynamics may grow more pronounced. But people are still looking for partners in the waltz. Trade itself remains fundamental to undergirding the prosperity of the present, even as it has become more unpopular in developed nations.

Further, the Global South as a whole seems to thoroughly understand that global challenges, such as climate change, development, and security, require flexible, multi-lateral solutions. Collectively, these trends illustrate that the world is no longer defined by singular or binary power structures. Instead, regional blocs and independent actors together shape a complex new multipolar order characterized by overlapping networks of cooperation, competition, and negotiation.

As alluded to earlier, during the Biden administration, attempts were made to revive a Cold War style ideological approach, building coalitions of “like-minded”

⁵ Dai Yi and Lai Zhengshi, “Institutional Changes of ‘ASEAN-X’ and Regional Integration in Southeast Asia”, *Southeast Asian Studies* 1: 49–62, <https://doi.org/10.19561/j.cnki.sas.2025.01.049>.

⁶ Wang Ximan and Hu Jiahui, “An Analysis of the 27th São Paulo Forum Meeting”, *Contemporary World and Socialism (Bimonthly)*, no. 1: 170–190, <https://doi.org/10.16502/j.cnki.11-3404/d.2025.01.017>.

countries to counter China. Initiatives like AUKUS and the Quad brought in new partners such as India and framed the issue as a struggle between democracy and authoritarianism to preserve the “free world.” However, with changes in US leadership and shifting geopolitical realities, these ideological divisions have rapidly fallen by the wayside and China’s relations with countries previously aligned against it have begun to improve.⁷ This shift highlights a defining feature of the emerging multipolar order: The world is no longer shaped by rigid ideological blocs, but by a flexible, overlapping web of pragmatic regional groupings.

If disruption is a rupture—a sudden break where conditions on the ground are exposed as having rested on false assumptions, as with the collapse of the Soviet Union and the end of the bipolar order—then evolution is when leaders and stakeholders recognize change early and understand its implications.

We have already cleared the first hurdle: We have seen the change coming. Just as thinkers like John Robert Seeley foresaw that Britain’s era of global hegemony would not last as “nations organized on a vaster scale,” we today stand at the threshold of a new multipolar era. Fundamental shifts in the world’s economic organization are already under way, signaling the slow but inexorable end of American hegemonic power. China’s response to this oncoming global change and the solution it offers is deeply rooted in its millennia-old history and rich cultural traditions, which imbue the country with a distinctive sense of confidence and composure. Over thousands of years, through the rise and fall of dynasties, through the birth of the modern Chinese state, the Chinese people have cultivated a broad historical perspective, one that allows engagement with today’s international challenges as transient episodes within the vast continuum of time. A long-term view fosters a mindset of patience and careful deliberation, encouraging thoughtful responses rather than impulsive reactions. By understanding that crises and upheavals are often temporary, China is approaching global uncertainties with a calm prudence, always seeking the right timing and approach to navigate change effectively.

This long perspective is complemented by China’s heritage, which has instilled a strong sense of pragmatism and stability in the national character. For centuries, self-sufficiency in agriculture shaped a collective mentality centered around “having enough to eat, no need to panic.” Even when external circumstances become turbulent or threatening, the worst-case scenario requires a calm focus inward on sustaining the nation. This has freed China from the need to respond aggressively or make hasty compromises under pressure. With the exception of the Mongol invasions of Japan, which were birthed of a young foreign dynasty in control of the Chinese mainland, China has always calmly set its own pace and strategic direction: avoiding starting wars, and instead maintaining stability even amid instability.

However, this pragmatic approach should not be mistaken for conservatism or isolationism. History shows that China has often turned periods of turmoil into opportunities for transformation and growth. Many of its greatest leaders and founding

⁷ Robert A. Manning and Mathew Burrows, “Biden’s Foreign Policy Legacy: A Troubled Interregnum”, The Henry L. Stimson Center, November 19, 2024. <https://www.stimson.org/2024/bidens-foreign-policy-legacy/>.

emperors emerged in times of chaos, seizing moments of uncertainty to establish new orders and reshape the nation. Meanwhile, it was the complacency and hegemonic breakout of the Qing dynasty that led to the great divergence in both military and technology that in part led to China's weakness in the nineteenth and early twentieth century. This historical experience nurtures a mindset in which change itself is not something to be feared; rather, it is a natural and inevitable part of life that must be understood and harnessed. Change represents opportunity and what truly matters is the ability to recognize emerging trends, set clear objectives, and adapt flexibly to evolving circumstances.

Consequently, China's strategic approach today is anchored in having well-defined long-term goals while maintaining flexibility in how to achieve them. It embraces a pragmatic attitude that any method or path contributing to these goals is worth pursuing, without rigid adherence to fixed formulas or ideologies. In the complex and shifting landscape of international relations, China not only seeks to protect its own national interests but also aims to play a constructive role in global governance.

China's success reinforces this message. China proves that peaceful nations can both benefit from economic globalization and deftly sails against the headwinds facing our current era, offering compromise, peace, and mutual benefit for all.

For example, in crises such as the conflicts in Ukraine or the Middle East, China consistently maintains an independent and balanced stance, actively engaging in diplomatic mediation efforts to promote peace and stability. This reflects an understanding that global disorder can also create openings for constructive influence, and that success depends on seizing the right moments to shape outcomes beneficially for both China and the wider world.

Reflecting on the tumultuous history of the last century, China's journey offers valuable lessons. During periods of national crisis and decline, the Chinese people engaged in tireless experimentation with various social, political, and economic models in search of a viable path forward. The country became a vast laboratory where multiple governance systems—from parliamentary democracies to presidential regimes—were tested. Many of these efforts faced significant challenges due to incompatibilities with China's unique cultural and historical context.

Through intense competition among these different ideas and real-world trials, the People's Republic of China as it exists today gradually took shape. This historical process underscores a simple but important truth: Sustainable solutions arise only from pragmatic approaches tailored to a nation's specific circumstances and realities. Since the founding of the PRC, this principle of pragmatism has guided many of China's most pivotal decisions—from the historic normalization of relations with the United States to the launch of the reform and opening-up policies that propelled China's rapid modernization. Had China chosen alternative paths, the country and indeed the world today would look very different.

And now China offers its own solution to all who would listen: a peaceful and empowering evolution, rather than a hard rupture of disruption—through the five principles first articulated at the Bandung Conference in 1954: mutual respect for sovereignty, non-aggression, non-interference, equality and mutual benefit, and

peaceful coexistence. China is offering itself up, engaging economically and peacefully with every continent, looking toward the mutual benefit born of trade, trust and capacity building that can glue us all together in an evolution, not a revolution, to bring the world together and make it a better place. From the China-CELAC forum in Latin America to the China-FOCAC forum in Africa, from the ASEAN-X models to the Regional Comprehensive Economic Partnership (RCEP), China is committed to this path.

In sum, the world stands at a crossroads of evolution and disruption. The trend toward multipolarity and regional integration marks a clear break from the colonial era's spheres of influence and the rigid bipolarity of the Cold War. Today's world is shaped by voluntary cooperation among sovereign states, overlapping, inclusive regional frameworks, and pragmatic, flexible strategies rooted in each nation's history and culture. China's approach—anchored to long-term goals while adapting with flexibility—exemplifies how historical wisdom and practical experience can provide stability and opportunity amid uncertainty. As global power continues to diffuse and regional networks grow more complex, the ability to adapt, cooperate, and maintain clarity of purpose will be essential to navigating the challenges and opportunities of the multipolar age.

China-Led SCO Is a Critical Salve for the Ailments of the Global Order⁸

As the world faces fragmentation and interstate conflict that has not been seen in decades, the Shanghai Cooperation Organisation is working to drive practical solutions. Neither it nor BRICS seek to replace the United Nations, but amid UN paralysis, organizations that champion regional multilateralism can help sustain global order.

Eighty years after World War II ended, the multilateral system is faltering. The United Nations, once the symbol of post-war peace and cooperation, is increasingly sidelined by unilateral actions and trade wars, amid the marginalization of the Global South in decision-making.

We are at risk of a world where tariffs and sanctions replace negotiation, conflicts multiply, and the very principles of international law are often ignored. If the international community is to avoid drifting further into fragmentation, new governance approaches are urgently needed.

It is in this moment of turbulence that the Shanghai Cooperation Organisation (SCO) gathered in Tianjin, China, for its largest summit ever, underscoring its growing role as a forum for stability, dialogue, and development across Eurasia.

What began over two decades ago as a regional body to manage border security has evolved into a comprehensive institution with economic, cultural, and, increasingly, global faces. The summit delivered not only political dialogue but also set forth new mechanisms of cooperation, including a SCO development bank.

Chinese President Xi Jinping also unveiled his Global Governance Initiative, the latest of proposals that include the Belt and Road Initiative, Global Development Initiative, Global Security Initiative, and Global Civilisation Initiative. The new framework sets out five guiding principles: sovereign equality, adherence to the international rule of law, support for multilateralism under the UN system, people-centered development, and action-oriented cooperation. The SCO embodies the five principles, providing a platform for countries of different cultures, ideologies, and political systems to cooperate. It is a critical salve for the ailments of today's global system, in which some states raise tariffs and undermine global institutions, while others call for reform but fail to deliver.

Economic and trade issues stood out in Tianjin. Amid mounting protectionism, the SCO committed to keeping regional markets open and inclusive. Europe has moved to tighten rules on imported vehicles and the United States continues to rely on tariffs and sanctions as tools of leverage, but China has gone in the opposite direction. It is removing its tariffs for 53 African countries, opening its market to some of the world's poorest nations.

The message is simple: as globalization looks to be retreating, there are still major powers willing to promote openness and inclusion. For SCO members and their partners, that example provides confidence that there is a cooperative path forward.

⁸ First published on September 12, 2025 by SCMP and revised for this collection.

Just as important, the summit placed digital cooperation and green transition at the heart of its agenda. Across the SCO, local champions from fintech to e-commerce are reshaping economies, while China is providing infrastructure, training, and technological expertise. Projects linking renewable energy to computing capacity, as in Xinjiang, offer models of how to combine resource endowments with sustainable innovation.

SCO member states also pledged to expand scholarships, scientific exchanges, and joint research programs, investing in the human capital needed for the next development phase. These steps reflect the action-oriented spirit China emphasized, turning rhetoric about cooperation into measurable outcomes.

But the SCO is not only about economics. In a world where interstate war has returned on a scale unseen in decades, the organization's convening power is itself a public good. The Tianjin summit saw the leaders of China, India, and Pakistan at the same table—a rare moment given historical tensions in South Asia. Such encounters do not resolve disputes overnight, but they build the habits of dialogue and trust that are indispensable for peace.

Similarly, the SCO provides a forum where discussions on Ukraine, Gaza, and other conflicts can take place without the ideological divisions that often paralyze other bodies. Its capacity to bring diverse actors together, including states with different political systems and security concerns, is becoming an important counterweight to the polarization dominating global affairs.

The SCO is no replacement for the UN, nor does it seek to be. But as the UN grapples with paralysis, regional multilateralism has a growing role to play in sustaining global order. Alongside BRICS, which has expanded its outreach to Africa and Latin America, the SCO shows how the Global South can organize, articulate its interests, and create institutions. Neither of these organizations reject the current global system; rather, they seek to reinforce the principles of the UN Charter through practical initiatives.

China's role in this evolution is central. As the world's second-largest economy, it has both the responsibility and resources to support multilateral efforts. By cutting tariffs, financing infrastructure, sharing technology, and convening dialogue, it shows leadership is not only about military power or diplomatic rhetoric, but also ability to generate benefits and confidence. Whether through the Belt and Road Initiative, development banks, or SCO projects in energy and digital transformation, China shows multilateralism can be revitalized through deeds.

The world is in danger of drifting into disorder. Conflicts are rising, global trade rules are under strain, and the legitimacy of international institutions is being questioned. But the lesson of Tianjin is that alternatives exist. By broadening its mission, launching institutions, and embracing inclusiveness, the SCO shows it can be a pillar of multipolar stability. The Global Governance Initiative's framework provides a philosophical compass, while the SCO and BRICS supply the practical means to steer through turbulence.

If the post-war multilateral system is to be repaired, vision and action are required. The SCO's evolution suggests that even in an era of fragmentation, models of cooperation are emerging. For the over 3 billion people of its member states and the wider international community, this is an unalloyed good.

Only a Multipolar Coalition Can Secure Ukraine Peace⁹

To move forward, negotiations must be conducted on the basis of security guarantees that reflect today's geopolitical realities.

The now-delayed meeting between US President Donald Trump and his Russian counterpart Vladimir Putin in Budapest, Hungary, could have been a turning point toward peace in Ukraine. Instead, it has revealed a deeper fault line.

However, it is one that can be overcome. Even the Kremlin's special envoy for investment and economic cooperation, Kirill Dmitriev, believes that the parties are close to ending the war.

The global community should offer an offramp and seek a middle ground amenable to both sides. No ceasefire, however well-meaning, will work unless it factors in the deeper struggles around Europe's security posture and Russia's anxieties about the West. In short, what is needed is credible enforcement and balanced security guarantees.

In this regard, Kyiv rightly demands protection from future aggression. Meanwhile, Moscow insists on assurances that NATO the transatlantic security alliance, will not creep closer to its border. The fact that the Budapest summit was even on the table indicates that both sides are, at least ostensibly, open to "freezing" the conflict. However, trust is running thin.

I have previously argued for the creation of a formal seven-party talks framework, reminiscent of the Korean six-party talks, comprising the UN Security Council's five permanent members—the United States, France, Britain, China, and Russia—plus Ukraine and representatives of the European Union. But now, an older precedent can offer guidance: the Korean Armistice Agreement of 1953 did not end the war, but it greatly reduced the violence.

Such an approach, if enacted with the help of neutral third-party oversight, could offer a viable path outside maximalist goals. If Ukraine and Russia are serious about halting the fighting, they will need to embrace a peacekeeping framework strong enough to deter violations but neutral enough to be accepted by both.

Such a force cannot come solely from NATO or Russia. It must draw legitimacy from a broader international coalition that reflects today's multipolar reality. The UN is an indispensable vessel for establishing such a presence, but any peace-building efforts must be strengthened by the involvement of BRICS countries that have maintained dialogue with Russia and Ukraine.

Troops or observers from China, India, Brazil, or South Africa deployed alongside European partners such as Germany, France, Italy, Britain, and Poland could support the balanced mission the situation calls for. Their presence would show that the world's major regions share responsibility for security issues and would allay concerns that peacekeepers would not honor their mission.

China can play a constructive role. It is both Russia and Ukraine's largest trading partner and has maintained communication with all sides since the beginning of the

⁹ First published on October 29, 2025 by SCMP and revised for this collection.

war. Beijing's 12-point peace proposal emphasized sovereignty, humanitarian access, and the avoidance of nuclear escalation, principles that remain valid.

More recently, China has expanded its cooperation with BRICS and called for inclusive diplomacy to address conflict. Acting through the UN and in coordination with BRICS, China can serve as a guarantor of peace and peacekeeper, helping design a neutral framework that bridges the security fears of each camp.

The delayed Budapest talks should not be read as the end of diplomacy, but as a chance to begin a more realistic process. Should talks proceed, a wider table might be found at the coming Asia-Pacific Economic Cooperation summit in Gyeongju, South Korea, this week. President Xi Jinping, Trump and a Russian delegation are expected to be there, as are leaders from across the Asia-Pacific, a region known for both conflict and reconciliation.

On the sidelines, an informal trilateral meeting could be convened to explore the outlines of a "Gyeongju Ceasefire Initiative," paving the way for a formal peace conference under UN auspices that includes the organization's Security Council, Ukraine, and the EU.

For Washington and Moscow, this would provide a dignified exit from confrontation. For Kyiv, it would offer concrete protection and a pathway to reconstruction. For Europe, it would reduce the strain of endless crisis management. And for the Global South, it would mark a long-overdue moment when emerging powers help shoulder the burdens of peace.

A carefully crafted freeze in hostilities could unlock humanitarian corridors, stabilize food and energy supplies, and help kick-start Ukraine's recovery, a task that will require the industrial and financial capacities of both the West and Asia.

Some may dismiss this lofty proposal as idealistic, but the same might have been said of Germany and France being in the same political union or the Korean Armistice Agreement being mostly maintained over the years. Peace doesn't have to come from mutual affection. It can grow from managed coexistence.

The delay of the Trump-Putin summit was not rooted in personal mistrust but rather in the absence of the right frameworks to monitor and support badly needed security guarantees. That gap can and must be filled by the wider international community.

The war in Ukraine has reshaped global politics and strained institutions that were designed for another era. If the UN and BRICS can forge a credible peacekeeping framework that freezes violence while enabling negotiations, the outcome would not only save Ukrainian lives but also show that global cooperation can triumph over great power competition.

A truce enforced by shared responsibility is better than a victory won with exhaustion and needlessly filled graves. Diplomacy without design cannot endure. The world should seize the moment before it slips away. In Gyeongju, the United States, Russia, China, and other partners have a chance to chart a path away from attrition and toward stability.

The Outlook for Multilateralism Under the Shadow of Protectionism¹⁰

Advancing economic integration and cooperation among Asian nations can help to spur a broader movement toward multilateralism and drive global recovery and institutional reform in a direction that is more equitable.

As we enter 2025, the rise of unilateralism and protectionism has dealt fresh blows to global stability and economic recovery. The global economy's challenges and uncertainties are mounting, fueling growing concern and anxiety within the international community. Against this shifting global backdrop, how to advance economic globalization and uphold multilateralism has become a pressing issue for Asian countries. Around the world, trade barriers, economic sanctions, tariffs, and other protectionist measures have hindered cross-border economic cooperation and restrained global growth. In such a context, how Asian countries can take on a more proactive role in driving global economic recovery and stability, particularly in promoting sustainable development and economic integration, has become a key issue in the current global economic landscape.

As the global economic environment continues to evolve, Asian countries' strategic importance is increasing. The ongoing Boao Forum for Asia Annual Report on Asia's Economic Outlook highlights how Asian countries like China are taking the lead globally in growth promotion, green development, energy transition, and innovation, especially in cutting-edge technologies like artificial intelligence. This shift has not only spurred regional economic expansion in Asia but also injected strong momentum and vast potential into the sustainable development of the global economy.

Yet the global trade landscape is being reshaped by the rise of protectionist policies, most notably those stemming from US unilateralism and protectionism. Prolonged trade wars, escalating tariffs, and tightening economic restrictions have posed severe challenges to both China and the broader global economy.

Despite mounting external pressure, China has responded with a measured and strategic approach by prioritizing market openness and diversification of trade partnerships. China has demonstrated resilience amid a turbulent global trade environment through tax cuts and by granting tariff exemptions to over 40 of the world's least developed countries (LDCs).

One telling indicator of this shift is the declining role of the United States in China's overall trade portfolio: the United States now accounts for just 11% of China's total imports and exports, down about 10% from a peak of 21.5% in 2002. Although the United States has imposed steep tariffs on Chinese goods, the protectionist measures spearheaded by the Trump administration have ultimately failed to suppress the growth of bilateral trade. In fact, despite tariff pressures, the total volume of China-US trade has risen from \$500 billion to over \$600 billion, marking about a 20% increase.

¹⁰ First published on March 27, 2025 by CGTN and revised for this collection.

In addressing global economic challenges, China has responded with restraint and strategic precision rather than resorting to sweeping retaliatory measures. For instance, China opted for targeted countermeasures on roughly 100 specific product categories instead of launching all-out trade retaliation. This calibrated response reflects a fundamental economic truth: in a trade war, there are no winners.

In this context, the pursuit of Asian integration takes on heightened significance. As one of the primary engines of global economic growth, China should work proactively to deepen cooperation with its regional neighbors, including the Association of Southeast Asian Nations (ASEAN), India, South Korea, and Japan, to lay the groundwork for a broader Asian alliance. Beyond economics, Asia also possesses unique cultural elements that can serve as powerful bonds of unity. Shared traditions, such as Confucian values and the symbolic “chopstick culture,” reflect common philosophical roots and lifestyles that can help foster a stronger sense of regional solidarity. Over time, this envisioned Asian alliance could encompass Central Asia, South Asia, the Gulf region, and even parts of the Pacific Rim, contributing to global economic integration.

In addition to regional integration, establishing cooperative mechanisms like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is equally vital. Through multilateral cooperation, Asia can forge greater resilience and unleash more innovative potential, accelerating regional economic integration while supporting the broader recovery and development of the global economy. The CPTPP is not just a supplement to the international free trade system; it is a significant force driving Asia’s own integration and advancing globalization more broadly. Over the coming years, Asia’s economic potential is expected to expand substantially, particularly in emerging sectors such as intelligent manufacturing, green development, and the digital economy.

As a major player in global trade, China should deepen cooperation with the European Union, Australia, and Latin American countries to help shape a more open, fair, and inclusive global trade system. The World Trade Organization (WTO) remains the central governing body of international trade, and preserving its authority is essential to ensuring that global commerce continues to operate within a rules-based framework. China has consistently advocated for WTO reform and multilateral trade agreements recently. In September 2024, during the WTO Public Forum, the Center for China and Globalization (CCG) hosted a seminar at WTO Headquarters in Geneva, emphasizing the importance of advancing trade liberalization. The event urged global economies to take initiative in pushing trade reform, rather than passively waiting for the United States to re-engage in the multilateral system.

In conclusion, under the growing shadow of protectionism, Asian countries must remain committed to multilateralism, advance their efforts to enhance regional cooperation, and assume greater global responsibility. By advancing integration within Asia and deepening cooperation with other global economies, the region is poised to become an important engine of global growth. It will play an increasingly central role in shaping the world economy. The current challenges and uncertainties are a test of resilience and a critical opportunity to drive economic recovery and long-term development. Asian countries should take on a more proactive role in this process, working together to help steer the global economy toward a more stable, prosperous, and sustainable future.

Toward a More Multipolar World: Sino-US-Europe Dynamics in the Trump 2.0 Era¹¹

The return of Donald Trump to the White House also marks a return to “America First” policymaking, putting Europe in a difficult position, sowing division in the transatlantic relationship. An intended but positive consequence however is Europe’s newfound ability to act as a balancing pole.

On April 2, 2025, the United States imposed a 10% baseline tariff on all imports, alongside sharply higher rates on goods from around 60 countries—34% on China, 25% on South Korea, and 20% on the European Union. Shortly thereafter, President Trump further raised tariffs on Chinese products to an unprecedented 145%. This new wave of protectionism, amid intensifying geopolitical tensions, is set to reshape the dynamics of US-China-Europe relations. Even Europe—long a close ally of the United States—is feeling the strain, as trust in multilateral cooperation erodes under growing policy fragmentation and market volatility.

Against the backdrop of a complex and rapidly changing global landscape, the Trump administration’s policies are set to lead to significant adjustments in Sino-US-Europe relations, bringing both opportunities and challenges. These adjustments are manifesting in several ways: (1) China and the United States will seek to preserve stable relations despite ongoing turbulence, (2) the transatlantic alliance between the United States and Europe will face pressure, and (3) China and Europe have some cooperative space in dealing with Trump’s policies. Overall, China, the United States, and the EU are heading toward a more multipolar relationship.

Sino-American Relations: Seeking Balance amid Turbulence

Trump’s policies remain unpredictable, yet his transactional and business-oriented approach is evident. Under his administration, US-China relations will inevitably struggle to find balance amid ongoing turbulence.

Tariff Policy: A Key Focus of Trump’s Trade Relations with China

The Trump administration remains fixated on bilateral goods deficits as a measure of national decline, but this view ignores the basic structure of the US economy. In 2024, the United States recorded a services trade surplus of \$300 billion¹² and this discounts contributions by local branches of US multinationals abroad. Moreover, advantages like the dollar’s seigniorage, overseas investment returns, and its unmatched capacity to attract global talent—with 60% of Nobel laureates working in the United States and

¹¹ First published on May 15, 2025 by *Limes* and revised for this collection.

¹² United States Congress Joint Economic Committee, Trade Update, May 2025.

47% of American AI talent originating from China¹³—reflect its privileged position in the international system.

The privileged position of the United States doesn't end there. The revenue of US-owned enterprises in China significantly exceeded that of Chinese-owned enterprises in the United States by \$400 billion.¹⁴ 80% of Apple phones are made in China and count as Chinese exports,¹⁵ but the money is made by Apple, a US company that designs and marksup the completed iPhone and its digital ecosystem.

Far from being a victim of globalization, the United States has been one of its greatest beneficiaries. In truth, the only area where the United States runs a consistent trade deficit is in goods manufacturing—and this was never an accident. America made a deliberate and calculated shift toward a service-driven, high-tech economy. It moved away from low-margin, labor-intensive, and often polluting industries toward sectors that are cleaner, more profitable, and globally dominant. The United States is leading the world in education, technology, biosciences, the digital economy, and AI. The United States cannot simply play a “winner takes all” game where it dominates even labor-intensive industries that it previously abandoned. To now treat this shift as a failure is to rewrite decades of economic policy.

Although China and the United States have recently resumed negotiations—and President Trump has signaled a possible reduction in tariffs—trade barriers are likely to remain a central issue in bilateral relations for the foreseeable future.

Potential for Chinese Investment in the United States

Trump has been relatively open to Chinese investment in the United States and may use it to boost domestic manufacturing. While Trump aims to block Chinese car imports, he has also expressed willingness to support Chinese automakers setting up manufacturing operations in the United States. During the previous trade war, many Chinese companies established factories in Mexico to circumvent tariffs. If the United States adopts policies encouraging Chinese enterprises to invest and set up factories domestically in the United States, this could open new avenues for Sino-US economic cooperation. Success stories like Fuyao Glass and CATL's investment talks with American firms highlight the feasibility of such a model.

Additionally, Trump may look at repealing portions of the Infrastructure Investment and Jobs Act, CHIPS and Science Act, and the Inflation Reduction Act passed by the Biden administration. He may redirect unused funds to traditional infrastructure projects, contrasting with the more restrictive approach taken by the Biden administration toward Chinese investment.

¹³ Ma Yingyi, “US security and immigration policies threaten its AI leadership,” Brookings, April 4, 2024.

¹⁴ Zhao Huanxin, “Envoy: China doesn't want or fear trade war,” chinadaily.com.cn, May 5, 2025.

¹⁵ Andy Hirschfeld, “Apple to move assembly of US phones to India in shift away from China,” Al Jazeera, April 25, 2025.

Space for Negotiation: Trump's "Peace President" Promise

In the geopolitical arena, Trump has pledged to be a "peace president." Trump's plan, which bars Ukraine from joining NATO and relies on European forces to keep the peace, faces widespread skepticism. With Russian President Vladimir Putin likely to resist a Western-led peacekeeping force, the Trump administration has shifted the dynamics: no US troops, relying instead on contributions from Europe and potentially elsewhere. Given China's diplomatic ties with Russia and several Middle Eastern countries, it is likely that Trump will seek Beijing's cooperation in addressing these issues.

China's active role in Middle Eastern diplomacy, such as brokering a deal between Saudi Arabia and Iran and hosting meetings with Palestinian factions, reflects its growing influence in the region. Having contributed more UN peacekeepers in recent years than any other permanent UN Security Council member, China could spearhead a neutral force, possibly alongside India and Brazil.

On the Korean Peninsula, Trump previously sought China's assistance in addressing North Korea's nuclear challenges. Although his efforts were unsuccessful in his first term, the situation on the Peninsula has escalated, with tensions between North and South Korea approaching a crisis. To fulfill his promise of being a "peace president," Trump may again seek China's help.

Trump's Pragmatic Approach to Taiwan

Trump's approach to Taiwan has been more pragmatic compared to other administrations. He may seek to maintain a dynamic balance with China on Taiwan, avoiding further escalation of tensions in the Taiwan Strait. This contrasts with the Biden administration, which strengthened military and political ties with Taiwan, undermining the "One China" policy and escalating risks to regional stability.

Some US experts have recommended reaffirming the "One China" policy, and Trump may choose to do so, potentially exploring new measures to strengthen this commitment. Negotiating a new joint communiqué could be a step toward better managing Taiwan-related tensions, such as ceasing arms sales to Taiwan and opposing "Taiwan independence."

Transatlantic Relations: Shifting Dynamics

During the Biden administration, Europe followed the United States on many issues, resulting in relatively stable US-EU relations. However, Trump's "America First" policies and his return to power could deeply impact the US-EU relationship.

Trade Relations Under Threat

Trump's tariff war is likely to trigger global trade tensions, disrupt the stability of global supply chains, and lead to a sharp deterioration in the international trade environment. This will undoubtedly be a severe blow to Europe's economy, which is highly dependent on foreign trade.

According to data from the EU Statistical Office, in 2023, the total value of goods exported from the EU to the United States reached 502 billion euros, while imports from the United States totaled 344 billion euros, resulting in a trade surplus of 158 billion euros. The United States is the EU's largest destination for goods exports, accounting for 19.7% of total EU exports; it is also the EU's second-largest source of goods imports (after China), accounting for 13.7% of total EU imports.¹⁶

This data shows that the United States is the EU's largest export market. An increase in tariffs will cause European goods to become significantly more expensive in the United States, weakening their market competitiveness and affecting the already struggling EU economy. Jan Hatzius, Chief Economist at Goldman Sachs, stated that if a transatlantic tariff war breaks out, the EU will suffer greater losses than the United States. The tariff war is expected to reduce the EU's GDP by 1%.¹⁷ According to Germany's Ifo Institute for Economic Research, the tariff war could lead to a 14.9% decline in Germany's exports to the United States.¹⁸

Security Concerns

European security will face serious challenges. NATO is the cornerstone of European security, the bond that maintains the transatlantic relationship, and also a tool for US control over Europe. The United States not only has 100,000 troops stationed in Europe and tactical nuclear weapons deployed, it also possesses a large network of military bases on the continent. Germany's Stuttgart military base hosts the United States. European Command and the US Africa Command, while Italy's Naples naval base is the headquarters of the US Sixth Fleet. Recently, following Romania, the United States has deployed a land-based "Aegis" missile defense system in Poland.

During the "Trump 1.0 era," the US government withdrew from the Intermediate-Range Nuclear Forces Treaty and the Open Skies Treaty, reduced the number of US troops stationed in Germany, and explicitly demanded that its allies increase defense spending, even threatening to withdraw from NATO, which severely impacted European security. With Trump's strong return to power, he has made it clear that NATO allies must increase defense spending to 5% of GDP and questioned the high financial contributions of the United States to NATO.

¹⁶ Zhang Linchu, "The Impact of Trump's Election on EU-US Relations and Sino-European Relations", cfisnet, November 18, 2024.

¹⁷ Chartered Institute of Export and International Trade, "What could the new Donald Trump presidency mean for trade?" November 6, 2024.

¹⁸ ifo, "Germany's US exports could fall by 14.9% if Trump is re-elected", September 23, 2024.

If the Trump administration ultimately adopts these policies, it will deal a significant blow to European security strategy. Europe will not only need to increase military spending but also assume more security responsibilities, which will further strain Europe's financial burden. Reports indicate that by 2024, defense spending in 18 NATO countries will have reached the 2% GDP target, while 14 countries still have not met the NATO-mandated 2% standard. Against the backdrop of economic sluggishness, this is undoubtedly a severe test for the EU.¹⁹

The Russia-Ukraine War: A Major Test for US-EU Relations

The Russia-Ukraine war serves as a litmus test for transatlantic relations, but the situation is becoming increasingly complex. For Europe, the Ukraine issue extends beyond regional security, shaping the entire European security architecture. However, significant disagreements between the United States and Europe are inevitable, particularly regarding aid to Ukraine, potential peace negotiations, post-war security structures, and relations with Russia. These differences will have far-reaching consequences for US-EU relations, European security, and the evolving international order. Meanwhile, internal divisions within the EU are also emerging. Economic slowdowns, the energy crisis, and growing public dissatisfaction are leading some EU countries to reconsider their support for Ukraine. As a result, the trajectory of the Russia-Ukraine war will serve as a key indicator of shifting dynamics in transatlantic relations.

Global Governance Challenges

The United States and Europe face numerous challenges in global governance. During the "Trump 1.0 era," Trump adopted a skeptical, resistant, and even destructive attitude toward global governance and multilateral mechanisms. He withdrew from organizations such as UNESCO and the World Health Organization. After his re-election, Trump continued withdrawing from agreements like the Paris Agreement and the UN Human Rights Council, while exploring ways to counterbalance existing multilateral mechanisms by strengthening bilateral relations and small multilateral cooperation.

The EU actively advocates for multilateralism and is committed to strengthening the global governance system by cooperating with international organizations and countries to tackle global challenges together. The EU has always played an active role in addressing climate change, striving to promote global efforts to combat climate change and biodiversity loss. Therefore, the EU and the Trump administration will face numerous challenges and policy differences in global governance, which will seriously impact US-EU relations and undermine America's leadership in transatlantic relations.

¹⁹ NATO, "Secretary General welcomes unprecedented rise in NATO defence spending", February 14, 2024.

Sino-European Relations: New Opportunities Amid Challenges

In recent years, Sino-European relations have developed with mixed outcomes. On the one hand, bilateral relations have shown signs of stabilizing, with frequent high-level exchanges, reflecting a trend in some European countries and the EU to correct their policies toward China and return to a more rational approach. This demonstrates the complementary advantages and mutually beneficial nature of Sino-European cooperation. On the other hand, influenced by the EU's "threefold positioning" toward China and its efforts to "derisk," trade protectionism, the politicization of economic issues, and a general trend toward security and ideological thinking have caused turbulence in Sino-European trade relations. However, if the Trump administration continues with its "America First" and isolationist policies, Sino-European relations may experience a new turning point.

Sino-European Cooperation in Facing the US Trade War

Trump's trade protectionist policies could further deepen Sino-European economic relations, pushing the EU to rely more on the Chinese market for diversifying trade risks and maintaining export growth. For the EU, maintaining stable export markets and diversified trade partners is crucial. As the world's second-largest economy with the most promising consumer market, China will become an "alternative" option for the EU's economic development. Furthermore, the Chinese government has been actively promoting greater openness and continuously optimizing its business environment, offering more attractive investment opportunities for EU enterprises. In 2023, Sino-European trade reached \$783 billion (€847.3 billion), with China being the EU's largest trading partner, while the EU is China's second-largest trading partner.²⁰ Therefore, if Trump were to wage trade and tariff wars against both Europe and China, despite varying intensities, the result would force China and the EU to jointly respond to the US trade and tariff wars.

Sino-European cooperation could be reignited in electric vehicle tariff negotiations, where both sides would strive to manage differences, enhance trust, and reach agreements for mutual benefit. The automotive industry is a key engine for Europe's prosperity, supporting over 13 million direct and indirect jobs and contributing approximately €1 trillion to the EU's GDP.²¹

Currently, the European automotive industry faces multiple challenges, including clean energy transformation, supply chain restructuring, and technological innovation. China's industrial chain advantages in new energy vehicles complement Europe's advanced manufacturing capabilities, presenting a significant opportunity

²⁰ Ministry of Foreign Affairs of the Republic of China, "Join Hands to Promote the Healthy and Stable Development of China-EU Relations", November 21, 2024.

²¹ "The European Union Launches Strategic Dialogue on the Automotive Industry and Will Present an Action Plan in March to Address Transformation," Caixin, January 31, 2025.

for cooperation. Existing Sino-European automotive industry partnerships, such as the successful Geely-Volvo collaboration and joint ventures with Volkswagen and BMW in China, demonstrate how both sides can deepen cooperation and address these challenges through complementary strengths. Specific collaboration paths include jointly establishing production bases in Europe to address potential trade barriers and working together to explore emerging markets in Southeast Asia, Latin America, and other regions. The layout of BYD in Europe and CATL's overseas expansion can provide useful references for this cooperation.

Renewing Investment Agreements

The EU-China Comprehensive Agreement on Investment (CAI) has faced significant delays and hurdles due to political tensions and concerns over human rights issues. However, under Trump's isolationist policies, there is a potential opportunity for the revival of this agreement. If this agreement is successfully revived, it could have a profound impact on Sino-European relations, enhancing political, economic, and cultural cooperation. The CAI could provide a framework for addressing disputes while promoting collaboration in critical sectors such as technology, energy, and manufacturing. Both sides stand to benefit from a stronger economic partnership. For China, the agreement would improve its international image and help solidify its position as a responsible global economic player, while also unlocking new avenues for economic integration with Europe. For Europe, the agreement could provide access to China's vast consumer market, investment opportunities, and technological innovations. In addition, the potential for smoother trade relations and investment flows would provide European companies with more favorable conditions to expand their operations within China.

Leading the Green Transition

As the world grapples with the escalating impacts of climate change, both China and Europe are increasingly being called upon to take a leadership role in the global green transition. China, having made significant strides in the development of renewable energy, particularly solar power, is positioned to play a crucial role in the green transition. As the world's largest producer of solar panels and a major player in wind and hydroelectric energy, China's efforts to transition to a low-carbon economy are critical not only for its own long-term development but also for global climate goals. Meanwhile, Europe, with its commitment to green policies such as the European Green Deal, is already on the path to achieving carbon neutrality by 2050. China's collaboration with Europe in advancing green technologies, renewable energy infrastructure, and carbon reduction strategies is essential to achieving the ambitious global climate targets set by the Paris Agreement. By pooling resources and expertise, China and Europe can set a powerful example of international cooperation in the fight against climate change.

Collaborating on Artificial Intelligence (AI)

Artificial Intelligence (AI) is transforming industries and societies across the globe. Both China and Europe are at the forefront of AI development, with China rapidly advancing its AI capabilities in sectors such as e-commerce, autonomous vehicles, and healthcare, and Europe investing heavily in AI research and development, particularly in areas like ethics and regulation. Given the vast potential of AI to revolutionize the global economy, China and Europe must work together to ensure its responsible, equitable, and sustainable development.

The urgency of addressing AI as both an opportunity and a challenge was underscored at the inaugural Global AI Summit in London, where leaders from various countries discussed the future of AI governance. At this year's Global AI Summit in Paris, 61 countries signed a declaration to establish an inclusive and sustainable AI governance mechanism, while both the United States and the United Kingdom refrained from signing it. By collaborating on AI, China and Europe can work together to create robust ethical guidelines, establish fair regulatory frameworks, and advance technological innovations that improve the quality of life for people worldwide.

Upholding Multilateralism

Both China and the EU share a commitment to multilateralism and global governance, which is increasingly important in a world facing complex global challenges. The EU has long been a proponent of multilateralism, actively participating in global initiatives and working through international organizations such as the United Nations, the World Trade Organization, and the World Health Organization. For the EU, multilateralism is not just a political strategy but also a reflection of its values of inclusivity, collaboration, and peace.

China, too, has embraced multilateralism in its foreign policy, as demonstrated through initiatives such as the Belt and Road Initiative (BRI) and the Global Development Initiative (GDI). These initiatives promote global cooperation, trade, and development, with China positioning itself as a key partner in driving international connectivity and economic growth. Additionally, China has actively contributed to global governance by participating in institutions like the G20, the Shanghai Cooperation Organization, and the BRICS bloc, and by taking a leading role in addressing global challenges such as poverty alleviation, global health, and sustainable development.

The United States, particularly under the Trump administration, has increasingly adopted unilateral approaches to global challenges, withdrawing from key international agreements such as the Paris Climate Accord and the World Health Organization. This shift has created a gap in global leadership, with China and the EU stepping in to advocate for multilateral solutions to pressing global issues. By working together, China and the EU can fill this leadership void, advancing global cooperation on issues such as climate change, global trade, and conflict resolution.

Conclusion: A More Multipolar World

The relationship between China, the United States, and Europe is evolving into a more multipolar direction. The EU needs China to help balance the United States. In the context of great power competition, or from the perspective of the China-US-Europe triangle, Trump's victory has made the EU realize that it has to maintain strategic autonomy, increase its influence in international affairs, and establish itself as a key player in a multipolar world. China is increasingly seen as a stable and reliable partner.

At the same time, with Trump back in the White House, the EU may gain more autonomy in shaping its policies toward China, allowing it to prioritize its own interests over those of the United States. In the face of American pressure, China also needs Europe. China must incentivize Europe to act as a balancing pole, while also seeking access to Europe's markets and technology.

In conclusion, a more multipolar relationship between China, the United States, and Europe is beneficial for global stability and development. All three regions should work to advance and strengthen this evolving dynamic.

China and the Global South: Unleashing the Tides of Transformation in the Global Order²²

The Global South has become a powerful force that is reshaping the global order and is setting a course focusing on development and economic globalization that provides opportunities for both China and other leading economies to enhance global economic development together.

The rise of the Global South has become an inescapable and pressing reality that demands our immediate attention, according to Comfort Ero “with a profound and unwavering focus on development and full-scale participation in economic globalization, the Global South is no longer a peripheral force but a central driver of change in the global arena.”²³

Over the past several years, China has been actively forging strategic and meaningful ties with countries of the Global South. Through various cooperation mechanisms, China has contributed to infrastructure building, trade expansion, and technological sharing, playing a significant role in promoting the development of these regions.

However, the development of the Global South is not a task that one country can achieve alone.²⁴ It requires the joint efforts of the international community. China, the United States, and Europe, as major players on the global stage, should put aside differences and collaborate to promote the all-around development of the Global South. Establishing a New Bretton Woods System in a way that incorporates the Global South is not only an absolute necessity but also remarkably advantageous. Additionally, Canada, as an important middle power, has the potential to bridge the relationship between Western countries and the Global South, leveraging its unique position to facilitate dialogue, cooperation, and mutual understanding. Together, we can unleash the full potential of the Global South and reshape the global order in a more inclusive and prosperous way.

The Rise of the Global South

The “Global South” does not have an authoritative international definition. Generally, it refers to developing countries in Africa, Latin America and the Caribbean, Pacific Islands, and Asia.²⁵ After the end of the Cold War, the disintegration of the bipolar system led to a decline in the use of the term “developing countries,” “Third World,”

²² First published in *Southern Powers and Global Dis/Order: Canada Among Nations* 2025, Spring Nature (not published yet) and revised for this collection.

²³ Comfort Ero, “The Trouble With ‘the Global South—What the West Gets Wrong About the Rest”, *Foreign Affairs*, April 1, 2024.

²⁴ Jacqueline Anne Braveboy-Wagner, eds, *Diplomatic Strategies of Rising Nations in the Global South: The Search for Leadership and Influence*, Palgrave Macmillan Cham, 2024.

²⁵ “The Emergence of Global South and its International Influence,” *The Paper*, December 8th, 2023.

and “underdeveloped countries,” while the more moderate and neutral “Global South” has gradually gained popularity as an alternative.²⁶ However, compared with other concepts, the connotation of the “Global South” goes beyond geographical boundaries and economic categories, and more refers to a group of countries with diverse values, cultural traditions, development levels, and diversified interests.

The rise of the Global South reflects profound shifts in the global order. The inception of the current global system is rooted in the Bretton Woods framework of the 1940s. However, since the 1980s, this system which had already departed from the gold standard has faced significant challenges. Developed countries have seen their share of global GDP diminish as the Global South has experienced rapid growth. In recent years, with the expansion of economic globalization and steady progress in South-South cooperation, the overall economic situation in the “Global South” has continued to improve significantly and the grouping has become a major force in promoting world economic growth. Recent data shows that, calculated in terms of purchasing power parity, BRICS countries, largely composed by the “Global South,” now comprise a greater share of global GDP than G7 economies.

The “Global South” has naturally gradually expanded its international influence and pushed for the reform of the global governance system by creating a series of international and regional organizations, including the League of Arab States and the African Union, as well as by participating in major international multilateral conferences such as the BRICS Summit and the G20 Summit. In September 2023, for example, the 18th G20 Summit invited the African Union to become a full member. In the same month, the United Nations General Assembly adopted on a theme of “development” and discussed issues such as climate change and sovereign debt relief, which are major concerns of “Global South” countries. The strategic independence of the “Global South” has also improved, further promoting the democratization of international relations.

Economic Globalization: Key to the Development of the Global South

Many countries in the Global South, having emerged from the grip of colonial rule, are acutely aware of the difficult journey toward economic development.²⁷ Their struggles, marked by sacrifices and relentless efforts, have been focused on forging development paths suited to their unique circumstances. For these nations, economic globalization—which prioritizes economic development—is seen as the key to progress. They tend to prioritize development over ideology or democracy in their approach to international relations and the shared consensus among the Global South is that development remains the highest priority.

²⁶ Joseph S. Nye, “What is the Global South”, China US Focus, November 3, 2023.

²⁷ Oliver Mtapuri, eds, *Poverty, Inequality, and Innovation in the Global South*, Palgrave Macmillan Cham, 2023.

Economic globalization stands in contrast to the rising trends of militarization and populism in many countries. As countries increasingly turn inward, focusing on protectionism and nationalist policies, economic globalization advocates for greater openness, cooperation, and interdependence between nations.²⁸ This clash is evident in the actions of key global players. For example, the United States has adopted more protectionist measures in recent years, imposing tariffs on a range of countries, including China, Canada, and several European nations, under the guise of defending domestic industries and safeguarding the national interest. In contrast, China, recognizing the importance of fostering stronger ties with the developing world, has taken a different approach by reducing or waiving tariffs for the least developed countries (LDCs). This divergence highlights the contrasting approaches to globalization: while some nations move toward economic isolationism, others embrace the idea of fostering international cooperation to drive mutual growth, especially in the Global South countries.

Economic globalization offers numerous advantages to the Global South. In terms of trade, it breaks down barriers, enabling countries in this region to access larger international markets. This allows them to export their unique goods, such as agricultural products, textiles, and handicrafts, which boosts local industries and increases foreign exchange earnings. As a result, livelihoods improve significantly. With more job opportunities in export-oriented sectors, people's incomes rise, leading to better living standards, access to education, and healthcare. Moreover, globalization can drive sustainable development in the Global South. It encourages the transfer of clean technologies and sustainable business practices from developed nations. This helps in promoting resource-efficient production, reducing environmental degradation, and creating a more sustainable economic future.

China Strengthens Strategic Ties with the Global South

Strengthening Unity in the Political Sphere

China, as the world's largest developing nation and an integral part of the "Global South," has a long-standing and profound connection with the Global South. This dates back to 1974, when Deng Xiaoping declared at the sixth special session of the United Nations General Assembly that "China is a developing country and belongs to the Third World," this stance has since stood unwavering. The reiteration in the report of the 20th National Congress of the CPC that China will remain a member of the Global South, regardless of future economic progress and international standing, cementing this identity.

In 2018, President Xi Jinping made reference to the Global South in his closing address at the BRICS Business Forum in Johannesburg, South Africa, and in

²⁸ Jimoh Amzat and Oliver Razum, *Globalization, Health and the Global South: A Critical Approach*, New York: Routledge, 2022.

his subsequent meeting with the press along with South African President Cyril Ramaphosa. There he stressed that “as a developing country and a member of the Global South, China breathes the same breath as other developing countries and pursues a shared future with them.”²⁹ President Xi also made a speech at the first phase of the 19th G20 Summit on November 18, 2024. The announcement of eight actions in support of global development, building on over 1,100 existing development projects, showcases China’s tangible commitment. The establishment of a “Global South” research center and the backing for G20 initiatives that benefit the “Global South” are not just words but deeds that strengthen political bonds.³⁰

The shared historical experiences between China and countries in the Global South form the foundation of their unity. Their struggles, marked by sacrifices and relentless efforts to forge development paths suited to their unique circumstances, closely mirror China’s own journey.³¹ This common heritage has fostered a strong and enduring bond.

During times of global crisis or when the countries of the Global South face external pressures on their sovereignty, security, or development interests, China has consistently stepped up. For example, in international trade disputes where developing countries’ export rights were being curbed unfairly, China used its diplomatic clout and economic leverage to advocate for fairer terms. It has been a vocal defender in multilateral platforms, ensuring that the voices of southern countries are heard and their legitimate rights safeguarded.³²

Emphasizing Economic Development

China and countries of the Global South share similar development challenges and tasks, aiming for development and rejuvenation. Historically, they were at a disadvantage in the international economic interest distribution, with economic backwardness. Even now, the unjust global political and economic system remains largely uncorrected. Developed countries dominate international agenda setting and rulemaking, while issues of unbalanced and insufficient development persist. Global South countries face tougher tasks and greater difficulties in catching up. Moreover, affected by factors like geopolitical conflicts and public health emergencies, the development concerns of the Global South are increasingly marginalized as the international focus shifts to security. Some developed countries tend to politicize economic issues, causing disputes and harming their interests. In response, China advocates for bringing development issues back to the center of the international

²⁹ Li Yan, “Where Did the Term ‘Global South’ Originate?”, China US Focus, September 21, 2023.

³⁰ “Xi Jinping announces eight actions that China will take to support global development,” Xinhua, November 19, 2024.

³¹ Zhao Daojong, “Where exactly is the ‘Global South’?” *Global Times*, June 9, 2023.

³² Yang Hui, “The Rise and Divergence of the Global South and China’s Choice”, *Foreign Affairs Review*, Issue 2, 2024.

agenda and accelerating the implementation of the UN 2030 Agenda for Sustainable Development, showing its support for the Global South.

China plays a crucial economic role for the Global South.³³ As a major trading partner of over 140 countries with a vast global market, it has acted to reduce tariffs to boost trade. The Belt and Road Initiative reaches 150 countries, mostly developing countries, in the Global South. The Asian Infrastructure Investment Bank and RCEP also contribute to infrastructure building and trade. Despite its economic strength, China still trades as a developing country to assist the Global South. For example, within BRICS, China is a driving force, mediating disputes between countries and promoting technological development in areas like green transitions, communication, and innovation to address climate change. Domestically, China has successfully lifted 800 million people out of poverty, a remarkable achievement and a significant contribution to the world. In this regard, China serves as a model for countries in the Global South.

In its early years, despite its still developing economy, China provided unconditional aid to Third World countries. The Tanzania-Zambia Railway in the 1970s was an iconic project, which provided an interest-free loan of 988 million yuan (about \$400 million) and the shipping of nearly 1 million tons of equipment and materials. Dubbed the “Railway of Freedom” it greatly contributed to Tanzania and Zambia’s socio-economic development and southern Africa’s national liberation movements by bypassing apartheid South Africa and Rhodesia. This support won high praise from Africa and was vital to China garnering support to regain its legitimate seat in the UN during the Cold War when facing international blockades.³⁴

After China’s reform and opening-up, its investment in the Global South mirrored its domestic development model, emphasizing infrastructure. Over the past two decades, China has become Africa’s largest infrastructure investor, participating in more than 200 projects, including 10,000 km of railways, highways, ports, and power transmission lines. The “industrial park” model adopted by Chinese investors has also been successful. By 2021, African nations had 237 industrial parks, with nearly 60 involving Chinese companies, providing new impetus for African industrialization. This not only boosts economic activities but also creates a stable environment essential for further progress. For instance, the Addis Ababa-Djibouti Railway, financed and built with Chinese technology, has slashed transportation costs by nearly 40% for Ethiopian businesses, facilitating trade and regional integration.

China’s economic assistance to Africa is set to continue in the future. The Forum on China-Africa Cooperation Beijing Action Plan (2025–2027) commits 360 billion yuan in financial support in the next three years, covering credit lines, assistance, and direct investment. This package is expected to drive industrial development, infrastructure enhancement, and technological innovation in Africa.

³³ Meng Honghua and Yu Yanfang, “China in the New Era under the Framework of the Global South: Relations with Developing Countries”, *International Review*, Issue 1, 2024.

³⁴ Huiyao Wang, “The evolving landscape of China-Africa cooperation”, CGTN, September 9, 2024.

China's cooperation with the Global South benefits recipients without imposing additional conditions. Unlike investment by other countries in Africa, China takes on mundane but critical work like road construction and mining. As leaders from Namibia and Honduras point out, China respects the principles of self-determination and non-interference, building relations based on mutual respect and mutual benefit. Having benefited from China's rapid development in the past, developed countries are intentionally or not now trying to prevent the Global South from enjoying the same benefits.

Increasing Technological Exchange

The relationship between China and the Global South has evolved remarkably. What began as a predominant focus on building basic infrastructure has metamorphosed into a more holistic endeavor. Nowadays, it's not just about bricks and mortar but about fueling sustainable and high-quality growth, with technology exchange and green initiatives taking center stage. In recent years, China has been a key player in Africa's green transformation. Since 2021, 120-plus climate-related projects have appeared across the continent. For instance, in Kenya, China has been involved in solar power plant projects, installing advanced photovoltaic panels that can generate clean electricity for thousands of households, reducing reliance on fossil fuels.

To ensure the seamless progression of these development and technology exchange programs, China has made tangible commitments to regional security. China has dispatched peacekeeping forces or observers to multiple African countries, including Sudan, where they've helped maintain order and normalcy. This is far from a symbolic gesture as a stable environment is crucial for development technology transfer to take root. In Mali, for example, Chinese peacekeepers have safeguarded key infrastructure, allowing for the uninterrupted installation of telecommunication networks, which are vital for the digital technology that locals can use to access online educational resources and engage in the digital economy.

Using China's technological know-how to access Africa's bountiful sustainable energy reserves has resulted in fruitful collaborations. The 19 South-South cooperation memorandums on climate change with 17 African countries have paved the way for a surge in joint projects. In Ethiopia, Chinese firms have teamed up with local partners to build wind farms equipped with state-of-the-art turbines, whose real-time monitoring and control systems are based on Chinese digital technology. This synergy is a prime example of how technology exchange can drive environmental progress, as Africans gain hands-on experience with advanced engineering and digital management tools from China.³⁵

³⁵ Huiyao Wang, "How China and the West can join hands to truly help Africa", *South China Morning Post*, September 23, 2024.

China, the United States, Europe, and the Global Community: Unifying Efforts to Promote the Development of the Global South

As the Global South emerges as a significant player in the world, the international community should collaborate to support and advance its development. China, the United States, and Europe should work together to promote the development of the Global South.³⁶ China has already been spearheading efforts in international cooperation with the Global South, both through bilateral engagements as well as international organizations to foster Africa's sustainable development.

The United States will not be able to ignore the Global South's collective demands,³⁷ particularly after Trump is re-elected. "The markets and materials that these countries possess will only become more central to solving problems that the incoming president expresses great interest in addressing, such as bolstering US supply chains and securing critical minerals."³⁸ The United States, in a strategic pivot, has introduced initiatives like the India-Middle East-Europe Economic Corridor. This ambitious project, slated to allocate billions in investment, aims to reassert its influence in the Global South. Preliminary estimates suggest it could boost trade volumes between participating regions by up to 25% in the next five years if fully implemented.

Japan, too, is making strides. At recent G20 meetings, it pledged an additional \$5 billion in development aid for climate resilience projects in the Global South, doubling its previous commitment. Europe, with its Green Deal for the Global South, plans to allocate €300 billion over the next decade to support sustainable transitions, seeking to mend frayed relations.

India, straddling the North-South divide, is leveraging its position. It hosts annual conclaves like the Raisina Dialogue, inviting leaders from both hemispheres to discuss global challenges. India convened a virtual summit of developing countries in 2023, perhaps a tad presumptuously called the Voice of the Global South, which ambitiously claimed "unity of thought, unity of purpose."³⁹ In Africa, Indian IT companies have set up over 50 training centers, equipping local youth with digital skills, aiming to create a talent pool for future tech collaborations. Russia, meanwhile, has focused on energy and food security partnerships. In the past year alone, it has signed long-term grain supply contracts with 10 African nations, ensuring food stability. While its energy deals, such as building refineries in Algeria, have

³⁶ "Who's the big boss of the Global South?" *The Economist*, April 8, 2024.

³⁷ Yang Sen, "The US and the West want to lead the 'Global South' to where?" *Beijing Daily*, September 22, 2023.

³⁸ Leslie Vinjamuri and Max Yoeli, "America's Last Chance With the Global South", *Foreign Affairs*, November 15, 2024.

³⁹ Alan Beattie, "The 'Global South' is a pernicious term that needs to be retired", *Financial Times*, September 14, 2023.

strengthened economic ties, with exports to the region growing by 15% annually.⁴⁰ Meanwhile, Russia hosted both a Russia-Africa summit and a first international parliamentary conference of Latin American countries as well as the Islamic World Kazan forum, with more than 11,000 delegates from 79 countries.⁴¹

China's third-party cooperation models are also yielding remarkable results. The partnership with France in Cameroon's Kribi Deep Seaport is a case in point. Since its inception, the port's throughput has tripled, handling over 10 million tons of cargo last year, benefiting not just Cameroon but also its landlocked neighbors. Furthermore, despite competitive undertones, cooperation with Japan is also budding. After the 2018 forum, multiple joint ventures in solar energy projects have emerged. In Kenya, a Chinese-Japanese consortium built a 50-megawatt solar farm, combining Japanese technologies with Chinese cost-effective manufacturing, reducing electricity costs for local industries by 20%.

Multilateral institutions are the linchpins of global cooperation efforts. The AIIB, with its growing membership of over 100 countries, has co-financed projects worth \$20 billion in Africa. The collaboration with the African Development Bank on water infrastructure projects, like the expansion of water treatment plants in Nigeria, has provided clean water to millions. The issuance of Egypt's "panda bond" under the AIIB's guidance, amounting to \$500 million, showcases how financial innovation can mobilize resources for sustainable development, setting a precedent for other emerging economies.

Cooperating with the Global South should not be siloed or rather, it should be a strategic approach that integrates smoothly with the broader international community and strengthens global cohesion. This cooperation should be grounded in the principles of mutual benefit, equality, and win-win outcomes, not seeking to create parallel or exclusive systems,⁴² but rather aiming to bridge gaps and complement existing international cooperation frameworks. By sharing development experiences, technologies, and resources, it fosters stronger ties among nations. It promotes a sense of unity where both Western countries and the Global South work toward shared goals such as poverty reduction, sustainable energy adoption, and climate change mitigation. This model of cooperation does not disrupt the international order but enriches it, making the global community more inclusive and cohesive, with each part contributing its unique strengths for the collective good.⁴³

⁴⁰ Huiyao Wang, "How China can step up to its responsibilities in a rising Global South", *South China Morning Post*, August 22, 2023.

⁴¹ Natalie Sabanadze, "Russia is using the Soviet playbook in the Global South to challenge the West—and it is working", Chatham House, May 16, 2024.

⁴² Murphy Dawn, "China's rise in the Global South: the Middle East, Africa, and Beijing's alternative world order", *The China Quarterly*, vol. 252, Stanford University Press, 2022.

⁴³ Gustavo de Carvalho, "Global South: The 'Rest' vs the West?" Italian Institute for International Political Studies, December 21, 2023.

Establishing a New Bretton Woods System to Incorporate the Global South

Establishing a New Bretton Woods System involves reimagining global governance to better address the pressing challenges of climate change, economic inequality, and geopolitical power imbalances. A key aspect of this system is increasing the voice and influence of the Global South, ensuring their active participation in shaping global policy decisions that directly affect their development, climate resilience, and economic future. This includes promoting multilateralism as a foundational principle, where countries collaborate on shared global goals, particularly in tackling climate change and achieving sustainable development. Additionally, the creation of a G10 focused on the world's top ten carbon-emitting nations can drive urgent and equitable emissions reduction efforts. This platform would hold the most significant emitters accountable while recognizing the historical and current disparities in responsibility. Furthermore, an AI summit with substantial Global South participation is crucial to addressing the transformative role of artificial intelligence in the global economy. By including voices from countries that have historically been excluded from these discussions, the summit would help ensure that AI technologies are developed and deployed in ways that benefit all nations equitably, particularly those in the Global South, by tackling issues such as digital inequality and access to technology.

Canada, as a Middle Power, Can Play an Important Role

Canada has long been recognized as an important middle power on the global stage, alongside countries like Australia, Japan, and Türkiye. As a middle power, Canada occupies a unique position in international relations, balancing its strong economic and political ties with both major powers and emerging nations. The country enjoys vast natural resources, a highly educated population, and an innovative workforce, which position it as a key player in global affairs. Moreover, Canada's significant soft power—shaped by its values of multiculturalism, peacekeeping, and diplomatic engagement—further strengthens its influence on the world stage. This combination of attributes enables Canada to play a critical mediating role between major powers and to bridge gaps between the Global South and the West. Given its reputation for fairness, pragmatism, and diplomatic finesse, Canada can help facilitate dialogue and collaboration in complex international issues, fostering cooperation across diverse regions and interests.

Having pursued my PhD at the University of Western Ontario, I have gained a deep and comprehensive appreciation of Canada's role in world affairs. This exposure has enhanced my appreciation for how Canada's middle power status allows it to navigate international conflicts and forge constructive relationships, particularly with the Global South. With its strong commitment to multilateralism and human rights,

Canada remains a trusted voice in global discussions, offering a unique perspective on bridging divides between the Global South and the rest of the world.

Conclusion

In conclusion, the rise of the Global South is not just a passing trend but an established and powerful force that is reshaping the global order. With development and economic globalization at its core, the Global South is charting a new course for itself and the world at large.

The events at the 22nd Doha Forum on December 7, 2024, especially the joint session by the Center for China and Globalization (CCG) and the Doha Forum, “China’s Role in the Rising Global South: Redefining the Future World Order,” have been a remarkable success. The in-depth discussions among eminent leaders and experts explored various aspects of China’s influence on the Global South, from economic and political impacts to the transformation of the global trade network and international institutions. These exchanges are not only crucial for future China-Global South relations but also serve as a model for international cooperation in promoting the development of the Global South.

I am confident that with continued efforts like those demonstrated at the Doha Forum, and with the joint endeavors of all countries concerned, the Global South will continue to thrive. It will not only achieve its own development goals but also contribute to a more balanced, just, and prosperous global order. The future of the Global South is full of promise, and the world should actively support and participate in this remarkable journey of transformation.

Alliances Like NATO Are Out of Touch with a World in Need of Human Security⁴⁴

Security for individual nations and humanity as a whole is not mutually exclusive or in conflict and, organizations should focus on ensuring the security of humanity above myopic national security considerations.

In an era of increasing global interdependence, the traditional focus on ensuring security through military-focused alliances is no longer sufficient to address today's global challenges.

While recent NATO summits have reaffirmed the strength of such alliances, they have also highlighted their limitations in tackling twenty-first-century threats. There is an urgent need to shift toward prioritizing human security, a concept that encompasses climate change, food security, energy, and poverty alleviation.

NATO's potential expansion into the Indo-Pacific region through countries such as Australia, Japan, South Korea, and New Zealand raises questions about the role of such alliances in today's interconnected world. This move reflects a security approach that might not be fit for purpose given current global dynamics.

While the transatlantic alliance has embraced more political and economic approaches alongside military considerations, the effectiveness of these strategies in promoting peace and development is debatable. These approaches run the risk of unintentionally fueling regional tensions and call for a re-evaluation of traditional security alliances' long-term impact on global human security.

The emphasis on national security often overshadows pressing global issues such as economic globalization and effective climate governance. Global cooperation in these areas will benefit both developed and developing nations. In this context, efforts such as the Regional Comprehensive Economic Partnership and the Belt and Road Initiative aim to address these global challenges while offering potential mutual benefits.

A key consideration in the current global context is balancing national and human security. Promoting human security can serve national interests as well. This balance involves advancing domestic development, addressing other nations' concerns and participating in international cooperation.

The 2020s have witnessed the rise of human security threats in climate, food, energy, and poverty. These interconnected crises demand collective action as no country can effectively address them on its own.

The COVID-19 pandemic and regional conflicts have disrupted global supply chains, further complicating the global landscape and contributing to energy crises. Energy has become increasingly politicized, leading to misalignments between resources and consumption, as well as capital and demand.

Sanctions on Russian energy exports during its invasion of Ukraine have affected both Russia and Western Europe, resulting in elevated energy prices. As a result, some

⁴⁴ First published on August 2, 2024 by SCMP and revised for this collection.

countries have delayed their low-carbon commitments and returned to investing in fossil fuels, potentially exacerbating climate issues.

The effects of climate change continue to intensify. Last year was reportedly the warmest on record, with rising sea levels and melting glaciers posing threats globally.

A report released in January by the World Economic Forum and Oliver Wyman projects dire health consequences from climate change by 2050, including as many as 14.5 million additional deaths and US\$12.5 trillion in economic losses. It also estimates an addition US\$1.1 trillion in extra costs to global healthcare systems. These stark figures underline the urgency of addressing climate change as a critical component of human security.

Meanwhile, Russia's invasion of Ukraine has contributed to a global food crisis. Both sides are major grain producers who have reduced exports amid the conflict. Combined with the pandemic and climate crisis, the war in Ukraine has sustained high food prices and exacerbated global hunger.

The United Nations' 2023 State of Food Security and Nutrition in the World report shows that between 691 and 783 million people faced hunger worldwide in 2022, an increase of 122 million hungry people since 2019. In addition, 2.4 billion people worldwide—almost 30 percent of the world's population—lacked consistent access to food, with about 900 million facing severe food insecurity.

The compound crises of climate and food security have raised living costs and driven up homelessness, making poverty alleviation an even more critical focus. According to UN figures released last year, 1.1 billion people remain in poverty, with children in poverty accounting for half that figure.

This increase in global poverty not only undermines individual well-being but also poses risks to social stability and security. However, the United Nations offers reasons for optimism and notes that poverty reduction is achievable provided there is robust global cooperation and increased assistance from developed countries.

Infrastructure security is another critical global challenge. Significant deficits, especially in developing regions, threaten economic growth and human security. Collaboration between the Asian Infrastructure Investment Bank and institutions such as the World Bank could significantly enhance efforts to bridge global infrastructure gaps, contributing to sustainable development and global resilience.

In conclusion, global development trends must prioritize human security alongside traditional national security concerns. The upcoming UN Summit of the Future in September offers a crucial platform for reaffirming multilateralism and UN Charter principles. Unlike traditional security alliances, this form of international dialogue and cooperation is better equipped to address the complex issues facing the world today and provide an opportunity for countries to collaborate on new challenges while rebuilding trust in global institutions.

We must address pressing global challenges and prepare for a more resilient future. This includes developing effective multilateral solutions to accelerate the delivery of the UN's Sustainable Development Goals, tackle climate change with concrete action and navigate the complexities of emerging technologies such as artificial intelligence.

Priority should be given to global food security and poverty reduction as fundamental aspects of human security. Only by shifting our focus from narrow national interests to this more comprehensive view of human security can we create a world that is safer, sustainable, and more equitable.

As US-China Rivalry Heats Up, Soft Power Competition Need Not Be a Zero-Sum Game⁴⁵

The United States and China should work to restore cultural exchange, academic ties, governmental dialogue, and boost travel, while also increase collaboration on shared challenges.

In the past three decades, few concepts have been more influential in international relations than the idea of soft power. The term was coined in 1990 by political scientist Joseph Nye to describe the ability to get what you want through attraction, rather than coercion or payment.

Today, it feels like we are living in an age of intense soft power competition as the struggle between great powers extends beyond military and economic affairs into the realm of stories, images, and information.

After the United States lost soft power during the Trump years, President Joe Biden made a concerted push to restore the country's moral stature. He has made values central to foreign policy, positioning the United States as the chief defender of the liberal order and pitting democracies against autocracies.

China has also embraced the idea of soft power. Leaders have stressed its importance and made large investments in public diplomacy. The concept has been the topic of countless papers and books published by Chinese scholars, as well as several seminars at our think tank, the Center for China and Globalization.

As great power rivalry heats up, soft power is often seen as a zero-sum game, a battle for influence and narratives between Washington and Beijing in which one side's loss is the other's gain. But as Nye stressed in our recent dialogue to mark the release of his new book, while the competitive aspects of soft power are undeniable, we should also remember that there are ways it can bring joint gains. This is an important insight as rising tensions between China and the United States fuel talk of another Cold War.

As Nye noted in our talk, our geopolitical situation is quite different from the US-Soviet face-off. Firstly, economic globalization and value chains have bound the great powers of our age in a way quite unlike during the Cold War. For all the talk of decoupling, China-US trade in goods hit a record US\$690.6 billion last year.

Second, even if a degree of economic decoupling does occur in some fields, China and the United States are forever bound by an "ecological interdependence." Climate change and pandemics threaten both sides because carbon emissions and viruses do not respect borders.

Nye calls China-US relations a "cooperative rivalry" because these global challenges demand cooperation even as the two sides compete. Unfortunately, amid the clamor over Taiwan, spy balloons, and tech sanctions, there is too much emphasis on "rivalry" and not nearly enough on "cooperation."

In 2009, Nye and Chinese scholar Wang Jisi described how soft power enables China-US cooperation, because it is much easier to work together if both sides like

⁴⁵ First published on May 12, 2023 by SCMP and revised for this collection.

each other. If China is seen as unattractive in the United States and demonized in the media or politics, the American public and policymakers are less likely to support cooperation with Beijing—and vice versa. Unfortunately, negative views of the “other side” now dominate in both countries, hindering cooperation on shared interests.

It doesn't have to be this way. During the Cold War, even as Washington and Moscow threatened to destroy each other, American and Soviet scientists worked together to develop a vaccine for polio. In 2003, the United States and China joined forces to combat the Severe Acute Respiratory Syndrome (SARS) outbreak. Unfortunately, such cooperation was lacking when it came to COVID-19, which probably worsened the impact of the pandemic.

China and the United States are the world's two biggest economies and carbon emitters. They are also the two science superpowers, accounting for over a third of the world's research personnel and two-fifths of the scholarly output. If the two sides cannot work together, it will seriously undermine humanity's ability to deal with the next pandemic, not to mention other global challenges like climate change.

One way the United States and China can start to rebuild soft power is to restore their cultural ties and cooperation in research and academia, which have dwindled in recent years due to politics and the pandemic.

On top of delivering economic benefits and scientific progress, restoring bilateral academic exchange would help China and the United States to improve mutual respect and understanding. Interactions with local colleagues are a catalyst for deeper interpersonal and commercial ties, trust, and a sense of connection that can withstand bilateral frictions.

Academic exchange is crucial for the next generation of Chinese and American policymakers, entrepreneurs, and scientists to be able to understand and work with each other. A 2022 survey shows that Chinese people who have studied or traveled in the United States have more positive attitudes toward the country.

It is also important that more American students cross the Pacific to study, learn Chinese and build a pipeline of China literacy. But while there are about 295,000 Chinese studying in US universities, there are only around 350 American students on Chinese campuses, down from thousands a decade ago.

Now that China's borders are open, both sides should work to restore academic exchanges and other cultural ties such as in tourism, as well as bilateral meetings at various levels of government. Both sides could explore questions such as: Do Chinese laws oblige Chinese companies to turn over foreign data at the government's request, and does China's military-civil fusion policy mandate that private Chinese companies have to turn over technology to the People's Liberation Army, as many insist in the United States? We think not.

Overzealous competition and disengagement will only hurt both countries' soft power in the rest of the world. But if China and the United States can work together to solve challenges like climate change or finding an end to the war in Ukraine, they can boost their influence and help inspire global cooperation.

A Close-Up Look at New Trends in China-US-EU Relations⁴⁶

Despite the ultimate retreat of the pandemic, the damage done in terms of the world's understanding of China was severe and exchanges must be pushed to improve both diplomatic and economic relations.

In the decade before the COVID-19 pandemic ravaged the world, delegations from the Center for China and Globalization had visited counterparts across the Pacific in the United States at least twice a year. However, the unabated spread of the virus has to a large extent hindered exchanges between the two countries.

This year's unusual journey marks the first time in more than two years that CCG has made an international visit. This one-month Track II diplomatic tour, a tour of non-governmental and people-to-people diplomacy, started in Singapore, followed by New York and Washington, DC, in the United States, then Paris, Berlin, and Brussels in Europe, and finally Seoul in the Republic of Korea, with the goal of communicating face to face with leaders and experts from local think tanks, academia, and business circles.

To our knowledge, this is the first Chinese think tank delegation to visit the United States since COVID-19 broke out, which is a positive signal that people-to-people exchanges are returning.

The Ecosystem

Human and cultural exchanges between China and the United States have been stagnant or at times even nonexistent for more than two years. Grievances and misunderstandings have increased despite virtual talks, and even after extensive and intense dialogue, we can still feel unprecedented negative sentiment toward China in the United States.

However, at the same time, we were moved by the warm welcome we received. And the enthusiasm of people wanting to visit China as well as the desire for return to some level of stability in Sino-US relations and the resumption of bilateral cultural and people-to-people exchanges were still there.

Probably because we hadn't seen each other for quite some time, everyone had a lot to say and there were seemingly endless questions. Many of the events we participated in ran over time. Many US colleagues are quite dissatisfied with the current lack of communication between the two sides and some scholars at the conferences and meetings cited negative sentiment on the US side and long quarantines required in China as probably being the major barrier keeping them from coming to China—challenges that forced many of them to change or cancel plans to come here. Many young Americans who were planning to study Chinese language and culture on the Chinese mainland had to either cancel their trip to China or go to other places instead.

⁴⁶ First published on July 29, 2022 by *Beijing Review* and revised for this collection.

Since the outbreak of the pandemic, the number of American students studying in China has plunged, affecting an entire generation of “China hands,” people with expert knowledge of the language, culture and people of China, in the United States. Also, it is more and more difficult for Americans to carry out exchanges with China due to the current climate of anti-China sentiment in the United States.

The Sino-US relationship is an ecosystem that requires the constant cultivation of new minds, but there was a clear lack of these young minds in Washington. The older generation of China hands like Kenneth G. Lieberthal and Douglas H. Paal have retired and left Washington, while the attitude of younger generations toward China has become less nuanced as they lack a broad and in-depth knowledge base, having been unable to visit China since the pandemic began, and lack first-hand information about China today. This will be detrimental to Sino-US relations in the long run.

Feedback from business circles was essentially the same as that of academia. US enterprises are very concerned about the impact of geopolitics, particularly the Russia-Ukraine war. They are worried about the worsening of US-China relations and a potential crisis in the Taiwan Strait.

Still, many American businesses remain pragmatic and positive, maintaining healthy Sino-US economic relations. Interest in China remains high and many businesses hope to return to China as soon as possible. Nonetheless, they worry that if they develop a close relationship with China, they will feel pressure on multiple fronts. They also find it difficult to address negative perceptions of China as there is a more acute lack of understanding about the country right now. However, it isn't only business people that are feeling this pressure; even the more rational views of China experts in the United States are not being heard, which is frustrating for them.

The pandemic and rising geopolitical conflicts in recent years, for example, the Ukraine crisis, have complicated relations between the world's two largest economies. The lack of face-to-face communication and private exchanges between the two sides has led to strategic misjudgment and disinformation by some US policymakers on China.

Additionally, as the United States struggles to cope with economic problems, such as inflation and supply chain disruptions, and a series of COVID-19 impacts, China, unfortunately, has been widely used as a scapegoat to sway US public opinion. The US Government has now put almost 1,100 Chinese companies on sanctions lists, which has severely damaged Sino-US trade relations.

A large number of scholars who study China, many of whom have profound expertise on China research and hold an objective stance on Sino-US relations, have failed to keep their research on China up to date during the pandemic. Most information coming from Western media and the small number of Chinese English-language media is far from sufficient. There are few English language research reports published by Chinese think tanks. As a result, it is difficult for these Western scholars to maintain their accuracy and influence as they plan policy recommendations, which in turn upsets the status quo.

Many in the United States feel a sense of urgency in enhancing bilateral exchanges, hoping to promote visits, overseas study, and tourism. Some suggest that China and the United States should work to restore people-to-people and cultural exchanges

as soon as possible to improve public sentiment, and then consider what to do next. Some proposed solutions in this regard include US personnel visiting China, adopting a “closed-loop” model similar to that used during the 2022 Beijing Olympic and Paralympic Games, enabling both sides to sit down and have a face-to-face conversation.

Issue-Based Solutions

Representatives from both sides raised concerns about many issues in Sino-US relations during our meetings. For example, businesses we met with in New York expressed concern about Chinese enterprises listing on US stock exchanges being delisted and the tightening of regulations. They also raised many questions about China’s economic development, its COVID-19 prevention policy, and its stance on the Russia-Ukraine war. We answered them frankly and based on the actual situation in China.

State-owned enterprise subsidies and fair competition issues are what concern the United States most now. At present, the number of Chinese companies on the Fortune 500 list exceeds that of American companies. Many American multinational companies believe that entering the Chinese market means competing with state-owned enterprises, which are thought to be under constant state sponsorship.

To address the above issues, we explained to them that Chinese central and local governments are giving more support to the implementation of opening-up policies, ensuring a fair business environment as well as introducing preferential policies for enterprise development. The Ministry of Commerce has set up the National Center for Complaints of Foreign-Invested Enterprises to provide timely feedback and help multinationals understand relevant policies.

The Foreign Investment Law took effect in 2020. The law aims to make foreign investment policies more transparent and ensure domestic and foreign companies are subject to a unified set of rules and compete on a level playing field. New free trade zones have recently been established, and other opening-up policies are being implemented. More measures have entered the pipeline since the Central Government began its application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, an 11-member trade pact, and the Digital Economy Partnership Agreement, an international agreement that seeks to bolster digital trade. This means that there is much work ahead to increase China’s openness.

As one of the largest markets in the world, as well as a country with abundant manufacturing capacity, China is always an ideal destination for foreign investment. The country welcomes foreign entrepreneurs to do business. This is a doctrine that has never been changed and will remain the same, despite the turbulence of global geopolitics. China will one day become the largest market in the world that no multinational corporations can afford to abandon.

We also stressed that multinational enterprises, for their part, should first understand and respect China’s sovereignty and observe Chinese regulations. They can

establish a better image by assuming corporate social responsibility and participating in telling the true story of China.

Despite different understandings on both sides, discussions were frank and straightforward, but overall, those we met in the United States tended to talk about specific issues. Therefore, while it is necessary to emphasize a “mutually beneficial” macro strategy, it is necessary that we put more emphasis on taking initial steps in solving issues, such as people-to-people and cultural and media exchanges to stabilize bilateral relations, starting small and solving fundamental problems that are impeding efforts to improve Sino-US relations.

Some US officials echoed the need to restart Sino-US relations by finding concrete solutions to specific issues, while think tank leaders proposed reducing “Microphone Diplomacy” between the United States and China—namely the practice common to both countries of holding debates via public speeches—to take the rhetoric down a notch, talk less about major issues, and focus on solving specific issues.

China-US-EU Balance

The overall atmosphere in Europe was quite different from before the pandemic. Europe has learned to live with the virus and tourism and service industries have fully recovered with subways and other public spaces busy and crowded. Though there was a general dissatisfaction with the inconvenience of reduced flights to and from China. Many hoped that normal flights would resume quickly and that people-to-people and cultural exchanges such as tourism and study could continue.

The Russia-Ukraine war has had a significant impact on China-EU relations with Europeans generally harboring an increasingly negative view of China as they feel it has sided with Russia in the war. The EU’s largest economies, France and Germany, are preparing to publish strategic policy reports aimed at China and during our visit, we found ourselves constantly reassured them of China’s emphasis on respecting the sovereignty and territorial integrity of other countries as well as China’s desire to promote peace talks. We believe that a great deal more work needs to be done to build trust and dispel doubts.

The China-EU Comprehensive Agreement on Investment (CAI) has been on hold for more than a year, and a new round of review will begin in October this year. But what will come of it? Can the China-EU five-year economic cooperation plan be rekindled? Will China and the EU hold high-level meetings in the near future? Can the proposed investment plans be implemented? Can sanctions on both sides be lifted so that the CAI can be actualized? These are some of the questions we discussed during our visit.

Face-to-face communication is far more effective than online meetings. Sitting together makes it easier for people to open up, share more information, and resolve misunderstandings. People-to-people exchanges between China and the EU can act as a catalyst to warm relations. Europeans have taken our visit as a signal that China is gradually opening up channels for offline communication, and we are also working

hard to promote cooperation and exchange. It is this kind of communication that will decide whether the CAI and many other issues begin to resume progress.

In the wake of the Russia-Ukraine war, the relationship between Europe and the United States has become stronger, and the two sides have become closer in terms of ideology and values.

However, China is the EU's largest trading partner and while the bloc's political security may be more closely dependent on the United States, economic security and trade are more dependent on China. China and Europe have many things in common and we should work to cooperate more on issues like climate change and the digital economy.

A mechanism for high-level dialogue and coordination between China, the United States, and the EU would play a positive role in promoting world peace and common development. We proposed the concept of a "G3" during our time in Europe, which places Europe in a key position as a balancing role between China and the United States and would contribute greatly to maintaining stability in geopolitics and international relations.

Biden's Indo-Pacific Framework Cannot Succeed without China⁴⁷

The back and forth instability of US policy on Asia from Obama to Trump to Biden and back again has weakened US credibility with Asian countries. If the United States wants to both decarbonize Asia and convince countries to buy into IPEF then, it should look to China for cooperation.

On May 23, President Joe Biden unveiled his Indo-Pacific Economic Framework, a long-sought out plan to boost US economic engagement in the region. While details are yet to be fleshed out, the plan will be a tough sell, as reflected by reports that it was watered down at the last minute to attract more countries.

The first problem is credibility. Over the last decade, America's role in Asia has been a swirl of short-lived acronyms and aspirations that come and go with the political winds in Washington.

After the United States withdrew from Barack Obama's own Trans-Pacific Partnership and the subsequent demise of Donald Trump's free and open Indo-Pacific, Asian leaders will be forgiven for looking askance at the IPEF, especially with Biden's own political fortunes flagging and the looming possibility of a second Trump presidency.

The second, larger problem is that IPEF just does not offer much to developing economies. Domestic politics mean that Biden cannot offer the kind of market-access incentives that were crucial in persuading countries like Vietnam to accept stricter standards when the original TPP was negotiated. What is left is an American wish list of commitments and little in the way of tangible benefits.

Most countries in Asia welcome deeper US economic engagement in the region. But they do not want to be reduced to pawns on a chessboard and be forced to choose between the United States and China, which for most is a far more important economic partner.

As Singaporean academic Kishore Mahbubani points out, Southeast Asian nations are less interested in talk of "freedom" and "openness" and more interested in the material needs of the region and its recovery from the pandemic.

If Biden wants to secure buy-in for IPEF and prove it is more than a geopolitical tool to further US interests, he will have to show it can deliver practical benefits outside the traditional market-access channel. Looking down the list of items that President Biden outlined in Tokyo, infrastructure and climate change is the pillar that stands out.

The Asia-Pacific is a make-or-break battlefield in our fight against climate change. It is home to the world's most populous and fastest-growing economies, accounts for over half of global carbon emissions, and is highly exposed to extreme weather events, as shown by the recent heat waves in South Asia.

⁴⁷ First published on May 28, 2022 by *Nikkei* and revised for this collection.

However, the region also faces significant developmental challenges, including an annual infrastructure spending gap of \$1.7 trillion, and is decarbonizing much more slowly than the global average.

Washington needs to do more than arm-twist countries into more ambitious climate targets if it wants to play a meaningful role in decarbonizing Asia. It should also make a sustained commitment to support investment in green infrastructure, which would accelerate both the transition to clean energy and equitable recovery from the pandemic.

This brings us to the elephant in the room. Can IPEF make a real difference in scaling up climate-friendly investments if it excludes Asia's largest economy, the hub of its supply chains, not to mention the world leader in affordable infrastructure and renewable energy solutions?

Formal cooperation with China on green infrastructure under IPEF, or for that matter, the Belt and Road Initiative, may be a tall order in the current political atmosphere. After all, Biden's new framework is crafted for strategic competition with China, which Biden, like his predecessor, sees as the central theme of the bilateral relationship.

However, unlike Trump, Biden takes climate change seriously and is willing to work with China to address it.

As vice president, he played a key role in a program of climate cooperation with China that was instrumental in the 2015 Paris agreement and saw fruitful collaborations between companies from both countries under the US-China Climate Change Working Group. The group was abandoned by Trump but is now set to be revived following a rare bilateral breakthrough at the 26th UN Climate Change Conference of the Parties, or COP26, last November.

If they can put aside their differences and work together, the United States and China have the clout and complementary capabilities to drive real progress in decarbonizing Asia. China is a top manufacturer of climate-friendly technologies such as wind and solar; the United States is a leader in systems that integrate these products into power grids and cities.

There are many synergies to be gained by combining China's strengths in hard infrastructure with America's expertise in soft infrastructure, such as standards, governance, and institutions.

One step forward would be to form a new action initiative under the revived climate working group to facilitate bilateral cooperation in third countries in Asia. This would allow information sharing, dialogue, and some degree of coordination between the United States and China in promoting green infrastructure across the region.

It could also be a vehicle to match and enable collaboration between US and Chinese companies in working with host countries to unlock green opportunities in fields such as clean energy, green buildings, and smart cities.

Critics of IPEF say it is merely a tool to contain China that offers little benefit to the region. Biden can prove they are wrong by equipping the framework to make a sustained and meaningful contribution to decarbonizing Asia. This mammoth task,

on which all our futures depend, can only be achieved if all the key actors work together.

Biden knows that great powers must learn to coexist and face challenges that cannot be overcome alone. He has promised his China strategy will strike a balance between competition and cooperation.

Finding ways to work with Beijing to amplify the green benefits of the IPEF and the BRI would be a great place to start.

How a “G3” Mechanism Could Reset US-China-EU Relations and Tackle Global Challenges⁴⁸

In a post-pandemic world, the United States, China, and the EU must work together to deal with global issues and a G3 mechanism that brings them together rather than cleaving the world into competing spheres would make that easier.

During the past two years, in-person academic exchange between China and Europe has ground to a halt because of the COVID-19 pandemic and restrictions on travel in and out of China.

To start in reviving these interactions, a delegation from the Center for China and Globalization visited Paris, Berlin, and Brussels in early August 2022, attending seminars and meeting with representatives from think tanks and government agencies.

It was the first trip to Europe by a Chinese think tank delegation since the pandemic began and part of a global engagement tour that also took us to New York, Washington, Seoul, and Singapore. My last visit to Europe was for the Munich Security Conference in February 2020, which turned out to be one of the last major gatherings of global policymakers before cross-border travel ceased because of the pandemic.

Since then, Europe’s political landscape and views of China have shifted significantly. Angela Merkel, who served for 16 years as German chancellor, was Europe’s leading proponent of stronger ties with China, has left the scene. Her replacement Olaf Scholz and the coalition government he leads seem determined to pursue a harder line on China.

The issue of human rights in Xinjiang has also become more contentious and led the European Union and China to impose sanctions on each other. These sanctions are up for renewal this year and we hope both sides can find a way to drop them.

The war in Ukraine was a dominant topic in our discussions. Across Europe, it has caused countries to rethink foreign policy and further soured perceptions of China, given the widely held view that Beijing has not done enough to oppose Russian President Vladimir Putin’s invasion.

While we were in Europe, the French and German governments appeared to be moving toward taking a stronger stance on China. Across the channel, the unfolding contest to become Britain’s next prime minister has seen the two remaining candidates trying to outdo each other in being toughest on China.

Despite these hardening views, the think tanks, foundations, and EU officials we met were keen to rekindle engagement with China and expressed a desire for closer cooperation on shared interests.

After all, China remains the EU’s largest trading partner and is seen as an important player on global challenges such as climate change and reforming multilateralism.

Although Europe is preoccupied with the war in Ukraine, the question of how to recalibrate ties with Beijing and navigate the increasingly complex China-US relationship remains a crucial question for EU policymakers. French President Emmanuel

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Macron, who has emerged as one of the EU’s leading voices in the post-Merkel era, has spoken of the need for the EU to be a “balancing power.”

Russia’s invasion of Ukraine and the subsequent reinvigoration of NATO is a serious challenge to hopes for EU “strategic autonomy”. Yet, in this age of polycrisis, the need for the EU to come into its own as an influential geopolitical player and to promote international peace and cooperation has never been greater.

China, the EU and the United States are the world’s three most powerful political and economic players, together accounting for around 60% of global gross domestic product. At present, global cooperation is hamstrung by tensions between China and the United States, but the EU could be the one power able to play a mediating role between the two.

If these three parties can come to the table, they have the clout to address current economic challenges and galvanize collective action on threats such as climate change and the pandemic, and spur reform of global governance. That is why, in recent meetings with European counterparts, we emphasized the concept of a “G3” mechanism that brings together China, the EU and the United States for regular high-level dialogue and coordination.

To get the ball rolling, this “G3” could start with urgent but less contentious issues. Tackling the current global food security crisis is a promising area to find common ground. These efforts could build on the agreement reached by China and the EU to maintain stability in the global supply chain, including by discussing how to increase transparency and exchange information on the supply of certain critical raw materials and other products.

Amid this summer’s heatwaves, climate change stands out as a clear area for long-term G3 cooperation. China, the EU and the United States account for around 40% of global greenhouse gas emissions and consume nearly half the world’s energy.

Together, they have the critical mass to drive the global climate agenda forward and influence economic pathways—and therefore emissions trajectories—far beyond their borders. One area to work on would be developing a common framework for green finance and supporting decarbonization projects in other countries.

On that note, the G3 could also serve as a forum to achieve some degree of coordination on global infrastructure development between the Belt and Road Initiative, the EU’s Global Gateway, and the new Group of Seven Partnership on Global Infrastructure and Investment. If investments under these initiatives are uncoordinated and shaped by geopolitical competition, there is a danger they could lock countries into high-carbon paths for decades to come.

Talking to colleagues in Europe, there was a shared concern over an emerging dynamic that threatens to cleave the world into competing spheres. Getting China, the EU and the United States to sit down and talk will take bold efforts in the current climate. But if we want a twenty-first century that is stable and sustainable, a G3 would be a good place to start.

China's Ties with the Global South Show a Different World Order Is Possible⁴⁹

China's trade and partnerships with the Global South are a case study of what multilateral efforts can do. Together we can forge ahead on a new path and build a more inclusive, more collaborative global order.

The Global South's quest for a more equitable world order gained fresh momentum at the 22nd Doha Forum in early December 2024. During the two-day event, world leaders gathered to discuss China's evolving role in international development. The high-level dialogue came at a critical time as the global trade landscape faces new uncertainties.

As major economies like the United States and the European Union signal a return to protectionist policies—with tariffs on Chinese electric vehicles, solar panels, and semiconductors as well as carbon border adjustment mechanisms—China's recent announcement that it would cut tariffs for more than 40 least developed countries has drawn significant attention.

This strategic approach was evident at the sub-forum session “China's Role in the Rising Global South: Redefining the Future World Order” where leaders from around the world shared perspectives on development partnerships, highlighting a stark contrast to the bleak future of international economic engagement.

China's expanding engagement with the Global South represents more than just trade statistics; it represents an alternative model of international cooperation. While serving as the primary trading partner for at least 120 countries, China has moved beyond mere commercial relationships to establish comprehensive development partnerships.

The Belt and Road Initiative, now encompassing 150 nations, has become a platform for sustainable development beyond simply building infrastructure. Bolstered by institutions such as the Asian Infrastructure Investment Bank, the New Development Bank, and the Regional Comprehensive Economic Partnership, China's approach is reshaping how developing nations think about economic partnerships.

The impact of this cooperation model is already evident. Rwandan President Paul Kagame revealed that his country's trade with China surged from US\$30 million to over US\$150 million after recent tariff reductions, with a remarkable 274% growth since 2018.

Rwandan farmers now earn US\$4 more for every kilogram of coffee beans sold to China. The partnership has also led to significant infrastructure development, including hydropower stations and the renovation of the Masaka Hospital.

Even more telling was Namibian President Nangolo Mbumba's observation about Chinese companies undertaking essential infrastructure projects such as building roads and opening mines.

Trade relations between China and Namibia are rooted in equitable cooperation rather than coercion. Namibia has increased its agricultural exports to China,

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including beef, mutton, and dried fruit. Namibia is also exploring innovative partnerships in green hydrogen development. These practical outcomes represent a fundamental shift in how Global South nations view development partnerships.

China is essentially rewriting the traditional rules of development cooperation. Over the past two decades, emerging markets and developing economies have come to account for 80% of global growth. BRICS nations have been at the forefront of this endeavor, making up around 35% of global gross domestic product.

The economic influence of countries within BRICS has increasingly translated into diplomatic capacity, as evidenced by China's successful mediation between Saudi Arabia and Iran and its role in uniting rival political factions in Palestine.

Strong endorsements from Global South leaders at the Doha Forum reflect this evolving dynamic. Barbadian Prime Minister Mia Mottley, invoking the spirit of the Bandung Conference, has articulated what many developing nations have long felt but rarely expressed: the Western monopoly on defining the global order must end.

Her belief that all nations, regardless of size, should have a voice in shaping the multipolar world order found immediate resonance with other leaders, particularly as developing nations seek to chart development paths that align with their specific needs and circumstances.

Honduran Foreign Minister Eduardo Enrique Reina's perspective was particularly revealing. He highlighted how major powers that once benefited from relations with China are now discouraging other nations from pursuing similar partnerships.

As Namibia's Mbumba succinctly put it, "We Africans are learning how to do things for ourselves and with whom to do them," from a position of strength. This growing confidence, coupled with the Rwandan president's note that Chinese partnerships don't "come with a lot of strings attached," reflects a fundamental shift in international relationships.

The cooperation between China and Global South countries shows remarkable potential in innovative sectors, as highlighted at the Doha Forum, which was themed around "The Innovative Imperative." Leaders explored multiple areas of collaboration where developing nations are bridging technology gaps while pursuing sustainable development. Climate-related technology, the digital economy, and green energy transitions are becoming new pillars of cooperation.

There are already tangible results across the continent: Chinese solar technology has helped African households gain better access to electricity, digital payment systems developed through Chinese-African cooperation are boosting financial inclusion and joint forums are accelerating the development of drought-resistant crops.

While some of them start small, these initiatives are creating transformative changes in people's daily lives and laying the groundwork for sustainable development.

The vision emerging from the Doha Forum signals a new chapter in international development. As Barbados' Mottley expressed, a more inclusive world order is taking shape—one that requires collaborative efforts from multiple global institutions. While China has played a pioneering role, the ultimate goal remains a truly open and cooperative global development ecosystem.

Institutions like the World Bank, Asian Infrastructure Investment Bank, and other multilateral organizations must work together to support the developmental needs of the Global South. The future lies not in competing narratives but in collaborative solutions. By uniting diverse strengths, we can forge more equitable global partnerships.

BRICS Is Not Anti-West, It Just Wants a Fairer World Order⁵⁰

In championing economic inclusivity and strategic autonomy, pioneering financial innovation and promoting peace, BRICS is a force for good.

The 16th BRICS summit, held as the world marks 80 years since the Bretton Woods agreement, heralds an important development that is often misunderstood: BRICS is not an anti-West bloc but a new platform to enable developing countries to engage in global governance.

Involving more than 20 heads of state, the summit showed how emerging economies can contribute to global development. While BRICS—named after early members Brazil, Russia, India, China, and South Africa—represents around 30% of the world economy and nearly half of the population, it has no intention of replacing existing institutions instead it seeks to enrich them through constructive reform and complementary development.

In our evolving multipolar world order, BRICS represents one of the first major platforms led by developing countries for promoting development. While this might suggest competition with existing institutions, healthy competition drives innovation and progress.

The grouping's distinctiveness lies in three key characteristics.

First, its economic inclusivity brings together countries at varying stages of development. From major emerging economies to developing nations, all can engage in practical cooperation with no ideological prerequisite.

This diversity, rather than being a weakness, shows the platform's unique strength in fostering collaboration across the spectrum of development. The recent expansion of BRICS' membership to include Egypt, Ethiopia, Iran, and the United Arab Emirates exemplifies this inclusive approach. With 30 other countries reportedly expressing interest in joining, BRICS is not a closed club but a supportive platform committed to mutual aid and cooperation.

Second, BRICS continues to pioneer innovative solutions in global economic governance. Take for example, BRICS Pay, an international payment system under development designed to prevent monetary weaponization.

There is also the Shanghai-headquartered New Development Bank, which has approved over US\$35 billion for 105 development projects. In Kazan, BRICS members endorsed the bank's plan to fund more projects in local currencies to avoid exchange-rate fluctuations. The bank has also funded projects in crucial areas including sustainable infrastructure, clean energy, digital transformation, and social infrastructure, with a particular focus on meeting developing countries' needs.

This serves as an early-stage investment vehicle for developing countries, offering attractive opportunities for growth and cooperation, while complementing international financial institutions.

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Finally, BRICS upholds the principle of strategic autonomy. Members maintain their independence in choosing developmental paths suited to their national conditions. Beyond economic cooperation, BRICS countries are increasingly playing a role in promoting global peace and stability, amid a turbulent international landscape and regional wars.

This is exemplified by the “Friends of Peace” initiative, launched by China and Brazil, an inclusive framework for dialogue on regional conflicts such as Russia’s war on Ukraine. Seventeen countries, including NATO member Türkiye, are part of the group. The signing of a joint communiqué by 13 of these countries after a meeting in September further reinforced the coalition’s commitment to dialogue and peaceful resolution.

The foundation for this was laid by China and Brazil through their six-point peace plan, which shows BRICS members’ growing role in conflict resolution.

BRICS leaders have also taken their own diplomatic steps to mitigate conflict. Notably, last year South African President Cyril Ramaphosa and other African heads of state visited both Russia and Ukraine to mediate.

The recent BRICS summit held in Kazan, Russia, further highlighted this commitment to peace-building, particularly through the China-India meeting on the summit sidelines, where both leaders showed a willingness to pull back from border tensions, displaying how the two largest nations of the Global South can work together.

This cooperation between two of Asia’s giants adds tremendous stability to the BRICS platform and strengthens its role in promoting peace. The evolution aligns with Chinese President Xi Jinping’s advocacy of BRICS as a force for peace, innovation, and equitable global governance.

As BRICS emerges as an indispensable force in global economic growth and the voice of the Global South, some Western countries feel apprehensive. Yet BRICS only seeks to build a more equitable world order. BRICS has become a crucial platform enabling Global South nations to engage more effectively with major institutions such as the Group of 7, the Group of 20, the European Union, the Association of Southeast Asian Nations and the African Union.

However, the platform’s appeal extends beyond the Global South. French President Emmanuel Macron was reportedly interested in joining last year’s summit, while this year, United Nations Secretary-General Antonio Guterres was among the attendees. This reflects a broader truth about global governance: just as the G7 would benefit from including more emerging economies in its meetings, BRICS welcomes developed nations’ engagement—marking a natural evolution toward true multilateralism.

For the Global South, BRICS is an important platform for cooperation and development, including establishing free trade zones and industrial estates, as well as boosting poverty alleviation, the green power transition, and infrastructure enhancement. The economic cooperation espoused by BRICS members is more needed than the military or security alliances emerging in our more geopolitically challenging world.

As the world moves toward multipolarity, the emergence of BRICS as yet another pole can help to diversify and democratize international politics. Its efforts can help

strengthen UN institutions and improve global governance by promoting a fairer world order. Economic cooperation among BRICS members can also contribute to more balanced and inclusive economic growth globally.

BRICS will continue to address the world's pressing challenges, from wars to climate change. This is, ultimately, a platform that enriches global governance by embracing diversity and fostering dialogue among nations, contributing vitally to a more balanced and sustainable world order.

How China and the West Can Join Hands to Truly Help Africa⁵¹

In the spirit of multilateralism, China and Western nations should adopt a third-party cooperation model to help African countries address their many challenges.

As the world continues to wrestle with unprecedented global challenges, Africa's development has become a focal point for international cooperation. While collaboration between Africa and China has made significant strides in recent decades, it is now time for a more inclusive approach to empowering the African continent.

The recent Forum on China-Africa Cooperation summit highlighted the strength of their relations, with China announcing a 10-point action plan to deepen its partnership with Africa. However, to truly unlock Africa's potential, we must now expand this cooperation to more global partners, leveraging the strengths and resources of a wider range of nations and institutions.

Despite the geographical distance between China and Africa, the friendship between the two has a deep and enduring history. Since the founding of the People's Republic of China, China has extended broad support to African countries. The Tanzania-Zambia Railway, built in the early 1970s, stands out as a significant example of this early cooperation—a project in which my father proudly participated.

Over the years, collaboration between China and Africa has transitioned beyond infrastructure to supporting African countries working to reach their national development goals. The focus has expanded to sustainable, high-quality development, including green programs.

Since 2021, China has participated in more than 120 climate projects in Africa. Also, to ensure the continued implementation of these programs, as of the end of 2019, China had deployed peacekeeping forces or observers to at least four African regions, reflecting a commitment to the continent's stability and growth.

Africa, a continent with the world's youngest population and largest number of developing countries, boasts abundant labor and rich natural resources. However, historical factors such as colonial rule have impeded Africa's economic development.

As the world's largest developing economy, China has engaged in broad cooperation with Africa. Now, to fully unleash Africa's development potential and address its challenges, the participation of a broader segment of the international community is needed.

Encouragingly, some Western countries have come together to launch cooperative initiatives, such as the European Union's Global Gateway program and the US-led "Build Back Better World" initiative that was adopted by the Group of Seven in 2021 and rebranded as Partnership for Global Infrastructure and Investment a year later.

The increased attention and investment from major powers have led to diversified development initiatives and enhanced economic partnerships across African nations, catalyzing growth in key sectors such as infrastructure, technology, and sustainable energy. However, challenges have emerged within these international projects. Some

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suggest that initiatives like the Global Gateway and Build Back Better World were introduced in part to counterbalance the international influence of China's Belt and Road Initiative in Global South countries.

In connection with these projects, political rhetoric related to competition with China has occasionally surfaced. Moreover, some Western projects emphasize their countries' comparative advantages and values, which may not always align with the immediate developmental needs of African nations. For instance, while the Global Gateway strategy focuses on clean energy and digital industries, which are important long-term goals, it may not fully address Africa's more pressing concerns such as industrialization, food security, and pan-African integration.

As a result, despite widespread recognition of Africa's global importance and development potential among Western countries, the sometimes conflicting approaches and political undertones in their strategies may hinder effective cooperation and lead to inefficient resource allocation.

To truly drive African development, it is crucial for all parties involved to prioritize Africa's actual needs and foster genuine collaboration over competition.

Fortunately, some Western countries are gradually adopting a more open attitude toward foreign aid, viewing China's development projects in Africa more favorably and engaging in active collaboration. This growing willingness to cooperate marks a positive step toward more coordinated aid efforts that can better address Africa's developmental challenges.

For instance, China is exploring third-party cooperation with France, encouraging companies from both countries to jointly participate in projects. This mode of cooperation has shown benefits for China, France, and African nations alike. A notable example is the collaboration on the operation of the Kribi Deep Seaport in Cameroon, which is not only of economic benefit to Cameroon but also landlocked African countries, including the Central African Republic and Chad.

Interestingly, Japan has emerged as another important participant in third-party market cooperation with China. The first China-Japan Third-Party Market Cooperation Forum, held in Beijing in October 2018, opened up more opportunities for businesses from both countries to collaborate in Africa. While competition between Chinese and Japanese companies in Africa exists, there is also recognition of the potential of mutually beneficial partnerships.

Multilateral institutions also play a crucial role in this collaborative approach. The Asian Infrastructure Investment Bank (AIIB), with its diverse global membership, has established cooperative foundations with the African Development Bank as well as the World Bank. The AIIB's involvement in projects like Egypt's issuing of a sustainable "panda bond" demonstrates how international financial institutions can work together to support Africa's inclusive growth and green development goals.

As we move forward, it is imperative that we build upon the strong foundation we already have in China-Africa cooperation to create a truly global partnership for African development.

By combining China's experience, the technological experience of developed Western countries, the expertise of multilateral institutions, and, most importantly,

the vision and leadership of African nations themselves, we can create a more effective and sustainable model of development cooperation. This collaborative approach would not only serve Africa's interests but also contribute to global stability and prosperity.

How China Can Step Up to Its Responsibilities in a Rising Global South⁵²

As the rise of the Global South brings opportunities and risks to South-South cooperation, China must boost dialogue, work more with India, and drive North-South cooperation.

The importance of this week's BRICS summit cannot be understated, especially given the possibility of the expansion of a grouping that already comprises Brazil, Russia, India, China, and South Africa. This moment is also indicative of the wider rise of the Global South.

In February 2023, the Munich Security Conference added a panel discussion on how the Global North can better cooperate with the Global South. At the G7 summit in May, host Japan pushed to strengthen the Group of Seven's ties with the Global South and specifically invited the leaders of several developing countries to the Hiroshima meeting.

"The Global South is becoming more visible—and influential—in every arena," said *Foreign Policy* magazine at the start of the year.

While the Voice of Global South Summit, a virtual meeting hosted by India earlier this year, was attended by more than 100 countries, there is no universally accepted definition of which countries exactly comprise the Global South. There are, for instance, Global South countries in the geographic North, and vice versa.

Yet this flexibility reflects the nature of the Global South, a community where states recognize in one another their similar situations. Economically, the community is developing and looking to improve. Politically, it is a multilateral alliance with diversified values and interests.

Despite the escalation of the Ukraine crisis and global political divisions, most countries have chosen to neither take sides nor join the strategic suppression of Russia. Clearly, Global South countries prefer to keep an independent foreign policy and a non-aligned position.

In recent years, major powers in the Global North have introduced initiatives to strengthen their connection with the Global South, often in hope of obtaining greater geopolitical benefits. These include the US-led Build Back Better World and the EU's Global Gateway.

Compared to the United States, however, the European Union appears to have a more nuanced interest in the Global South. While safeguarding members' interests in former colonies, the EU also hopes to enhance its security in energy and food by "derisking." In essence, the EU sees a third path in a new global order, dominated by neither the United States nor China, and needs to build common interests with the Global South.

At the same time, India and Russia play important roles in Global South countries. India positions itself as a North-South power—deeply intertwined with the Global North in strategic goals and values, while remaining an integral part of the Global

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South, seeking to become a bridge in leading the community to build a new diplomatic equilibrium.

Russia's diplomatic focus, meanwhile, has been on former Soviet states, the Asia-Pacific, Middle East, and Africa. Their reliance on energy, food, chemical fertilizers, and other commodities from Russia makes decoupling difficult. Through engagement, Russia has strengthened its position and cooperation with the Global South.

With the rise of the Global South comes opportunities to deepen South-South cooperation. But any hasty moves can bring risks, intensify North-South tensions, and exacerbate confrontations worldwide. China, seen as a pivotal country in the Global South as far back as in 2004, should take on its due responsibilities.

First, it should encourage and support Global South think tanks and institutions, and jointly conduct research with other Global South countries to examine issues such as exchange mechanisms. Western countries have already established several Global South think tanks and research centers.

Second, a new world order aligned with the demands of the Global South should be proposed and promoted. The rise of the Global South may be an unstoppable trend, but the process will not be smooth. The looseness, fragility, and diversity of the community means it is less able to sidestep risks and more prone to infighting. To guard against exclusion, China should embrace developing countries, keep close ties with its partners, and work to enhance the cohesion of the Global South.

Third, China must work to improve relations with India to bolster the influence and function of BRICS. As a grouping, BRICS' economy has surpassed the G7 in purchasing power parity terms.

Sino-Indian relations have been stagnant for years, but with India having chaired the recent Shanghai Cooperation Organisation summit and set to preside over the G20 summit in December, there is hope that relations will get better. Both China and India are in a position to work with other major developing countries and lead cooperation in the Global South to promote BRICS. Expansion will only enhance the impact of the "BRICS Plus" format in addressing the concerns of the Global South.

Fourth, China should hold more Global South forums to enhance official and non-governmental exchanges. Existing platforms include the Belt and Road Forum for International Cooperation, Forum on China-Africa Cooperation, and China-CELAC Forum with the Latin American and Caribbean states.

China should invite high-level officials and experts from industry and academia to hold more diverse Global South forums. Regularly held, these can facilitate standards for South-South cooperation and establish inclusive and equitable rules for cooperation in areas such as the digital economy, climate change, and sustainable development.

Finally, China should work on stronger, better, coordinated North-South cooperation. For many, China epitomizes the rising Global South. China's economic and technological cooperation with many countries in the Global South is also greater than that of developed countries.

Given China's experience in cooperating with developed countries, its role as a go-between might be more appealing to the Global North. In this sense, China

should consider enhancing North-South exchanges and cooperation, while avoiding an escalation of tensions.

As a country with both developing and developed elements, China could marry the interests of both communities to promote a more sustainable global development and better global governance.

How Modi's Visit to China Can Reshape Asia's Future⁵³

China and India, both ancient civilizations, and the world's most populous nations, have been at odds in recent years. As Indian Prime Minister Narendra Modi prepared to visit China ahead of the 2025 SCO Summit in Tianjin, I reflected not only on how the two countries might prudently navigate their challenges and also the potential of a world where they can cooperate to meet shared objectives.

As Indian Prime Minister Narendra Modi prepares to visit China for the Shanghai Cooperation Organisation (SCO) summit in Tianjin, the world is watching closely. Modi's visit will be a historic opportunity to usher in a new era of cooperation between two ancient civilizations whose populations account for just under 35% of humanity, representing the world's second- and soon-to-be third-largest economies.

During Modi's recent meeting with Chinese Foreign Minister Wang Yi, both seemed to agree that India and China are partners, not rivals, and that the Asian century can't happen without bilateral cooperation.

The history between China and India runs deep, from ancient trade relations during the Kushan empire and Han dynasty to cultural exchanges such as the spread of Buddhism and the travels of Chinese monk Xuanzang. The two civilizations have long been engaged in dialogue, and the exchange of ideas, trade, and philosophy has only enriched both societies. The 1955 Bandung Conference was an example of one such exchange in the diplomatic realm.

This year marks the 75th anniversary of formal diplomatic relations. India was the first non-socialist bloc country recognized by the People's Republic of China in 1950. Now, more than ever, it's time to build on that legacy.

Both countries face shared development challenges to ensure prosperity for their people. India is the fastest-growing major economy and is also home to the world's largest youth population, as well as a rapidly growing innovation system and an expanding consumer base. China brings expertise in infrastructure, manufacturing, digital governance, and renewable energy. If the two powers work together, the possibilities are enormous.

China can play a constructive role in investing in India's next phase of growth. Importantly, India already serves as the largest recipient of funding from the Asian Infrastructure Investment Bank (AIIB).

By working within the AIIB framework, China and India can boost investment in key areas such as infrastructure, smart cities, clean energy, public health, and sustainable agriculture. With the combined power of 2.8 billion people, there's so much we can accomplish, from digital connectivity to climate action.

This is not a matter of one side "helping" the other, but of both nations leveraging complementary strengths. Together, the world's two most populous countries can become a cornerstone of stability and prosperity for Asia.

Just as importantly, closer ties between China and India could provide the bedrock for more democratic global governance. Both nations are central to BRICS, the

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Group of 20, and the SCO. Through their vital roles in these organizations, they can advocate for reforms that empower developing countries and resist unilateral actions that destabilize global markets and institutions.

In a world of increasing geopolitical uncertainty, the need for such cooperation has never been more important. The unpredictability of US foreign policy is a case in point. India's earlier purchases of Russian oil at capped prices were once encouraged by Washington to avoid a global spike in energy costs. However, India is now facing new American tariffs for making those purchases.

Fortunately, China and India don't have to go it alone. Asia, adjusted for purchasing power parity, already represents more than two-fifths of the global economy.

If India joins the Regional Comprehensive Economic Partnership, effectively linking up with a broader economic coalition, regional integration and development would happen faster than people can imagine. India can take this step on its own terms with the support of China. Turbulence in the world system and disrupted global trade provide a stronger case for India's membership.

This is how the spirit of the Bandung Conference can be appreciated in today's context. In 1955, leaders from Asia and Africa came together in Bandung, Indonesia, to assert a vision of cooperation rooted in mutual respect, non-alignment, and peaceful development. Out of that conference came the Non-Aligned Movement.

Reviving the ethos of Bandung requires not only setting shared goals but also wisely managing present challenges. Unfortunately, the China-India border dispute has tested bilateral trust in recent years. It is worth remembering that, after the 1960s, tensions had not escalated for half a century before the Galwan Valley border clash.

Coexistence was the norm. To embrace this spirit again would be to honor Bandung's legacy while allowing both sides to focus on the promise of partnership. India and China agree that differences should not escalate into disputes. If peace can hold for 50 years, it can do so again.

As Wang noted during his visit to New Delhi, both sides seek to enhance cooperation on global challenges and oppose unilateral bullying. They have made progress in establishing a new consensus on how to manage the border and resolve disputes. These are important steps. But they must be matched by vision.

Modi's visit presents a good opportunity for the two sides to issue a joint communique or a cooperation road map. Such a framework could identify practical areas for cross-border collaboration. There is much room for progress in areas such as tourism, academic programs, investment deals, infrastructure development, the green transition, environmental protection, and coordinated technology governance on digital spaces, and artificial intelligence.

That vision—one focused on a shared agenda of green development, multilateralism, and peace—could take shape when Modi meets President Xi Jinping again this year. China and India are not only heirs to ancient wisdom but custodians of future possibility. The dragon and the elephant working together can create prosperity for Asia for decades to come through a partnership worthy of two great civilizations and, indeed, the world.

From ASEAN and G20 to APEC, as World Leaders Meet in Person Again, Three Reasons to Root for Multilateralism⁵⁴

The resumption of in-person high-level meetings for ASEAN, G20, and APEC provide proof that effective communication produces results, especially for middle powers.

Over the past two weeks, Asia has played host to the most intense sequence of multilateral summits since the pandemic began, as national leaders gathered for meetings organized by ASEAN, the G20, and APEC. Although overshadowed by geopolitical tensions, the meetings marked a welcome return to in-person summit diplomacy, and the better-than-expected outcomes show hope yet for multilateralism.

The conclaves began in Phnom Penh with the annual summit of the Association of Southeast Asian Nations. At the first such in-person events in almost three years, ASEAN leaders took the positive step of agreeing in principle to admit East Timor as the 11th member of the organization.

As leaders moved on to Bali for the Group of 20 summit, expectations were low after ministerial meetings in the run-up had failed to produce consensus. Earlier in the year, given fractures in the wake of Russia's invasion of Ukraine, there was a question mark over whether the G20 could even go ahead or survive in its existing form.

In the end, the summit surpassed expectations by producing a joint declaration after intense negotiations, with leaders finding the compromises necessary to unite in declaring that "today's era must not be of war" and pledging to uphold the multilateral system.

The summit also saw a positive face-to-face meeting between China's President Xi Jinping and US President Joe Biden, their first as leaders, signaling a willingness to halt the downward trajectory of China-US relations.

In Bangkok, the 21 leaders of the Asia-Pacific Economic Cooperation forum also pledged to uphold and strengthen the rules-based multilateral trading system. Importantly, the group agreed on a multi-year work plan for an Asia-Pacific free trade area.

Reflecting on these three summits, three takeaways give reason for cautious optimism that multilateralism can yet be revived and play a major role in solving our challenges.

First, and perhaps most obviously, the return of in-person summit diplomacy is a welcome uplift for global cooperation. Virtual formats played a useful interim role at the height of the pandemic, but were never a substitute for getting leaders in the same room. That is especially true when it comes to interactions on the sidelines, often as important as the main event. China's return to diplomacy at the highest level was a further boost, both for the nation and the rest of the world.

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In addition to Xi's highly anticipated meeting with Biden, the Chinese leader met over a dozen other leaders at the G20 and APEC summits, including a warmer-than-expected first meeting with Japanese Prime Minister Fumio Kishida and his first meeting with an Australian prime minister since 2016.

Leaders got to meet their new counterparts for the first time or build on existing relationships, which can only help global cooperation.

The second takeaway is that as grave as our challenges are, the threat of escalating conflict and severe economic pressures on all nations seem to be focusing minds and increasing the willingness to engage and cooperate—out of necessity if nothing else.

The G20 summit was the second major one this year to surpass expectations after the 12th World Trade Organization Ministerial Conference in June surprised observers by agreeing on a plan to reform the organization and its dispute settlement mechanism. The G20 statement reiterated support for this WTO reform plan, which will be critical to get the free trade agenda back on track and provide a much-needed boost for the global economy.

Third, and perhaps most significantly for the long term, the recent summits marked an acceleration of the trend toward multipolarization in international diplomacy, and in particular, the rising influence of non-aligned “middle powers” to shape multilateral outcomes.

The middle powers represented at ASEAN, the G20, and APEC have huge stakes in avoiding a bifurcation of the global economy that might result from a new cold war. They don't want to be forced to pick sides, and many show a growing willingness and ability to build bridges and restore positive momentum for multilateralism.

Indonesia is a prime example. The country's strategic heft and non-aligned credibility make it well placed to bridge different camps. President Joko Widodo made a big political bet on the success of the G20 and has won praise for the deft diplomacy that kept the organization alive and got it to release a joint statement.

The Indian delegation reportedly also played a big role in achieving consensus on language in the statement, with the BRICS group (Brazil, Russia, India, China, and South Africa)—as well as Indonesia—turning out to be crucial swing voters in securing the joint statement. One Indian official said it was “the first [G20] summit where developing nations shaped the outcome.”

There is scope for this trend to continue next year as middle powers continue to rise in stature, and India and Indonesia take over the presidency of the G20 and ASEAN, respectively. Brazil will host the G20 the year after.

Over in Sharm el-Sheikh at the COP27 UN climate summit, another middle power—the host Egypt—also won praise for helping to shepherd a historic financing deal for poor countries affected by climate change. But the ultimate failure to reach a commitment to phase down fossil fuels was a sobering reminder of the huge difficulties that remain in forging the global consensus needed to overcome our shared challenges.

How China Can Multilateralize the BRI⁵⁵

The Belt and Road Initiative is currently a loose collection of bilateral agreements, but multilateralizing how the organization is administered could strengthen the initiative.

At the end of 2022, 150 countries and 32 international organizations had signed more than 200 cooperation documents related to joint infrastructure projects with China under the Belt and Road Initiative (BRI). Meanwhile, the 2022 work report to the 20th National Congress of the Communist Party of China suggested that China should promote opening up to the world and development. Anchoring the BRI in a multilateral framework could help China achieve these goals.

The BRI is an ambitious plan by China to build global infrastructure while connecting itself to trading partners. Since its launch, there have been diverse responses to it from the international community. Some countries welcomed the opportunity to form new trade routes, while others—notably, the United States—depicted it as a sign of China’s efforts to overturn the world order. Doubts about the Initiative also emerged around issues related to the environment, labor standards, transparency, government procurement, and social responsibility.

The BRI is largely built around China’s bilateral relations with other countries. Bilateral memorandums of understanding (MoUs) and joint statements supporting the initiative are the main forms of cooperation agreements that anchor the BRI. The legal terms in these agreements, though, are relatively weak. The validity periods stipulated in the MoUs are typically short and signatories can withdraw at any time. To a certain extent, MoUs have become a potentially unstable way for China to codify cooperation with other countries. They appear to be more political overtures than genuine commitments to economic and business cooperation.

Multilateral development of the BRI could increase its global reach and enable the Initiative to play a greater role as a new platform for global governance. China has launched a multi-level and diversified multilateral cooperation mechanism for the BRI and invited countries to participate and ensure its multilateral development.

It will be very difficult to attract support from some key international players in furthering the reach of the BRI. The United States, some of its allies, and those in the international community who are suspicious of Chinese “debt trap” diplomacy will undermine opportunities for China to expand its economic, strategic, and geopolitical power. Yet there are ways in which China could build trust and potentially lock in further multilateral cooperation.

First, international and multilateral structures for decision-making could be established to strengthen the BRI and manage how it provides infrastructure. If several countries were offered and accepted real responsibility over what is considered a Chinese initiative, this could involve establishing a BRI International Steering Committee. Invited countries could send representatives to participate in the committee, helping to form a new order of global and regional governance over the BRI.

⁵⁵ First published on March 11, 2023 by the East Asia Forum and revised for this collection.

A BRI Steering Committee could be aligned with existing multilateral institutions of global and regional governance such as the G20 and the Asia-Pacific Economic Cooperation Forum. Countries could regularly gather to discuss BRI-related agenda items and carry out extensive exchanges and consultations. The agreements, plans, mechanisms, and projects jointly implemented would promote sequential development at various stages of BRI projects.

Second, the BRI could attract international organizations under the United Nations system to connect and participate in BRI projects. The initiative could encourage the United Nations to establish a BRI cooperation agency, giving full play to the bridging role and global influence of the United Nations. UN involvement in the BRI could also establish alliances with UN system agencies such as the United Nations Development Programme and the World Trade Organization. While the support of the United Nations would encourage participants, getting the support of the United Nations is likely to be difficult as the United States and certain other nations are likely to block UN agencies from assisting BRI.

Third, China could engage more developed countries in BRI third-party market cooperation and enhance its cooperation with the United States and Europe in infrastructure construction plans. China has signed cooperation agreements with France and Japan in third countries and such agreements could be expanded to other developed countries. Third-party market cooperation agreements emphasize complementarities, which include China's high-level production capacity, the advanced technology of developed countries and the infrastructure needs of developing countries. Bringing these together will provide a new model for high-quality joint construction of BRI projects and an effective means of promoting multilateralism. China could propose infrastructure cooperation between the BRI the EU-led Global Gateway and the US-led Build Back Better infrastructure initiatives—despite the Build Back Better plan being initially created to counter BRI.

Fourth, China could cautiously consider joining the Paris Club. The construction of the BRI involves huge sums of lending. China can greatly relieve the international community's doubts about the BRI if its lending practices follow internationally accepted rules. As an emerging creditor, China still lacks experience in managing and controlling external debt risks. The Paris Club enables regular communication between major creditor countries. China could consider joining the Paris Club and commit to following transparent and sustainable international lending rules. The move would help mitigate China's external debt risks and safeguard global financial stability.

Fifth, China could update the Asian Infrastructure Investment Bank (AIIB) and encourage cooperation between international development banks and the BRI. Improving and renovating traditional infrastructure in developing countries, building digital infrastructure and enabling the green transition to achieve carbon neutrality offer potential areas of cooperation. Infrastructure spending can spur investment demand and boost job opportunities, though there are funding gaps.

China could expand the AIIB's target sectors and regions and provide support for eligible infrastructure investment projects worldwide. A repurposed AIIB could work with the World Bank and other continental development banks such as the

European Bank for Reconstruction and Development, Islamic Development Bank, and African Development Bank. So long as the global geopolitical environment allows, the arrangement could form an international, standardized, open, and transparent infrastructure development system and expand the supply networks for global products.

Since 2013, the BRI has grown from a vision to a series of bilateral arrangements. But the Initiative has the potential to serve as a multilateral platform for international infrastructure development. Harmonizing global infrastructure standards and norms of open development could enable more countries to participate in the BRI, help countries explore cooperative development opportunities and promote the recovery and development of the world economy.

China Can Embrace the Global Internet for Its Narrative⁵⁶

As the world emerged from the pandemic, China had the opportunity to increase its engagement through the world by encouraging institutions and individuals to strengthen their presence on global online media platforms.

In the early 1960s, Canadian media theorist Marshall McLuhan coined the term “global village” to describe how advances in communications technology bring people around the world closer together, enabling them to interact with each other more easily and experience the same events in real-time.

Six decades later, the internet has helped to realize this vision to a degree that would have surprised even McLuhan. But today’s digital global village is not always a harmonious one.

The internet helps human beings transcend physical barriers, connect, and build communities that would have never been possible otherwise. However, as shown by renewed concerns about online polarization and hate speech in the wake of Elon Musk’s tumultuous takeover of Twitter, the internet can also be a weapon to spread disinformation and division. That is especially true when it comes to contentious topics like China.

The lack of a healthy, balanced online discussion about China can be attributed to many factors. Geopolitical tensions, existing prejudice, and the dominance of Western media play a part, as does the phenomenon of “filter bubbles” that tend to expose people to information aligned with their existing beliefs and biases. However, the lack of Chinese voices on the global internet and the dearth of interaction between the Sinophone online sphere and the rest of the world also adds to the problem.

We are now entering an age when emerging technologies such as the metaverse, virtual and augmented reality, and the IoT mean that the digital global village will become more immersive and pervasive with every passing year. As geopolitical tensions and transnational challenges continue to rise, it is more important than ever that Chinese organizations and individuals make their voices heard and interact online to promote dialogue and mutual understanding between China and other countries.

China has a thriving digital ecosystem and culture of its own, and while there are obvious regulatory and linguistic obstacles to deeper engagement with the rest of the online world, there are still ways this can be achieved.

First, Chinese organizations such as think tanks, universities, and social organizations can upgrade their international online presence and be more proactive in engaging foreign audiences. At present, even major institutions are often absent from key global platforms.

For example, a 2021 study of 40 leading Chinese think tanks found that 65% do not have an account on Twitter, Facebook, YouTube, Instagram, or LinkedIn, while only 7% used all five of these channels.

To deepen international engagement, Chinese institutions can develop user-friendly English websites, open accounts on key global platforms, and share content

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such as articles and short videos. Tools like machine translation and speech recognition have significantly reduced the cost of creating content accessible for foreign audiences. Partnering with overseas organizations or platforms is another way to reach more people.

The second way that China can play a more active role in the digital global village is to empower individuals from all walks of life to share their stories and interact with global audiences via social media networks.

One striking example is the success of a new generation of global internet celebrities from rural China. Food vlogger Dianxi Xiaoge has racked up nearly 10 million subscribers to her YouTube channel by sharing traditional recipes and images of bucolic life in her native Yunnan. Even her dog, Dawang, has over 450,000 subscribers.

Influencers like Dianxi Xiaoge present a slice of life far removed from the urban industrial China that foreign audiences are usually exposed to, helping to convey the diversity of the country and confound narratives that reduce the lives of 1.4 billion people to tropes or political issues. As the mainland reopens, there is now also a chance to encourage foreign influencers, experts, and young people to visit and share direct experiences of China with audiences back home.

My third suggestion is that individuals and organizations embrace the metaverse and explore ways to use this collective virtual space to promote exchange and mutual understanding between China and the rest of the world.

The metaverse will become an increasingly important realm for creativity, collaboration, and cultural exchange. The pandemic has offered a glimpse of this potential. Museums and art galleries created immersive experiences that gave people on the other side of the world a chance to browse their exhibits. Governments are also getting in on the act.

Seoul is working with local IT companies to develop spaces where virtual visitors can experience K-pop culture, and last year, Barbados became the first country to announce it will open an embassy in the metaverse. China should be involved in these emerging worlds and the formation of the international conventions needed to guide their healthy development.

Rather than physical obstacles, in today's world, what separates people is often cognitive barriers and prejudice toward different civilizations. Its reputation may be tarnished, but the internet still holds immense potential as a stage for dialogue, exchange, and learning between different countries.

China's future development and globalization are closely linked to its participation in the evolving online sphere. Our civilization has a long tradition of inclusiveness and openness, something that has often coincided with periods of great strength such as during the Tang and Song dynasties. As we enter a new era of national flourishing, China would do well to draw on these traditions and play an active role in building a more open and inclusive global village.

US Concerns about China's Data Security Should Be Addressed, But Not with a TikTok Ban⁵⁷

Despite numerous commitments to respecting data sovereignty and strict data protection measures, data security regarding China is still a major issue in the United States. Pragmatism on the TikTok issue could help to rebuild trust and signal that both sides can handle complex issues.

At the heart of the intense scrutiny surrounding TikTok in the United States is the question of whether the Chinese government can access US data through TikTok or its Chinese parent company, ByteDance. Amid the numerous reports and analyses following the House hearing on TikTok, one key Chinese initiative has been absent from the US debate, yet it could prove to be crucial.

While concerns about US TikTok data potentially falling into Chinese government hands are not unfounded, the evidence is lacking. A 2021 Citizen Lab report said there was no overt data transmission to the Chinese government by TikTok, although it could not determine what happens after data enters TikTok servers.

TikTok CEO Chew Shou Zi testified before a Congressional panel that "TikTok has never shared, or received a request to share, US user data with the Chinese government. Nor would TikTok honour such a request if one were ever made." Members of Congress largely remained skeptical, particularly regarding the last statement.

This is not surprising given the current climate of distrust between the United States and China. Skeptics point to Chinese laws that state "all organisations and citizens shall support, assist, and cooperate with national intelligence efforts in accordance with law" and interpret it as ByteDance being legally obliged to turn over TikTok data upon request.

Four points should be considered. First, the Chinese government has repeatedly stated that its laws do not permit the acquisition of foreign data in this manner. In March 2019, then Premier Li Keqiang said during a press conference that asking Chinese companies to "spy" on other countries is "not consistent with Chinese law."

Second, what many Congress members perceive as enabling Chinese government spying through its companies is a result of different legislative traditions. Chinese laws are often seen as broad and vague if viewed through the lens of common law because they are modeled after civil law countries' legislation. China requires broadly drafted laws and regulations to accommodate local conditions.

Third, China's position on data protection is actually stronger than the Cloud Act.⁵⁸ Passed during former US President Donald Trump's administration, the act

⁵⁷ First published on April 4, 2023 by SCMP and revised for this collection.

⁵⁸ China says in the Ad Hoc Committee to Elaborate a Comprehensive International Convention on Countering the Use of Information and Communications Technologies for Criminal Purposes that "States shall not directly collect the data stored in foreign States from enterprises or individuals or by technical means bypassing network security protection measures if such measures are against the laws of that Foreign State."

says companies subject to US jurisdiction can be compelled, pursuant to a court order, to produce data subject to their control regardless of where the data is stored.

Fourth, China has made an international pledge not to request overseas data from Chinese companies. In September 2020, China unveiled the Global Initiative on Data Security. It calls for, among other things, countries to handle data security in a “comprehensive, objective, and evidence-based manner” and respect other countries’ sovereignty in how they handle data.⁵⁹

A plain reading means that, in the case of TikTok, China will not request that TikTok data be stored in China. China’s position is that it respects the sovereignty, jurisdiction, and governance of US data and will not obtain TikTok data located in the United States through ByteDance, TikTok, their employees, or anyone else without US permission.

The initiative attempts to establish China’s data security narrative and reassure foreign nations. Zhang Ming, head of China’s mission to the European Union, referenced the initiative in a 2020 interview, saying that “we never ask Chinese companies to break the laws of the host countries by handing over overseas data to the Chinese government.” Judging from the mainstream US discourse, it seems likely that some politicians and pundits are unaware of the initiative. In any case, the initiative rarely appears in discussions.

In a more optimistic era, TikTok could have been celebrated as a symbol of success reflecting the deep ties between the world’s two largest economies. Regrettably, it has now become a point of contention, with Washington reportedly threatening a ban unless a divestment takes place, a move that has received firm opposition from Beijing.

The two nations already face enough challenges and should avoid exacerbating tensions in repeating a showdown similar to the one surrounding Huawei.

There is a constructive way to navigate this minefield. Washington could signal to Beijing, through backchannels if necessary, its intention to resolve the matter based on pragmatism.

In turn, China could incorporate the Global Initiative on Data Security into domestic laws and regulations, amending or officially interpreting laws accordingly. Neither side wishes to appear “weak” domestically, but both have interests in finding a compromise.

TikTok reports a base of 150 million users in the United States. A ban or blocking of further downloads would be extreme and potentially politically fraught for US

⁵⁹ The Global Initiative on Data Security says—States should encourage companies to abide by laws and regulations of the State where they operate. States should not request domestic companies to store data generated and obtained overseas in their own territory.

States should respect the sovereignty, jurisdiction, and governance of data of other States, and shall not obtain data located in other States through companies or individuals without other States’ permission.

Should States need to obtain overseas data out of law enforcement requirement such as combating crimes, they should do it through judicial assistance or other relevant multilateral and bilateral agreements. Any bilateral data access agreement between two States should not infringe upon the judicial sovereignty and data security of a third State.

President Joe Biden. As Representative Alexandria Ocasio-Cortez said, it is “putting the cart before the horse.”

An evidence-based approach does not justify a ban. For China, after almost three years of promoting the Global Initiative on Data Security internationally, and proactively implementing key aspects of it domestically, this is not about appeasing the United States but a logical step to further strengthen its global appeal and serve Chinese interests.

The latest central economic work conference in Beijing stated that China supports Big Tech companies in fully displaying their capabilities to boost economic growth, job creation, and international competition. Codifying the global initiative would concretely and cost-effectively strengthen internet companies as well as Huawei, drone maker DJI, gene testing giant BGI, and even carmakers.

With data ubiquitous in Chinese technology and products, legislation alleviating potential concerns will be welcomed worldwide. Pragmatism from both sides regarding TikTok could also serve as a starting point for rebuilding trust and signaling that they can handle complex issues.

Finally, Beijing does not hold the key to addressing broader US online privacy concerns, such as questionable content, addictive algorithms, and the impact on teenagers' mental health. They are not unique to TikTok.

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Part III

Globalization and Economics: Tweaking the Sputtering Engine of Global Growth

Globalization and economic growth have made the world more stable and more prosperous than at any point in human history. However, a number of factors have caused the engine of global growth to slow and begin to show signs of wear. It is time to examine, as a global community, how to repair and tweak that engine so that we may enter a new era of continued prosperity and stability for all nations.

Chapter 10

Globalization as a Driver of Prosperity



The mechanisms and drivers behind developments in geopolitics go hand in hand with the changes we are seeing in globalization. The perceived threat of a rising Global South or China as an individual actor in a geopolitical sense has in part prompted much of the developed world to back away from traditional globalization and pursue policies of reshoring, friend-shoring, and diversification, or, in more severe cases, precautionism, protectionism, or even outright sanctions.

These developments have the potential to cause irreparable damage to the system of globalization that has resulted in the prosperity that the world has enjoyed post-WWII. Whether in the form of the Marshall Plan instituted by the United States to rebuild war-torn nations in the 1950s, the creation of the General Agreement on Trade and Tariffs, which later evolved into the World Trade Organization and laid the foundation for China's meteoric rise, or new innovations like China's own Belt and Road Initiative, globalization has been a net positive for the world.

As we enter a new era, globalization isn't something that we should back away from, it is something we should continue to embrace, albeit in a new and more equitable form. Globalization can continue to be a driver of prosperity not only for developing nations, which have and continue to benefit from open markets and liberal trade policies, it can also bring new opportunities for developed economies.

In this, the first chapter of the third part of this book, we will briefly explore the current reality of this phase of globalization, its continued potential and the positive impact it can have, as well as some practical steps that we can take in moving forward.

The first article in this chapter, "Globalization Isn't Dead, It's Just Not American Anymore," sets the tone for the entire section. Far from proclaiming America's downfall, the focus is placed on how the United States is no longer the only driver of globalization and global prosperity. From trade to finance to culture and to commercial brands, an increasing number of new names and new countries are now in the running with previously globally dominant brands.

The next article focuses on how economies and international trade can continue to make a positive contribution to a stable and peaceful world. In international "The

Positive Role of Trade in World Peace, Stability and Prosperity,” we examine how, in a world that seems to be descending into conflict and rivalries, trade can continue to play a positive role. In relieving the tensions that plague so much of the world.

The final article in this chapter provides some practical next steps to salvage and guide global trade in a new direction that maintains the current momentum of globalization and its positive contributions to stability and peace. Titled “To Save Global Trade, Start Small,” starting by tackling intellectual property issues and the process of reviving the WTO’s dispute settlement mechanism so that this core institution of global trade can once again serve its intended role.

Globalization Isn't Dead, It's Just Not American Anymore¹

Trade, investment, and technological links between nations are growing and they are less mediated by Hollywood, silicon valley, and Washington than ever before, but the rise and export of *soft power in the form of brands and culture from other corners of the world mean they are still thriving.*

First, it was the financial crisis. Then Brexit and the election of former US President Donald Trump. Next came a trade war and a pandemic. The war in Ukraine is only the latest event to trigger a wave of claims that globalization is dead.

Since the Russian invasion began, everyone from newspaper columnists to Wall Street luminaries such as BlackRock Inc. Chairman Laurence Fink and Oaktree Capital Group co-founder Howard Marks have decided that the era of expanding global trade and financial ties has ended. Yet such claims don't match the empirical reality many of us see, especially in Asia.

On the contrary, it seems that our world is only becoming more interconnected. Last year, global trade hit a record \$28.5 trillion, up 25% year-on-year and 13% higher than in 2019, before the pandemic struck. For all the talk of decoupling, US-China trade swelled more than 20% last year, to \$687.2 billion. Even with war in Ukraine, global trade is forecast to grow in 2022, albeit at a slower pace.

Cross-border investment also surpassed pre-pandemic levels last year, swelling to \$1.65 trillion. China, in particular, is more integrated into the global economy than ever. In 2021, its foreign direct investment inflows rose by a third to an all-time high of \$334 billion. In the first quarter of this year, they grew by more than 25% year-on-year.

Travel has been slower to recover and international trade as a proportion of global GDP has fallen since its peak in 2008. Yet, globalization is continuously evolving and surging forward in non-physical dimensions.

Monthly global data traffic soared during the pandemic and is forecast to reach 780 exabytes by 2026, up more than three-fold compared to 2020. Half a million new people are connected to the Internet each day.

We are more immersed in a global sphere of images and ideas than ever. Billions are watching what *The New Yorker* has dubbed “the first TikTok war” unfold via satellite images and livestreams from civilians and soldiers. Ukrainian President Volodymyr Zelenskiy has harnessed the technologies of digital globalization, captivating the world with selfie videos and addressing multiple national parliaments by Zoom, something that would have been difficult to imagine before the pandemic.

Why then do so many pundits still think globalization is dying? In part, they appear to be fixated on a particular set of US-centric neoliberal ideas about globalization that prevailed after the Cold War.

One central belief is what *The New York Times* columnist David Brooks calls “convergence globalization”—the idea that as countries became more globalized and developed, they would become “more like us in the West.”

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In reality, as scholars Heather Berry, Mauro F. Guillén, and Arun S. Hendi report in a study cited by Brooks, “Over the last half century, nation-states in the global system have not evolved significantly closer (or more similar) to one another along a number of dimensions.” Globalization has not led to Americanization.

To the contrary, globalization is becoming less American and more, well, global.

While the United States was at the helm of global trade before 2000, today two-thirds of countries trade more with China. Since Trump turned his back on the Trans-Pacific Partnership free-trade pact and the World Trade Organization, the locus of multilateral trade liberalization has shifted to Asia.

In global finance, while the dollar still reigns supreme, its share in global currency reserves fell from 70% in 2000 to 59% in 2020. Sanctions are accelerating efforts by Russia and other countries to develop alternatives to the US dollar and the SWIFT interbank messaging system.

In the cultural sphere, American pop culture faces increasing competition from alternatives such as Bollywood, K-pop, and Turkish soap operas. Last year, the top-selling musical act (BTS) and most popular show on Netflix (Squid Game) were South Korean, while the world’s most downloaded app (TikTok) and biggest fashion retailer (Shein) were Chinese. Thus, while global flows continue to grow, they are relatively less mediated by Washington, Wall Street, and Hollywood.

The second neoliberal assumption about globalization shattered by the war in Ukraine is the belief that market liberalization would launch a virtuous circle of peace, prosperity, and openness, entwining the economic interests of states until conflict between them became unthinkable.

This idea is not completely wrong. But it fails to recognize that connectivity is a double-edged sword and that people care about things other than money.

As Mark Leonard writes in *The Age of Unpeace*, it is increasingly clear that connections that have knit the world together—from trade to migration, global finance, and the internet—can also be weaponized and become a source of conflict.

Around the world, governments are paying more attention to how globalization can threaten national security, citizens’ interests, and the environment. To mitigate these risks and make globalization more palatable, many are shifting away from Washington-style laissez-faire policies to a more hands-on approach of “managed globalization.”

The European Union is a pioneer in this regard, adopting new rules on cross-border flows such as its General Data Protection Regulation and the forthcoming carbon border adjustment tax. China’s “dual circulation” model can be seen as a form of managed globalization that seeks to harness its benefits while reducing exposure to external uncertainty. Even the United States is pushing for more proactive measures to manage transnational flows, such as a global minimum tax on multinationals.

This heralds a more measured approach to globalization that takes long-term resilience and political realities into account, not a wholesale retreat to autarchy. We have entered a phase of global integration driven by new forces, one that will be more diverse and more managed than the one that came before. And that needn’t be a bad thing.

The Positive Role of Trade in World Peace, Stability, and Prosperity²

As the world seems to move towards a more militaristic and confrontational future, it is important to emphasize the positive impact trade can have on stability and peace.

As of the writing of this article, the war between Russia and Ukraine has lasted for more than a month. According to the United Nations, as of March 30th, the war has caused over 4 million Ukrainian refugees to flee their homeland, and as of April 1st, at least 1,276 Ukrainian civilians were known to have died and 1,981 were injured. Europe faces its largest influx of refugees since World War II. Not only have global energy resources and trade activities been impacted, European security and the international system formed after World War II have also been challenged. At one point, Russia even indicated it could use nuclear weapons if its survival was threatened.

The ongoing COVID-19 pandemic together with the Russia-Ukraine war has brought the human race face to face with a new Bretton Woods moment. We need to think about how humanity has maintained peace for the past 77 years and why it has come to the edge of world war again.

The Bretton Woods Conference, held in July 1944, established international institutions like the International Monetary Fund and the International Bank for Reconstruction and Development (predecessor of the World Bank) to manage the international monetary system, which promoted the construction of a new post-war international monetary system. For decades, the global economic landscape developed based on the Bretton Woods system, including the General Agreement on Tariffs and Trade and now the World Trade Organization, has contributed to a virtuous cycle of openness, trade, prosperity, and stability. Global trade has become the greatest stabilizer of world peace since World War II.

At the end of World War II, trade accounted for merely 5 percent of global GDP. Global foreign direct investment increased eight-fold from 1950 to 1970. By the end of the previous century, total global import and export trade accounted for 50 percent of global GDP. In 1950, global import and export trade totaled \$61 billion, while total global trade reached a record \$28.5 trillion in 2021, an increase of as much as 466 times.

In recent years, however, the role of international military alliances increased as the international power landscape evolved. For example, NATO has expanded eastward five times, while the United States probably wants to create a smaller version of NATO in Asia through multilateral military alliances with Japan, South Korea, Australia, and India. This is in addition to the security pact “AUKUS” that has already been established by the United States, the United Kingdom, and Australia. The outbreak of the Russia-Ukraine war shows the increased danger of confrontation with military alliances, which could cause a new arms race due to isolation and suspicion, leading

² First published on April 3, 2022 by CGTN and revised for this collection.

to accidental conflicts or regional conflicts that threaten security and stability. The world needs to continue to foster the prosperity and development that had been achieved through institutions like the World Trade Organization, the International Monetary Fund, the World Bank, the AIIB, and others.

Economic globalization remains a major trend in world development. In the future, avoiding new regional and world wars means relying on economic alliances rather than military alliances. Economic cooperation and regional alliances, as a manifestation of economic globalization, are more aligned with the interests and needs of global development and more sustainable in the long run. These alliances create larger interconnected markets that complement regional advantages, provide mutual benefit, enhance regional prosperity and development, and encourage friendly exchanges and cooperation.

In recent years, China embraced an even more open attitude to the world, expanding the circle of its trade and achieving rapid development. Part of this has been the China-led Belt and Road Initiative, the Asian Infrastructure Investment Bank, and the China-Africa Cooperation Forum. China also joined the Infrastructure Regional Comprehensive Economic Partnership Agreement, signed the China-Europe Investment Agreement, and applied to join the Comprehensive and Progressive Trans-Pacific Partnership Agreement as well as the Digital Economy Partnership Agreement. China is currently the largest trading partner for over 130 countries. By deepening international economic and trade cooperation and aligning with international rules, China has released more potential and cooperated with other countries to create mutual benefit, and link its own prospects with those of other countries around the world, which has succeeded in creating goodwill and trust.

There is a lot of room for cooperation between China and the United States. Given the major role the United States and Europe have taken in the Russia-Ukraine war, China's potential role as a neutral mediator stands out. Chinese President Xi Jinping has expressed his willingness to provide further humanitarian assistance and called on all parties to work together to support dialogue and negotiations between Russia and Ukraine. In this regard, China could seek to form a multiparty talk mechanism including the five permanent members of the UN Security Council, Ukraine, and the EU within the UN framework, and facilitate a ceasefire between the two sides. This would ultimately bring stability back to Europe and reduce the potential for a return of instability after the ceasefire.

Other global areas in which there is room for cooperation include infrastructure, climate, and carbon neutrality. China and the United States should work together with countries from around the world to strengthen the alignment of development projects and enhance the linkage of economic interests. These parties should work together to promote infrastructure initiatives like the BRI, Build Back Better World, and the EU's Global Gateway, strengthen third-party market cooperation, and cooperate in developing infrastructure, especially in developing countries. The Asian Infrastructure Investment Bank should consider taking the lead and work with the World Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Islamic Development Bank, African Development Bank,

and Inter-American Development Bank to build a global infrastructure investment bank alliance to concentrate on infrastructure and climate change.

In the Indo-Pacific region, the United States is working to create a four-nation alliance comprising the United States, Japan, India, and Australia—the Quad—which India stressed is meant to enhance economic cooperation. In this regard, while strengthening trade and cooperation between China and India, it is also possible for China and the United States to do the same in the Asia-Pacific region. Under the right conditions, there could be an economic mechanism, including China, through which all parties could cooperate on regional economic development and trade to expand the space for cooperation and enhance mutual understanding and trust.

The world is becoming increasingly unstable, uncertain, and insecure. Throughout history, military alliances and confrontations have brought unrest and humanitarian disasters, while economic cooperation and alliances have been proven to bring integration, development, mutual trust, and goodwill. Given the rising distrust among the major powers, perhaps China, the United States, and the countries of Europe, Asia, Africa, and Latin America should consider revising the rules of global economic governance, enhancing multilateral economic and trade cooperation and playing more positive roles in trade to ensure peace, stability, and prosperity.

To Save Global Trade, Start Small³

As we seek ways to extend the benefits of globalization, one practical option is encouraging participation by as many parties as possible to combat the damage of reshoring and precautionism.

The global economy is being rocked by war, sanctions, and spiraling commodity prices—not to mention the ongoing strain of the pandemic, geopolitical tensions, and climate change. These compounding risks present a serious challenge to the system of open trade that the World Trade Organization was designed to uphold. But it also offers a chance for the beleaguered organization, which is holding its first ministerial conference since 2017, to prove its continuing relevance.

The WTO has traditionally focused on combating protectionism—measures designed to insulate producers from international competition. Now, though, the biggest threats to free trade come from policies meant to safeguard national security and protect citizens from risks, such as those related to health, the environment, or digital spaces.

Former WTO Director-General Pascal Lamy has called this growing use of export controls, cybersecurity laws, investment blacklists, reshoring incentives, and the like “precautionism.” It’s been on the rise since the start of the pandemic, when many countries moved to restrict exports of medical supplies and other essentials. COVID-19 has also raised concerns about the vulnerability of supply chains, particularly those dependent on geopolitical rivals.

The world’s two biggest trading nations, the United States and China, have both engaged in precautionism. The United States is actively pursuing a policy of “friend-shoring”—shifting trade flows from potentially hostile countries to friendlier ones. China’s “dual circulation” strategy aims in part to reduce dependence on foreign imports, especially technology, while its government has long imposed limits on data flows in and out of the country.

With Russia’s invasion of Ukraine, the momentum toward friend-shoring has grown. Meanwhile, food shortages and surging prices have triggered another round of precautionary measures: Since the war began, 63 countries have imposed more than 100 export restrictions on fertilizer and foodstuffs.

While the impulse driving such policies is understandable, the trend could cause great harm if allowed to run unchecked. It will increase inflation and depress global growth, especially if it involves costly redeployment of supply chains away from efficient producers such as China. A recent WTO study estimated that decoupling the global economy into “Western” and “Eastern” blocs would wipe out nearly 5% in output, the equivalent of \$4 trillion.

As a recent study by the International Monetary Fund points out, the way to make global value chains more resilient is to diversify, not dismantle them. Turning away from open trade will only make states more vulnerable to economic shocks such as war, disease, or crop failures.

³ First published on June 13, 2022 by Bloomberg and revised for this collection.

The WTO is an obvious vehicle to rally collective action on these issues. However, like other global institutions, it has been weakened by years of deadlock. At this week's meeting, countries should start to build positive momentum with some small but symbolically significant breakthroughs to show the WTO can still mobilize joint action.

Given current threats to food security, at the very least, members should one word programme agree not to restrict exports of foodstuffs purchased for the World Food Programme. A step further would be a joint statement calling on members to keep trade in food and agricultural products open and avoid imposing unjustified export restrictions. There should also be closer coordination to smooth supply chains and unlog logistics channels.

Another low-hanging fruit is finally securing a waiver covering intellectual property rights for COVID-19-related products. This proposal has languished for over 18 months but has now been redrafted to address concerns from the United States and European Union. Signing it would go some way to expanding global access to vaccines, which are still sorely needed in many parts of the world.

Beyond this week, the WTO secretariat and members need to develop a work program to reform the organization. This should include developing a framework to ensure that if states do take precautionary measures, they do so in a transparent, rules-based manner that does not slide into more harmful forms of protectionism.

Reviving the WTO's defunct dispute settlement mechanism is a clear priority. Twenty-five members have agreed to an interim arrangement that would function in a similar way. More members should join this agreement, ideally including the United States, and start negotiating the full restoration of a binding mechanism. They should also set clear criteria for carveouts for legitimate precautionary measures related to national security, healthcare, and environmental issues.

No one should expect big breakthroughs in Geneva. But practical agreements on immediate priorities such as food security and vaccines would at least help to reassert the WTO's relevance and show that the world's trading partners are not simply going to give up on multilateralism. At this dangerous moment, even small victories are welcome.

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Chapter 11

China as a Driver of Global Growth



China has been one of the biggest beneficiaries of globalization. Through a combination of administrative and policy reforms, not least of which is the overarching concept of reform and opening-up, which continues to this day, as well as gradual integration with the global economy and trade network, China's economy has grown over 9% a year on average, and the country has lifted almost 800 million people out of poverty.

However, while China's domestic economy has doubtlessly benefited incredibly from its reintegration with the world economic system, it has also enabled increased overall prosperity on a global scale, from providing inexpensive consumer products to developed countries that gradually moved beyond manufacturing to service-based economies, to the developing countries of the so-called Global South by contributing to infrastructure development and increased trade.

China has been a major source of global growth for more than 40 years and has left an indelible mark on the world, not only economically, but also increasingly politically and culturally. It is more than likely that this will continue for the foreseeable future, but increased global tensions in geopolitics, changes in economic policy, and diversification of supply chains, as well as shifts in power from West to East and North to South, will influence how and in which areas China drives global growth.

Increasingly strained relations between China and the United States have exacerbated this situation as the world's two largest economies and increasingly frequent political rivals vie for their own vision of a global future. China's position has been and remains one of mutual benefit and engagement with all parties, remaining confident that its economy will remain strong and continue to contribute to global growth.

In this chapter, we will examine specific ways in which China is currently contributing to global growth and how it intends to continue making contributions to economic and trade development throughout the developed and developing world.

The first article in this chapter, titled "Unlike the United States, China Is Not Trying to Shut Out the Future," draws a stark contrast between the acceptance and promotion by China of EVs, clean energy, AI, and other emerging technologies, while

the United States seems to be turning away from them as a part of overall policy. The next article, “China’s Resilience and Commitment to Globalization,” focuses, from a policy-setting perspective, on how China’s latest Two Sessions, the simultaneous meetings of China’s legislative assemblies—the National People’s Congress and the National People’s Political Consultative Committee have maintained a consistent policy on globalization and economic development by comparing meetings in 2025 with those in 2023, both of which emphasized China’s focus ensuring that China remains a source of growth both for global companies doing business in the country as well as for global trade as a whole.

The third article, titled “Critics Are Missing the Big Picture on China’s Economic Transition” emphasizes how China’s economy is no longer a monolith of basic manufacturing and is currently leading the way in the transition to green infrastructure, digital connectivity, and world-class research that will have a considerable impact on future global development. In the same vein, the next article, titled “China’s Economy Poised for Continued High-Quality Growth in 2025,” reiterates the fact that China continues to be a source for global growth and cites the latest growth numbers and improvements in the daily lives of Chinese citizens that point to the country’s continued robust development. This trend has been true since the global economic recovery began following COVID-19, when China worked to present itself as a strong and reliable engine for growth.

China’s growth engine is in large part powered by its innovative and dynamic companies that remain enthusiastic about expanding internationally, whether in terms of trade or even direct investment in a wide range of global economies. The fifth article in this chapter, “Chinese Companies Can Spearhead a New Wave of Globalization,” focuses on how these companies will be integral to global economic development in “Globalization 3.0,” a new phase of more multilateral development that will be increasingly influenced by the Global South, of which China is the most prominent member.

Part of this is China’s strong tech sector, which is leading in multiple areas despite certain challenges due to protectionism and recent tariffs. The next article in this chapter, titled “Chinese Big Tech Firms Are on the Comeback Trail amid Economic Recovery and US Tensions,” expands on how Chinese tech companies like Baidu, Tencent, and even e-commerce platforms like Shein and Temu are overcoming multiple challenges to recover and expand abroad.

The seventh article in this chapter, titled “China Will Still Be a Major Growth Driver This Year,” shows how China focuses on maintaining overall growth and setting targets that are reliable, which will in turn continue to make China an attractive destination for foreign investment. Continuing this theme, the next article in this chapter highlights China’s vision of globalization in a wider sense. Titled “China Injects New Momentum into Multipolar Globalization,” it emphasizes the fact that China no longer views globalization as West-led concept and that it should be more inclusive both geographically and in terms of economic systems, noting that China’s mixed economic model, including its state-owned sector, has been at the core of its growth and provides an alternative to classic development theories. For much of its recent economic history, China’s development is inextricably intertwined with

foreign investment and multinational cross-border, enterprises. The ninth article in this chapter, “China Is Providing a Strong Impetus for Attracting Foreign Investment,” once again stresses the emphasis that China places on creating a good environment for foreign investment by expanding the range of industries open to investment and driving programs specifically created for foreign investment.

Moving beyond China’s borders, the next article in this chapter focuses on “How China Is Helping Middle East Economies Pivot Away from Gulf Oil.” Long seen as relying too much on revenue from oil production and lacking in economic diversification, China is working with Middle Eastern countries to develop other industries, including infrastructure, high-tech, and green technologies. This not only helps them pivot away from an oil-based revenue source, but it also creates a wider range of opportunities for foreign investment and cooperation in the Middle East. However, while this article focuses on the Middle East, it is also representative of China’s efforts to support globalization around the world and to find solutions to the challenges that it faces in an uncertain future.

As mentioned previously, a key part of China’s success, which has contributed greatly to overall global growth, is its unique system of planning and its top-down model, which is efficient and effective. In leading the country, the Communist Party sets the tone of development, which provides guidance and direction for companies and administrators. It is also a key barometer for the world to gauge China’s development direction and policy directives. The next article in this chapter, “China’s CPC National Congress Embraces Development and Prosperity,” looks back at the achievements made in previous decades as well as the focus for the future, placing considerable emphasis on attracting international talent and driving innovation.

The final article in this chapter, “Why China Is Still a Solid Growth Engine and Safe Harbor for Multinationals amid Rising Tides of Anti-Globalization Sentiment,” highlights how China has remained committed to globalization and providing a stable, safe environment for multinationals currently in the country as well as those looking to increase or start investment here in the future.

Already a major manufacturing base for many of the world’s top tech companies, China continues to advance in the tech sector, with Chinese tech firms also becoming competitors on the global stage. In the wake of COVID-19, these were some of the first companies in China to show a strong comeback despite global challenges.

Unlike the United States, China Is Not Trying to Shut Out the Future¹

The green transition is likely to define the 21st century. Rather than resisting change, China is choosing to shape it through the propagation of technologies like EVs, solar and wind power, batteries and artificial intelligence.

In their op-ed in *The New York Times*, economists David Autor and Gordon Hanson—whose work first defined the “China Shock”—warn of a new wave of disruption, one they label “China Shock 2.0,” this time driven not by textiles or toys, but by electric vehicles (EVs), clean energy, artificial intelligence and biotechnology. The fear is that China is no longer merely catching up but is poised to overtake in sectors that once defined Western leadership.

Yet the term “China Shock 2.0” practically begs misinterpretation. Both authors clearly understand this: they speak against the reflexive protectionism that such a framing inspires and posit instead a forward-facing ideal of careful investment and subsidy.

It must be stressed that today’s changes are not a repeat of past disruptions. They are not about factory closures or lost jobs; they are about the construction of entirely new systems and industries. China is not here as a destabilizer, but as a builder.

Today’s shift, the China Shock 2.0, is better termed a future shock. And it is led by capital-intensive, hi-tech industries: EVs, solar power, wind turbines, batteries, smart grids, and artificial intelligence. These sectors are not driven by low wages but by scale, supply chain integration and a relentless push for innovation driven by a series of world-leading institutions that only seem to be strengthening because of a switch away from state-led subsidies to a greater emphasis on market discipline and research-driven innovation.

If the nineteenth century belonged to steam and the United Kingdom, and the twentieth century to silicon and the United States, then the twenty-first century will belong to those who lead the green transition. China is doing just that. The benefits are being felt worldwide. In 2023 alone, China installed more solar capacity than the entire rest of the world combined: 1.6 times as much. It had nearly double the rest of the world’s wind installations and is driving down clean energy costs worldwide.

The cost of solar panels has dropped from 24 US cents per watt of capacity in 2023 to just 11 US cents in 2024. China is not so much supporting the green transition as underwriting it.

Old industries are not being displaced so much as new ones are being created, and the global benefits are already visible. In developing countries, clean energy installations are reaching places where traditional grids never did. In parts of Africa, Southeast Asia, and Latin America, solar microgrids, battery systems, and electric mobility are leapfrogging legacy systems. These are first-time deployments that bring modern infrastructure to communities long left behind.

¹ First published on August 13, 2025 by SCMP and revised for this collection.

Yet it is this very capacity—this speed, efficiency, and reach—that raises hackles. The temptation is to respond with tariffs and protectionism. But the lesson from history, including Autor and Hanson’s own work, is that such strategies often fail.

In the 1970s and 1980s, the US auto industry faced competition from Japan. Tariffs and export restrictions offered temporary relief, but they could not mask deeper structural weaknesses. Today, foreign-owned automakers dominate most vehicle segments in the United States, while domestically owned companies have retreated into the tariff-protected light truck and SUV categories.

The case of Harley-Davidson is even starker: a 1983 tariff on imported heavy-weight motorcycles and unwillingness to diversify led to a reliance on a narrow cohort of aging riders. Today, it faces a declining customer base and a dated product line.

Instead of resisting change, it’s best to choose to shape it. Following the 1985 Plaza Accord, Japan responded to US pressure by investing directly in American factories. Today, China is pursuing a similar path, not to circumvent and upend markets, but to participate in them. An “in the world, for the world” strategy locates production in partner countries, transferring know-how and aligning with local development goals, offering jobs to local workers and revenue to local governments.

For example, Changan Automobile’s “*hai na bai chuan*” (“the sea embraces all rivers”) strategy involves the construction of 20 factories overseas. Xpeng has launched localized EV production in Indonesia. BYD has begun assembling electric vehicles in Brazil at a factory once owned by Ford. Huawei and Chery have partnered to create a new electric vehicle brand with over 10 billion yuan (US\$1.4 billion) in integrated research and development and production capacity.

China is not bypassing global rules or local partners. Instead, it is investing in shared growth and long-term collaboration.

Indeed, China is increasingly playing a stabilizing role in the global system as others retreat. As the United States withdraws from liberal internationalism and scales back support for multilateral institutions and public goods, China is filling critical gaps. From supporting regional forums such as the Community of Latin American and Caribbean States (CELAC) and contributing about 15.25% of the United Nations budget, to pledging US\$500 million over five years to support the World Health Organization, China has consistently chosen to remain engaged.

China has implemented a zero-tariff regime for goods from 53 developing countries. Its visa-free entry policy now covers over 75 nations. China is pursuing membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which the United States withdrew from in 2017. China is also participating in global standard-setting, including AI governance frameworks, research collaboration, and other win-win projects. Far from pulling back, it is investing in a world that remains open, networked, and shared.

The real shock is not China’s ascent. It is how quickly the future is already being assembled. The only mistake now would be trying to shut it out, rather than choosing to be part of it.

China's Resilience and Commitment to Globalization²

Showcased in the recent Two Sessions—dual national congressional meetings—China is embracing multilateralism and openness, while working to steer the world toward cooperation.

As the world navigates an era of unprecedented transformation, marked by tariff pressures from the United States and a host of geopolitical and economic uncertainties, China stands at a pivotal juncture. The “Two Sessions” provide a timely platform to reflect on China's economic trajectory and its unwavering commitment to a higher level of openness.

On March 5, 2025, Chinese Premier Li Qiang delivered a government work report, which targets an economic growth rate of around 5% in 2025.

Despite external challenges, China's economy remains robust, resilient, and a vital engine of global growth. Leveraging its vast market advantages, technological prowess, and multilateral engagement, China continues to champion globalization and inclusive cooperation, offering stability and opportunity in a turbulent world.

A Resilient Economy in a Shifting World

China's economic resilience is not a mere slogan—it is a reality underpinned by tangible strengths. In 2024, despite increasing external pressures, China's economy showed tenacity, achieving its 5% growth target. The basic trend of the long-term sound development of the Chinese economy remains unchanged, according to the government work report. This stems from a domestic market of 1.4 billion people, a comprehensive industrial system, and a focus on innovation and infrastructure.

China's high-speed rail network, spanning over 45,000 km and accounting for more than 70% of the world's total, connects cities, boosts consumption, and supports regional trade. Its telecommunications infrastructure, with over 4.5 million 5G base stations, empowers industries and positions China as a global tech leader. This technological edge shone during the 2025 Spring Festival, when a humanoid robot performed a traditional Yangge dance on the gala stage, sparking global fascination with Chinese artificial intelligence.

On the trade front, China remains the largest partner of over 140 countries, contributing over 30% to global growth. In 2024, exports grew briskly, driven by demand for manufactured goods and green technologies. Notably, the “new trio” of exports—electric vehicles, lithium-ion batteries, and solar panels—saw their total value exceed 1 trillion RMB in 2023, with China holding a 70.4% global market share in new energy vehicles, 79.8% in lithium-ion batteries, and 85% in photovoltaics by 2024's end, reinforcing its dominance in sustainable industries.

² First published on March 6, 2025 by China Focus and revised for this collection.

The tourism sector also rebounded, with inbound foreign visitors during the 2025 Spring Festival surging by 150% year-on-year. This recovery was bolstered by streamlined visa processes, including visa-free entry for dozens of Asian and European countries, and promotional campaigns targeting key markets like Southeast Asia and Europe.

China's resilience also rests on its people. In 2024, over 13 million university graduates entered the workforce, fueling innovation in AI, renewable energy, and beyond. Combined with a manufacturing base spanning the entire value chain, China's human and industrial capital is unmatched. This strength is evident in its 79.8% share of the global lithium-ion battery market and 70.4% share in new energy vehicles, driving the energy transition. Companies like BYD and CATL exemplify this, with their innovations powering electric vehicles and energy storage worldwide.

High-Level Openness: A Strategic Choice

Rather than retreating, China is opening its door to the world wider. At the Two Sessions, the message was clear: "China remains steadfast in its commitment to opening up, regardless of changes in the external environment," signaling both intent and action. The Chinese government reaffirmed commitments to market access, trade liberalization, and global cooperation, recognizing that China's vast market offers mutual prosperity.

Visa exemptions for over 40 countries and tariff relief under trade agreements enhance exchanges, while the manufacturing sector's full opening to foreign investment marks a historic shift. Regional synergy is accelerating, with the "dual circulation" dynamic between the mainland and Hong Kong-Macao naturally taking shape. For instance, cross-border projects like the Greater Bay Area have spurred investment in tech and logistics, amplifying regional economic vitality.

Private entrepreneurs are key to this strategy, driving innovation and exports. Government support, such as tax incentives, financing, and streamlining regulations, unleashes their potential, bolstering resilience. The internationalization of the RMB has also gained traction, positioning it as a global currency rivaling the dollar and amplifying China's economic influence. This push is supported by growing use of RMB in Belt and Road transactions, reducing reliance on the dollar in trade settlements.

Championing Multilateralism and Globalization

Amid rising protectionism, China advocates multilateralism and inclusive globalization. The Two Sessions highlight its role in the UN, WTO, and G20, pushing for equitable governance. The Belt and Road Initiative (BRI), connecting over 150 countries, emphasizes green development and digital connectivity. Core strategies

like “new productive forces” and “dual circulation” emerged as buzzwords, leveraging innovation and domestic-global synergy to counter pressures. Facing US tariffs, China has deepened ties with ASEAN, the EU, and emerging markets. Environmental progress, with 87.2% of days in 2024 boasting good air quality, sets a green benchmark. The BRI’s focus on sustainability aligns with China’s photovoltaic leadership, in which it held an 85% global share by the end of 2024, enhancing its role in green globalization.

The Two Sessions chart a path of resilience, openness, and partnership. “New productive forces” and “dual circulation” inject momentum, while open policies and regional collaboration offer a blueprint for global partnership. Despite tariffs and tensions, China builds an inclusive economy with its market, infrastructure, and talent—not just for itself, but for the world. The RMB’s projected rise as a global currency further cements this vision. By embracing multilateralism and openness, China counters fragmentation and steers the world toward cooperation.

Critics Are Missing the Big Picture on China's Economic Transition³

As the world's second largest economy, China is an inextricable part of future global economic development. Its current transition toward green infrastructure, digital connectivity, and world-class research has provided China's economy with a more dynamic source of growth.

As China transitions from the 14th to the 15th five-year plan, its economic trajectory is once again under scrutiny. External commentary often focuses on the short-term headwinds from a cooling property market and commensurately lowered growth, but these challenges obscure a more important story.

Beneath the surface, China has a vibrant backbone made strong by the synergistic effects of infrastructure, human capital, technology, and an unparalleled commitment to a green transition. These interlocking strengths form a resilient foundation for sustainable growth in the years ahead.

This synergy represents a wave of sustainable, quality development. China stands before a moment of great change as it cultivates a more well-rounded and diversified economy.

One aspect of that synergy is the pace at which ideas travel from the laboratory to the market and are scaled into global industries. China once lagged behind other countries in advanced science. Today, China is a global leader in scientific research. As of mid-2024, China produced 33.8% of the world's highly cited scientific papers.

According to data from the Australian Strategic Policy Institute, China now leads in 57 out of 64 key technologies, such as artificial intelligence, high-performance computing, post-quantum cryptography, advanced materials, and renewable energy.

Meanwhile, the Chinese Academy of Sciences is the world's most productive research institution, with breakthroughs that ripple outwards into commercial applications.

Perhaps the clearest example of this is in the technology underpinning the green transition. In 2023, China installed more solar capacity than the rest of the world combined and had twice the number of wind installations elsewhere. The cost of solar panels more than halved between 2023 and 2024, a change driven largely by the scale of Chinese manufacturing.

These gains have not been limited to China's domestic energy mix; they are bringing affordable clean power throughout the world. In parts of Africa, for example, solar microgrids and battery storage systems are electrifying communities that legacy grids never reached. Parts of Southeast Asia and Latin America are also speeding up green transitions, thanks in part to increasingly affordable green technology from China.

Moreover, the infrastructure underpinning China's transformation is world-class. The country now boasts an incredible 436 gigawatts of hydropower, 521 gigawatts

³ First published on September 26, 2025 by SCMP and revised for this collection.

of wind, and 887 gigawatts of solar as of 2024. China also has the world's highest-altitude ultra-high-voltage power grid, enabling long-distance flows of clean energy.

China's data backbone is increasingly unmatched, with 4.5 million 5G base stations built and connecting over a billion people. Back in 2023, China's 5G base stations already represented over 60% of the world's total, according to the Ministry of Industry and Information Technology.

The country has at least 110 "gigabit cities" where 5G network access rates have reached 80%. Meanwhile, under the "Eastern Data, Western Computing" project, China plans to construct eight computing hubs and 10 data center clusters in the country's western regions to take advantage of the cheaper electricity sourced from renewables.

In addition, China's strong domestic market is physically connected by more than 45,000 km of high-speed rail—more than the rest of the world combined—and at least 177,000 km of expressway. Its thriving civil aviation market is now the second largest in the world.

With seven of the world's top 10 container ports, China is also increasingly connected to the world. Through its goods train network linked to Europe, 11 million containers have been transported over the past 13 years.

These synergies extend beyond China's borders as Chinese companies increasingly shift production overseas, from electric vehicle plants being built in Brazil and Indonesia to renewable energy projects in Africa and West Asia. This approach not only creates jobs and transfers technology, but also ensures global supply chains remain stable and diversified.

Critics point to China's weak property market and uneven post-COVID-19 recovery as signs of fragility. But the Chinese economy is far less reliant on any single driver of growth than it once was. While the property sector is still significant, it's just one part of a broader system. High household savings represent another untapped source of domestic strength that could sustain consumption and investment for years to come.

The multiplier effects are striking. China's physical and digital backbone enables research breakthroughs to quickly move from concept to mass production, reinforcing the feedback loop between science and industry.

For example, top-tier research in battery chemistry can directly boost China's global leadership in electric vehicles. Advances in high-performance computing and AI can spill over into applications in logistics optimization and healthcare. Breakthroughs in new materials reshape manufacturing, aviation, and renewable energy systems.

The shift under way is clear. China is moving from an economy powered by real estate and exports to an economy driven by talent, innovation, and green growth. This transition is not without challenges. But from universities and laboratories to infrastructure and the cultivation of talent, China is well equipped to turn obstacles into opportunities.

The twenty-first century belongs to the pioneers of green technology. China's infrastructure, research capabilities, and talent have placed it at the forefront of this

transformation, which is built not only on new industries but also on a new vision of the future.

The road ahead will demand continued reform and adaptability. However, with its synergistic model of sustainable growth, China can weather the uncertainties of the global economy while shaping the next phase of growth at home and abroad.

China's Economy Poised for Continued High-Quality Growth in 2025⁴

With policies in place to support high-quality development and people's well-being, China is poised to achieve continued growth and prosperity in the year ahead.

On December 31, 2024, President Xi Jinping delivered his New Year's address to the Chinese people, summarizing the nation's progress in 2024 and setting the tone for 2025. When discussing the economic achievements of 2024, President Xi highlighted the proactive measures taken to navigate domestic and international challenges, emphasizing a series of policy combinations aimed at fostering high-quality development.

He also underscored the cultivation of new productive forces tailored to local conditions, with new industries, new business models, and new economic patterns thriving. With a focus on improving people's livelihoods, President Xi remarked that "of all the jobs in front of us, the most important is to ensure a happy life for our people."

These remarks illustrate that high-quality development, especially through fostering new productive forces, and prioritizing the improvement of people's livelihood, are the keys to understanding 2024 and central missions for 2025.

In 2024, despite a challenging global landscape marked by economic uncertainty, slowing and underwhelming recovery, and domestic economic transitions, China demonstrated remarkable resilience and vitality. The nation is projected to achieve its primary economic and social development targets for the year. The Gross Domestic Product (GDP) is expected to surpass 130 trillion yuan, with an estimated growth rate of around 5%, contributing nearly 30% to global economic growth.

Notably, China's 2024 grain output hit a record high of 706.5 million tons, an increase of 1.6% from the previous year. The year 2024 also marks the first time that the country registered a grain harvest of over 700 million tons.

From January to November, the total retail sales of consumer goods reached 44.27 trillion yuan, an increase of 3.5%. Among them, online retail sales nationwide grew by 7.4% year on year, while service-related retail sales increased by 6.4%. In terms of investment, China's non-financial outbound direct investment (ODI) reached \$128.63 billion from January to November, an increase of 11.2% year on year. Of this, non-financial ODI in Belt and Road partner countries totaled \$30.17 billion, a year-on-year growth of 5.1%.

At the same time, China newly established 52,379 foreign-invested enterprises nationwide, an increase of 8.9% year on year, showcasing the enormous appeal of the Chinese market and the confidence foreign investors have in China's economy. Exports, as a key driver of economic growth, also performed well in 2024. In the first 11 months, the total value of China's goods imports and exports reached 39.79 trillion yuan, up 4.9% year on year. Among this, exports accounted for 23.04 trillion yuan, growing by 6.7%, providing strong support for economic growth.

⁴ First published on January 7, 2025 by China Focus and revised for this collection.

The highlights of China's economic performance in 2024 extended far beyond traditional indicators of growth. A defining feature was the nation's focus on fostering new productive forces. In the field of scientific and technological innovation, Chinese scientists achieved groundbreaking progress, tackling global challenges head-on. For example, the Chang'e-6 lunar mission successfully brought back the world's first samples from the far side of the moon, providing invaluable data for lunar research.

In emerging industries such as artificial intelligence, 5G, and new energy, Chinese companies made significant breakthroughs, solidifying their competitive positions globally. Notably, over 10 million new energy vehicles were produced in China in 2024, underscoring the nation's leadership in the green energy transition.

In addition to its economic and technological achievements, China has made notable strides in enhancing the well-being of its people. Policies were introduced to improve employment opportunities and increase incomes. Key initiatives included raising basic pensions, lowering mortgage interest rates, and expanding direct settlement for cross-regional medical treatments. Programs like "trade-in" schemes for household appliances also elevated living standards by encouraging sustainable consumption. These efforts reflect the government's commitment to addressing people's aspirations for a better life.

As 2025 marks the concluding year of the 14th Five-Year Plan, its economic significance should be fully acknowledged. The nation will continue to prioritize steady and high-quality growth while overcoming structural challenges. We must fully implement the guiding principles of the 20th National Congress of the Communist Party of China and the Second and Third Plenary Session of the 20th CPC Central Committee, adhere to the general principle of pursuing progress while ensuring stability, continue overcoming challenges and obstacles, and focus on rigorous implementation and execution.

Externally, China faces increasing uncertainties in the global trade environment. As the world's largest exporter, China is particularly sensitive to rising protectionism. The Trump administration's renewed threats of hefty tariffs, the EU's plan to impose duties on Chinese new energy vehicles, and slowing overseas demand may place additional pressure on exports. Domestically, insufficient effective demand remains a pressing challenge, potentially slowing economic momentum.

However, China's economic resilience and vast market potential provide a strong foundation for sustained growth. In 2025, the government is expected to adopt more proactive macroeconomic policies, employing "extraordinary counter-cyclical adjustments." The Central Economic Work Conference, held from December 11 to 12, 2024, outlined nine key priorities for 2025, including expanding domestic demand, driving technological innovation, expanding opening-up to global markets, promoting new urbanization and rural revitalization, and advancing coordinated efforts in carbon reduction, pollution control, and green growth.

Furthermore, as the groundwork for the 15th Five-Year Plan begins, major strategic initiatives, reforms, and projects will be launched to sustain economic growth and prepare for the long-term development.

As we bid farewell to 2024, a year of resilience and progress, we embrace the opportunities and challenges of 2025. As President Xi urged in his New Year's

message, we must stay confident, grow through the trials of wind and rain, and emerge stronger from every challenge. With policies in place to support high-quality development and people's well-being, China is poised to achieve continued growth and prosperity in the year ahead.

Chinese Companies Can Spearhead a New Wave of Globalization⁵

In the chaos of reshoring and derisking, the unique brand of technological know-how and corporate wisdom of Chinese companies could potentially be in a prime position for considerable growth in the coming era of Globalization 3.0, making a positive contribution to the global economy.

At a recent conference in Singapore on Chinese companies going global, I spoke on deglobalization and the emerging contours of Globalization 3.0. Perhaps more than ever, we need to look ahead to new ideas and concepts to tackle whatever the future holds.

When China implemented its policy of reform and opening-up in 1978, its economy, shaped by autarkic experience and self-reliance, was still “in China for China.” In tapping world-changing market forces, the economy entered a period of “in China for the world” as the country became the world’s factory.

Increasingly complex value-adding industries lifted 800 million out of poverty and boosted the material wealth of our modern world. By 2020, China accounted for 35% of the world’s gross industrial output. Yet trade wars—which were begun by the United States during the first Trump administration have once again realigned global dynamics.

In today’s world, it’s no longer enough to do it better and more cheaply. Globalization is entering a new era and multipolarity is back. “De-risking” and instability have seen companies face a new period of uncertainty and transformation.

With the rise of trade barriers, tariffs, and geopolitical fragmentation, Globalization 3.0 will increasingly be digitally driven and regionally oriented. Chinese businesses urgently need to adjust their strategies and accelerate the pace at which they go global.

This means shifting from an export-driven growth model towards one characterized by a global presence, overseas investments, and cross-border industrial coordination. In other words, we need a strategy for the Chinese economy to be “in the world, for the world.” Chinese companies must go global, distributing their value chains and production systems across countries to serve international customers.

The simple truth is that overseas expansion not only enhances a company’s competitiveness and insulates it from rising protectionism and geopolitical tensions but also defuses some of the most keenly felt issues with globalization: the uneven distribution of its spoils among social groups.

It does this by rolling back the loss of job opportunities for skilled laborers and shifting productive capital and tax revenue back to the host countries.

A comprehensive global strategy not only mitigates the risks of trade barriers and conflicts over trade policy, it also presents new opportunities and models for doing business and increasing productivity. Geely, which employs 4,000 people at its Volvo plant in Belgium, jointly developed a vehicle architecture platform, which

⁵ First published on June 25, 2025 by SCMP and revised for this collection.

centralized production, spread fixed costs, and embraced new productive forces that have led to the production of high-quality products that reach consumers at lower prices.

This drive towards spreading the benefits of globalization doesn't just mean investing in advanced economies either. China announced plans earlier this month to remove all tariffs on 53 African economies in a bid to better spread the benefits of globalization, trade, and development. This is not just about insulation against trade wars and discontent but a sustained and serious commitment to economic inclusion.

A China-based furniture manufacturer recently told me the latest round of US-China trade war tensions present an opportunity for his company to expand globally—he has already built a factory in the United States. As the world's largest consumer market, the United States remains a vital arena for Chinese businesses. This new path can also allow Chinese companies to expand into emerging sectors and areas increasingly closed off to Chinese exports.

A decade ago, Fuyao Glass established an automotive glass factory in Ohio in the United States, which now employs more than 2000 workers. The opening ceremony was attended by hundreds, including the state governor and members of Congress. Enormously popular, it serves as a model of China-US business cooperation, exemplifying mutual benefit and win-win results.

Meanwhile, Chinese investment in renewable energy in the United States is also rapidly growing. Though the facility has since been sold, Longi Green Energy Technology was in a US\$600 million joint venture to build a 5-gigawatt solar panel assembly factory in Ohio, while Trina Solar has already built a US\$225 million factory in Texas. Battery maker Contemporary Amperex Technology Limited (CATL) and electronics manufacturer Luxshare have signaled a willingness to consider manufacturing in the United States. The China Railway Rolling Stock Corporation has plants in Springfield, Massachusetts, and Los Angeles, California.

Indeed, the head of Longi Green Energy once told me that its US joint venture was made possible through its close cooperation with many local upstream and downstream companies, which had created a stable community of shared interests. It was precisely this network of aligned interests that facilitated the successful landing of the project. It was not without its challenges, however: the long-standing hollowing-out of the American manufacturing sector demanded remediation in the form of vocational training programs.

As Chinese companies expand globally—and they must, lest they be left behind—they should seize the opportunities available for joint ventures and greenfield investments. BYD's first wholly owned electric vehicle (EV) plant in Southeast Asia opened last year in Rayong, Thailand. Chinese manufacturers, especially in textiles, garments, electronics, and solar modules, have rapidly increased their investments in Vietnam, Thailand, Malaysia, Cambodia, and Myanmar. Southeast Asia now hosts about one-third of China's overseas manufacturing foreign direct investment.

The global capabilities of Chinese enterprises offer great promise. Going global will help these companies diversify risk, expand sales channels, and gain access to global markets. At the same time, it will bring more jobs and economic benefits to host countries, creating mutual benefit and shared prosperity. We should work together to contribute more Chinese wisdom and strength to global peace and prosperity.

Chinese Big Tech Firms Are on the Comeback Trail amid Economic Recovery and US Tensions⁶

Optimistic earnings reports from tech companies like Alibaba, Baidu, and Tencent demonstrate an improved regulatory environment and a recovering Chinese economy, as well as global expansion and commitment to globalization.

China's leading technology companies are making a comeback. Earnings reports from Alibaba, Baidu, and Tencent for the first quarter of 2023 showed optimism in an improved regulatory environment and a recovering economy after the lifting of COVID-19 pandemic restrictions in the world's second-largest economy.

Alibaba, which owns the South China Morning Post, witnessed a 2% increase in revenue compared to the previous year. Despite a slow start to the year, the operator of two of China's top e-commerce platforms observed positive domestic growth momentum in March. Baidu, which is working hard to position itself as an artificial intelligence pioneer, reported a 10% growth in earnings, which surpassed analysts' expectations.

After a series of negative and flat quarters, Tencent posted an impressive 11% rise in revenue, also exceeding expectations. The company attributes its performance to a substantial rebound in payment volumes, advertising sales and gaming, based on the solid recovery of domestic consumption in China, which saw COVID-19 restrictions lifted in December.

This was also the first quarter since the central economic work conference held in December, where Beijing pledged its support for tech companies in leading development, creating jobs, and competing internationally. Gone are the targeted investigations and massive fines. Instead, officials now talk about "normalized regulations" and have signaled the end of the campaign to rectify major internet platforms.

China's Big Tech firms are now championing the integration of digital and real economies. This goes beyond providing cloud services to corporate clients. For instance, Tencent is assisting local highway operators in deploying radar to help prevent traffic accidents, and Huawei is automating coal mines to significantly reduce the need for underground personnel. These ventures, although they are less publicized, are making China's tech giants stand out from "pure" internet platforms such as Meta.

The fortunes of these companies remain closely tied to China's economy. The primary business operations of most tech companies are concentrated in sectors such as consumer goods and advertising, which are inherently correlated with the overall economy. The revival this year of China's economy, which the International Monetary Fund projects to grow by 5.2%, is the foundation of a rapid upturn in the revenue stream.

Furthermore, China's Big Tech firms are increasingly looking beyond the country's borders. Tencent's gaming revenue from international markets experienced 25% year-on-year growth, continuing its upward trajectory since the third quarter of

⁶ First published on May 29, 2023 by SCMP and revised for this collection.

2019. Overseas gaming revenue is now more than a third of the size of the company's domestic gaming revenue.

According to Chinese media outlets citing anonymous sources, Tencent plans to design games that appeal to a global audience from the outset, instead of targeting specific markets. The company aims to expand its local teams to foster an integrated global game collaboration ecosystem.

Additionally, Chinese e-commerce platforms Shein and Temu are helping to alleviate the burden of inflation for consumers by reducing costs in clothing and fashion products. Meanwhile, TikTok continues to cater to more than 1 billion users worldwide. Alibaba Group CEO Daniel Yong Zhang has emphasized that globalization will be one of the group's three pillars as it reorganizes.

At a time when geopolitical tensions between China and the United States are escalating, the achievements of Chinese tech companies in international markets showcase their entrepreneurial spirit and sustained commitment to globalization. This serves as an inspiration for many smaller start-ups.

Despite recent accusations that Chinese tech companies are obliged to hand over data to the central government, as seen in the scrutiny that TikTok CEO Chew Shou Zi, a Singaporean man of Han descent, faced during a hearing at the US House of Representatives in March, their accomplishments abroad continue to demonstrate the resilience of private business people.

As I have argued previously, China should incorporate its Global Initiative on Data Security into domestic laws and regulations, amending or officially interpreting laws accordingly. The initiative, which Beijing has promoted internationally, says that states "shall not obtain data located in other states through companies or individuals without other states' permission."

Putting noble political declarations into domestic laws is leading by example. This would aid China's tech companies in expanding internationally, as the government pledged to do during the Central Economic Work Conference.

Finally, it is worth noting the dramatic decline in young people's contribution to the success of Chinese tech companies. Tencent reported a 96% decrease in the total time those under 18 spent on domestic games compared to the same period in 2020, with the figure standing at a mere 0.4%. Similarly, the revenue generated from gaming by minors plummeted 90%, to 0.7% of gross receipts, compared to the same period in 2020.

In the United States, concerns have rightfully been raised about the impact of platforms like TikTok on young people's mental health. China faces a similar problem, and Beijing took action to restrict children's access to online gaming and to Douyin, the Chinese version of TikTok.

Tencent's efforts to limit teenagers' access to gaming demonstrate the effectiveness of such campaigns and the limited side effects on corporate earnings. The United States could consider implementing reasonable legislation to prevent excessive screen time for children on social media or games, taking inspiration from China's approach.

China Will Still Be a Major Growth Driver This Year⁷

A pro-business cabinet in China means a big welcome for foreign investment and a big push for diplomacy, connectivity and sustainability, which could be good for many international companies.

China's "two sessions"—the annual meetings of the legislature and political advisory body—are always eagerly watched by investors around the world. In 2023, along with the tailwinds of China's reopening, the meetings pointed to promising areas for international engagement and economic cooperation.

First, the newly appointed cabinet is familiar with the market economy and private sector, and well-placed to promote China's integration with the global economy. In his first press conference as premier, Li Qiang sent positive signals with his pragmatic tone and pledged that China will continue to open up "no matter how the external situation may evolve."

Li is seen as having pro-business credentials, having worked in the dynamic coastal regions of Zhejiang, Jiangsu and Shanghai, where he played a key role in supporting Tesla's setting up of its Gigafactory, the first wholly foreign-owned car manufacturing plant in China.

Also, the retention of trusted technocrats in key roles—including the heads of the central bank and ministries of finance and commerce—provides reassurance of policy continuity, as new appointees settle in and the restructuring of the government and party organs is carried out.

These officials have been among China's most important interlocutors at international meetings such as the Group of 20, better known as G20, and have overseen reforms in the country's financial and banking sectors, which are among the most important areas of China's market liberalization in recent years.

On the policy side, the government work report and other key documents presented at the two sessions also gave foreign investors some positive signs.

Fortifying the Chinese economy against risk and external uncertainty was a major theme of the meetings. But this drive for national security is not all bad news for multinational companies. The Chinese government still sees foreign investment as crucial to achieving its long-term strategic goals, particularly projects that can help secure its industrial chains and boost its innovation.

The government work report contained language that upgraded the importance of attracting foreign investment this year. There were also pledges to open markets wider, especially in services, and to improve the business environment, with an emphasis on legal and regulatory reforms to promote fair competition and better protect foreign investment.

Steps to ease cross-border travel are also a boost for international business. Just after the two sessions closed, China announced that it would resume issuing nearly all categories of visas for foreign visitors. Global business executives have started to

⁷ First published on March 21, 2023 by SCMP and revised for this collection.

return to China, and many more plan to visit for key events this month such as the China Development Forum and Boao Forum for Asia.

A commerce ministry spokesman reiterated at a recent press conference that investors from all over the world were welcome in China, and that the ministry will “play an active role in promoting key foreign-funded projects,” including “more convenient services for executives.”

The two sessions also signaled that China would seek to increase engagement and cooperation abroad this year.

The then foreign minister told the press that Beijing had hit the “acceleration button” for diplomacy as China opens and re-engages with the world. This diplomatic engagement will support more economic cooperation and create opportunities for foreign firms in a range of sectors and regions.

The double-digit budget increase of 12.2% for diplomacy, announced at the two sessions, reflects China’s ambitions to play a bigger role around the world, especially in the Global South, under its global initiatives for development and security.

China’s recent role in brokering a restoration of Iran-Saudi ties is a sign of things to come as the country increasingly translates its economic influence into political clout in regions such as the Middle East.

Meanwhile, the Belt and Road Initiative, now in its 10th year, is being recalibrated. The National Development and Reform Commission’s call to build “small but beautiful” projects along the belt and road indicates a shift towards a greater focus on quality, efficiency, and risk control, and towards projects in sustainability, digital technology, and health.

This should expand opportunities for cooperation in third markets with multinational corporations that have solutions and expertise in these areas, particularly with an uptick in activity expected with the 3rd Belt and Road Forum due to be held later this year.

Finally, sustainability continues to stand out as a promising area for long-term cooperation. The government work report confirmed that green development will remain a priority this year.

Multinational companies will be well-placed to establish themselves as leaders in this field by customizing their global green strategies to the China market, and linking global commitments to the government’s environmental goals through pilot projects and local partnerships related to areas such as supply chains, technological upgrading, and green consumption.

Although geopolitical frictions have increased risks for multinational companies, the two sessions reinforce the view that China will continue to present lucrative opportunities to foreign investors that can adapt and find niches aligned with the nation’s long-term development strategy. For many international companies, China will continue to be a major driver of growth this year—especially when prospects are uncertain elsewhere.

China Injects New Momentum into Multipolar Globalization⁸

As globalization transitions away from a West-centered model, China, as a historical hub of globalization is working to ensure that the focus remains on shared prosperity by pushing for a new Bretton Woods moment.

A mainstream view thinks that globalization started with the Age of Exploration in the fifteenth century. However, American historian Prof. Valerie Hansen of Yale University said in a public dialogue that globalization originated as early as around 1000 AD, and China, ruled by the Song Dynasty then, was the hub of globalization.

At that time, the country had the most extensive foreign trade worldwide. Across the hemisphere, the Chinese exported unique and high-quality ceramics as well as various manufactured products to the Middle East, Africa, India, and other beyond. At the same time, they also obtained rare consumer goods such as spices and ivory from these regions. It can be said that ancient China was one of the major cradles of globalization.

The West-led process of globalization has taken place during the modern era. Aligned with economic globalization, Western values, academic concepts, and institutional patterns have been disseminated to the world and achieved dominance. The two industrial revolutions settled the leading edge in the development of Western technology. After the two World Wars, a West-dominated world order took shape.

The global landscape has evolved from the bipolarity of the Cold War to “one superpower, many great powers,” after it, and now to the acceleration of multipolarity worldwide. The rise of China is unstoppable, and the decentralized world politics has become a trend. Since the nineteenth century, the world has transformed from an acentric system to a central-marginal system. Western countries have become accustomed to being in the center with the non-West world on the periphery. However, as the strength of marginal countries grows, while the development speed of central countries slows relatively, the central-marginal system tends toward a shift to a more balanced and inclusive multipolar world order.

Undeniably, the establishment of the Bretton Woods system after World War II has brought decades of peace, stability, prosperity, and development to the world. However, with the financial crisis in 2008 as a turning point, the world economy has entered a downturn. The global power structure and world order have also weathered adjustment and reconstruction.

In the past 30 years or so, globalization has been marching fast. The universal prosperity and development concealed the injustice and imparity of the international system and world order, but the sluggish world economy has laid bare the problems.

At present, three years after the outbreak of the COVID-19 pandemic, the continuing war between Russia and Ukraine, the world economic recession, the accelerated impact of climate change along with the rapid development of new technologies,

⁸ First published on January 31, 2023 by Xinhua and revised for this collection.

these have all propelled globalization onto a new stage. The world confronts more common challenges. Humanity needs a new Bretton Woods system.

Currently, the international community faces the issue of how to make globalization more inclusive, equal, mutually beneficial, cooperative, and united, so as to create a more resilient and flexible globalization. In this process, major countries in the East and West, North and South, across lines and groupings need to cooperate and manage cleavages. Here China can play a pivotal and constructive role.

China has opened up to the outside world and is expanding its circle of friends in the globalization process, which in fact contributes to hedging against the insecurity brought by the United States.

In recent years, the United States has been bent on consolidating and expanding its military security alliance, such as moves toward the eastward expansion of NATO, the Quadilateral Security Dialogue and the Australia-United Kingdom-United States partnership. These moves have exacerbated geopolitical tensions and subtly fueled an arms race, which threatens to damage the peace and stability.

Having no intention of engaging in a military contest with the United States, China has always regarded economic globalization as its top priority. In recent years, the country has promoted the Belt and Road Initiative and the Asian Infrastructure Investment Bank. China joined the Regional Comprehensive Economic Partnership, and applied for the membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and Digital Economy Partnership Agreement. Additionally, it continues to deepen economic and trade cooperation with Europe, Africa, Latin America, and Arab countries.

Moreover, China has developed a *sui generis* mixed economy. Its stability, certainty, and huge potential have laid a solid foundation for advancing a new wave of globalization. One of the most prominent features of the Chinese-style modernization, a mixed economy model stands out in the country's globalization process.

State-owned enterprises, private enterprises, and multinational enterprises have formed a stable triangular support, which jointly created a unique path of Chinese-style modernization. Among them, state-owned enterprises act as the pillar of the national economy, which involves major industries and key fields in China. They play an important role in stabilizing the economy, innovating in science and technology, ensuring people's livelihood and providing public goods.

Private enterprises have contributed over 50% of the tax revenue of the Chinese economy, over 60% of GDP, over 70% of technological innovation achievements, over 80% of urban labor employment, and over 90% of the number of enterprises.

Multinational enterprises, while less than 3% of the total enterprises in China, have created employment for about 40 million people, account for 2/5 of China's foreign trade, 1/6 of tax revenue, and nearly 1/10 of urban employment.

They are an important part of the Chinese market, also an important participant, witness and contributor to China's moderately prosperous society in all respects.

Against the backdrop of the global economic recession, strong resilience, huge potential, and sufficient vitality of the Chinese economy do not change. China's

continuous deepening of opening-up and development will continue to provide robust momentum for global economic recovery.

For a long period in the past, globalization has been dominated by Western countries. Notwithstanding, future globalization will be a multipolar affair jointly propelled by China, the United States, Europe and emerging economies.

In this regard, a new global multilateral coordination mechanism should be established on the basis of international organizations such as G20, G7, etc. A high-level dialogue mechanism between China, the United States, and Europe should be established to enhance coordination.

In this process, China, which has benefited from globalization, will continue to promote a more inclusive, equal, mutually beneficial, cooperative, and united globalization and global governance, and will continue to inject new momentum into the development of new globalization in the post-pandemic era.

China Is Providing a Strong Impetus for Attracting Foreign Investment⁹

China's internal policies increasingly affect global economic trends and positive signals from China are giving confidence to foreign investors, thus contributing to global economic growth.

On January 17, 2023, Chinese Vice Premier Liu He delivered a speech at the World Economic Forum Annual Meeting in Davos in which he reaffirmed China's commitment to all-round opening-up, international cooperation with other countries for world economic stability and development.

Since China began its policy of reform and opening-up in 1978, its use of foreign capital has grown steadily, with the size of foreign investment ranking first among developing countries for many years. According to official data, in the first 11 months of 2022, China's actual use of foreign investment reached nearly 1.16 trillion Chinese yuan (\$170.62 billion), up 9.9% year-on-year on a comparable basis, already higher than the whole year of 2021.

On the basis of "retaining the existing foreign investors and bringing in new foreign investors," China has achieved remarkable results in improving the quality of foreign investment. The introduction of foreign investment has contributed to the development of key areas.

From January to November of 2022, the actual use of foreign capital in the high-tech manufacturing sector expanded by 58.8%, while that in the high-tech service sector rose by 23.5%, becoming the "main engine" for attracting foreign investment.

Secondly, in the first 11 months of 2022, the sources of foreign investment became more diversified. Actual investment from South Korea, Germany, the United Kingdom, and Japan increased by 122.1%, 52.6%, 33.1%, and 26.6%, respectively, year-on-year. Thirdly, the regional distribution of foreign investment became more balanced. Central and western China have become more attractive to foreign investors, with foreign capital inflows growing at 28.6% and 24.6%, respectively.

As the world economy continues to be buffeted by geopolitics, trade protectionism, and COVID-19, China has stood steadfast in ramping up both the quantity and quality of foreign investment, and achieved trend-bucking foreign investment growth in 2022. This would not have been possible without China's sustained efforts to provide easy market access for foreign investors and to improve the business environment for foreign-funded companies to thrive in China.

In terms of expanding market access for foreign investors, China has reduced the foreign investment negative list for its free trade zones (FTZ) multiple times, removing some restrictions on foreign investment. The new national list version and the FTZ version cut down the number of items restricted from foreign investors to just 31 and 27, respectively.

Major opening-up measures were rolled out in the fields of manufacturing, mining, agriculture, and finance to lure in more foreign-funded companies to operate in China.

⁹ First published on January 20, 2023 by CGTN and revised for this collection.

The total number of items contained in the 2022 Catalogue of Encouraged Industries for Foreign Investment has increased by nearly 20% from the 2020 version. The new catalogue expands the scope of encouraged industries for foreign investment and guides foreign capital into key areas such as manufacturing and production-oriented service industries, as well as key regions such as central, western, and northeast China.

In terms of optimizing the investment and business environment, China has scrapped regulations and guidelines that run counter to the Foreign Investment Law over the past six years and has promoted the establishment, revision, and abolition of more than 500 documents to provide a level playing field for foreign-funded companies.

At the end of 2022, the National People's Congress passed an amendment to China's Foreign Trade Law, which abolished the requirement for filing and registration procedures for foreign trade operators. Companies do not need to register as foreign trade operators and can go directly to the Customs for import and export procedures with their business licenses.

China is also aligning itself with higher standards. The Regional Comprehensive Economic Partnership (RCEP) entered into force at the beginning of 2022. China is seeking to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Digital Economy Partnership Agreement (DEPA). Moreover, China is engaged in the negotiation and upgrading of several free trade agreements.

In 2023, facing the global economic downturn and resurgence of protectionism, it is crucial for China to promote high-level opening-up to the outside world. China will implement various policy measures to stabilize foreign investment.

One is to promote major foreign investment projects. The first five batches of major foreign investment projects have been materializing at an accelerating speed. The government has combed through the foreign investment projects in the pipeline across China. A new batch of major foreign investment projects with driving effects on the broader economy will be launched in due course.

The second is to step up service provision to foreign investors. Promotional events for international industrial and investment cooperation will be organized to build a platform for multinationals to invest in China and for local governments to attract investment.

The third is to keep optimizing the business environment for foreign investors. The Foreign Investment Law will be implemented to ensure that all policies apply equally to both domestic and foreign-funded companies and that the latter can enjoy national treatment in practice. China will remove restrictions outside the negative list of foreign investment access, strengthen the protection of intellectual property rights, and build a market-oriented and law-based business environment open to global players.

China has prepared for foreign companies to come to China and has upgraded its business environment. Likewise, foreign-funded companies have remained bullish on China's economic development, and are willing to take root in the Chinese market and contribute to the growth of the Chinese and the global economy.

According to reports from various chambers of commerce in China, over 70% of German companies, over 60% of American companies, and most British companies plan to increase their investment in China, and many well-known multinationals are increasing their presence in the around low-carbon sectors.

As stated by the China Belt and Road Initiative Trade and Investment Report 2022, from 2013 to 2021, 32,000 companies were invested and established in China by Belt and Road countries, with a cumulative direct investment of \$71.15 billion. In 2021, the actual investment in China by countries along the Belt and Road was \$11.25 billion, an increase of 36% year-on-year.

With China's economy involved in the globalization process and the continued deepening of reform and opening-up policies, China has integrated into the global value chain, industrial chain, and supply chain. China's global-oriented system was and continues to be jointly built by both domestic and foreign-funded companies.

China thus upholds the open markets and embraces mutually beneficial cooperation. Investors from all over the world can share in the opportunities of China's development and boost the economic growth of not only the Chinese economy but also world economy.

How China Is Helping Middle East Economies Pivot Away from Gulf Oil¹⁰

From cars to telecoms, China's work with Middle Eastern countries to diversify their economies does not carry the historical baggage that America and Europe have.

President Xi Jinping wrapped up his trip to Saudi Arabia on Saturday, having met several leaders from the region as he took part in the first China-Arab States Summit and the China-Gulf Cooperation Council summit.

As well as marking a continuation of China's diplomatic re-engagement with the world after a flurry of meetings around the G20 last month, Xi's visit underscored how ties between China and the Gulf Cooperation Council (GCC) are deepening and diversifying as both sides seek to secure their economic futures. China and Saudi Arabia vowed to upgrade their partnership and announced a raft of deals covering sectors such as energy, information technology, cloud services, logistics, and construction.

Of course, fossil fuels remain central to this rapidly growing relationship. China is the world's largest importer of oil, and Saudi Arabia is the world's largest exporter. In October, the kingdom produced 10.9 million barrels of crude oil per day, with the United Arab Emirates and Kuwait adding another 3.5 and 2.8 million barrels, respectively.

But finite supplies, mounting climate change concerns, and the shift to cleaner fuels has cast a shadow over long-term oil revenues, even if the war in Ukraine and the resulting energy crisis has shifted power back to the petrostates for now. Yet in the longer term, Gulf states are undertaking an economic pivot away from relying on oil exports.

The first component of this pivot is a turn towards fast-growing Asian economies. At current growth rates, trade between the GCC and Emerging Asia—a group that includes China, India, and most members of the Association of Southeast Asian Nations (ASEAN), is set to reach around US\$578 billion by 2030, surpassing trade with advanced economies, according to projections by Asia House.

China plays an outsize role in the Gulf's reorientation. Its trade with the GCC has doubled since 2010 and last year marked a milestone: GCC's trade with China exceeded the council's trade with the United States and eurozone, for the first time. Meanwhile, China's trade with Saudi Arabia eurozone hit US\$81.7 billion, surpassing Riyadh's combined trade with the United States, eurozone, and the United Kingdom.

The second aspect of the GCC's economic pivot is to diversify away from hydrocarbons into emerging sectors, using bumper revenues from high oil prices to support investment in infrastructure and hi-tech sectors, as reflected in plans like Saudi Arabia's 2030 Vision and Kuwait's 2035 Vision.

China's strengths and approach to development dovetail nicely with these economic diversification programs. While the Gulf region is affluent, it lags in

¹⁰ First published on December 13, 2022 by SCMP and revised for this collection.

research and technological development. Chinese companies, with strengths in information, communications technology, innovation and infrastructure, are ideal partners for this push and are already making major inroads in the region.

Clean tech is a hotspot for cooperation as Gulf states prepare for life after oil. During Xi's visit, Chinese and Saudi companies signed investment pacts for green hydrogen and solar energy. China's Enovate Motors agreed to build an electric vehicle factory to produce 100,000 cars a year. Earlier this year, China's NWTN announced that it would build an electric vehicle assembly facility in Abu Dhabi.

Telecoms and IT are also focal points for joint development. Huawei Technologies Co. has just struck an agreement with the Saudi communication minister to establish 10-gigabits-per-second mobile internet and a cloud computing facility in the kingdom. Since 2019, Huawei has signed 5G contracts with most GCC telecom firms.

In February, Huawei and the Saudi Digital Academy signed a deal to develop local tech talent, including several joint projects that will see around 8,000 Saudis trained under Huawei-accredited programs on IT and communications.

Huawei's growing presence in the region highlights another factor supporting the development of China-GCC economic ties, geopolitics, and in particular the shared interest in building partnerships on the world stage outside Washington's orbit. While Huawei has increasingly found itself shut out of Western markets as tensions with the United States and its allies increase, the Chinese telecom giant has found the Middle East more welcoming territory.

Unlike other major powers, China has stayed out of regional spats and continues to maintain strong ties with all countries in the Gulf and the broader Middle East. It is one of the few countries to enjoy comprehensive strategic partnerships with both the major regional rivals, Riyadh and Tehran.

Beijing's favorable position stands in contrast to the United States, which carries heavy historical baggage from its interventions in the region, and its long-term stand-off with Iran, even its relations with Saudi Arabia are at a nadir.

Xi's visit to Saudi Arabia has added extra impetus to China's deepening ties with the kingdom. Leaders of the two countries will meet every two years under the new strategic partnership agreement.

Eyes now turn to the next milestone in this unfolding story. One could be an expansion of the Shanghai Cooperation Organization (SCO) into the Middle East. Saudi Arabia, already an SCO dialogue intending partner, is interested in upgrading to observer status. Last month, Iran passed a bill intending to join the group.

Another item to watch is the negotiations on the China-GCC free trade agreement, reportedly in the final and critical stage. The relationship between China and the Gulf will be one to watch as both sides seek to diversify their economies and external relations in an increasingly uncertain world.

China's CPC National Congress Embraces Development and Prosperity¹¹

Setting the tone for China's future development path, the CPC continues to emphasize shared prosperity for all, developing global trade, attracting global talent, and improving China's image on the world stage.

The 20th CPC National Congress, which ended on October 22, 2022, helped to stimulate and unify the minds and hearts. China seem headed down the right path and sent positive and open messages to the world.

During the past decade, the country had achieved its goal of realizing a “moderately prosperous society,” which was defined in quantitative terms as a doubling of GDP and per capita income of urban and rural residents by 2020 as compared to 2010. By 2019, China had reached an annual GDP of 99 trillion yuan (\$14.4 trillion)—already more than double the 2010 figure of 41.2 trillion (\$6.37 trillion)—with a per capita GDP of \$10,276.

However, the nation's economic development, though a bright spot, was not the sole focus of building a moderately prosperous society. Major breakthroughs were also made in other areas. There was a real improvement in the living standards of Chinese people, as reflected by the steady rise of various indicators. China's rating on the Human Development Index (HDI) has increased from 0.49 in 1990 to around 0.76 in 2019, while life expectancy is also well above the global average, reaching 77.3 by 2019.

Despite the progress in the areas mentioned above, the CPC continues to be concerned with ensuring that development is balanced. Over China's 40 years of reform and opening-up, it has lifted more than 800 million people out of poverty, accounting for more than 75% of global poverty reduction during this time.

In the past three decades, global poverty alleviation has lagged far behind the pace of globalization, and rising inequality has been the main cause of the recent wave of anti-globalization. This is why China's achievements in poverty alleviation are of global significance and have the potential to contribute to the continuation of globalization and further steps toward global poverty alleviation.

China has leveraged its system and policy advantages on the way to building a moderately prosperous society. The government has taken advantage of its strengths in infrastructure, industrial development, education, healthcare, and environmental protection to foster development.

China invested heavily in education, increasing the higher education gross enrollment rate from 30% in 2012 to 57.8% in 2021. As of 2021, China's nationwide basic medical insurance program now covers more than 1.3 billion people, and its basic pension insurance scheme covers nearly 1 billion people. China also guarantees compulsory education for school-age children and teenagers in accordance with the law.

¹¹ First published on October 19, 2022 by GD Today and revised for this collection.

Nonetheless, when evaluating the reasons behind these remarkable achievements, we cannot ignore the benefits that globalization and opening-up have brought to China's economic development. Poverty has been reduced because of international trade. "Trade is better than aid," as former UN Secretary-General Kofi Annan said.

Over the past four decades, multinational companies (MNCs) have invested in China, accounting for about half of the country's import and export trade, almost 20% of tax revenue, and one-tenth of urban employment. They have not only fostered economic development but also provided an enormous amount of employment opportunities in China.

Moreover, since China joined the WTO in 2001, China's GDP has expanded more than tenfold. There are nearly 300 million rural migrant workers in China, and the income of migrant workers at MNCs, and their remittances sent home have become an important part of China's economic growth. Continued opening-up has also advanced China's technological innovation. In the 2010s, the digital economy and e-commerce connected China with the world and drove it into an era of mobile payment.

Over the next five to ten years, high-quality development is crucial for developing a model of modernization that benefits all of society. As mentioned in the work report delivered by President Xi to the 20th CPC National Congress, the market has played a decisive role in economic development, but science, technology, and talent are also important resources for high-quality development and will continue to provide China with considerable momentum. All this implies that China will continue to introduce more innovative policies to attract global talent.

Talent innovation too has been a part of China's rapid development. China has gradually become a top choice for global talent and entrepreneurship. From 1978 to 2019, the total number of Chinese students studying abroad reached over 6.5 million, and 86.28%, or some 4.2 million, have chosen to return to China after their studies.

According to the Global Innovation Index Ranking 2022, China's ranking has risen rapidly to the 11th from 29th in 2015. China also ranked first in the world in terms of the total number of R&D personnel and the number of international patent applications with more than 69,000 submissions.

The global need for talent will become even stronger in the post-pandemic era, with countries scrambling to introduce new policies to attract talent. In order to ensure China is no longer limited to simple core technologies, it must make greater efforts to attract top international talent.

Today, China has strengths in attracting global talent in the fields of artificial intelligence, quantum technologies, and genetic engineering, and China must become more attractive to remain competitive.

China has implemented many innovative policies to attract international talent in recent years, including the creation of an independent National Immigration Administration and adjusting its Green Card policy. However, we need to further improve supporting policies and create a more open, inclusive, convenient and livable social environment.

China can also provide greater policy incentives to attract the best international talent. The country has been providing a more open and equitable environment for

international talent to work and start businesses, including easier visa application procedures, more accessible residency services, broader green card treatment, and an improved international living experience. The experience of Guangdong, as well as the Hong Kong and Macao Special Administrative Regions (SARs) in reforming mechanisms for attracting talent can be replicated and brought to other cities.

China has made remarkable progress in the first hundred years since the CPC was established. Looking into the future, to achieve its second centenary goal—which is to build a modern socialist country by 2049, the Party will face a set of new challenges that need to be tackled, such as the middle-income trap, an aging population, and achieving its carbon emissions targets. Therefore, further reform and opening-up are necessary and vital to the country's future while tackling these new difficulties and striving for its second centenary goal.

Despite the current complex international environment, further integration into the world economy will not only advance the country's strengths in technology and innovation, but more importantly, increase China's soft power by creating a more peaceful, friendly, and lovable image on the world stage. Ultimately, one of the most important and challenging tasks for China is to increase mutual understanding, receive global recognition and expand its circle of friends internationally—something that cannot be achieved through economic growth alone.

Why China Is Still a Solid Growth Engine and Safe Harbor for Multinationals amid Rising Tides of Anti-Globalization Sentiment¹²

The arrival of McDonald's in Moscow and Beijing marked the reopening of these markets to the world and the dawn of a golden age of globalization, a tradition that China hopes to continue to advance into the future and beyond.

Starting in the 1990s, multinationals spread across the globe as technology advanced, trade barriers were cut, and finance was liberalized, making it easier than ever for goods, capital, people, and ideas to move across borders. Transnational firms helped knit the world together with supply chains, bringing investment, jobs, a shared consumer culture, and new ways of doing things.

How times have changed. Anti-globalization sentiment has been on the rise for some time and since the Ukraine crisis began there has been an exodus of multinationals from Russia, including McDonald's, Starbucks, and Coca-Cola. At the same time, Mastercard and Visa have suspended operations in Russia, cutting off Russian citizens and companies from large swathes of the global financial system.

This trend goes beyond the Ukraine crisis. Multinational corporations, long the key drivers of globalization, increasingly find themselves caught in geopolitical crossfire, becoming tools and targets of economic statecraft in the new game of weaponized interdependence.

Yet, for all the talk of doom and decoupling amid a "new Cold War," the facts on the ground in China tell a very different story as multinationals continue to reap bumper profits and contribute to local development.

In 2021, foreign direct investment into the Chinese mainland surged by 20.2% to US\$173.48 billion. Foreign investor sentiment remains overwhelmingly positive. The most recent survey by the European Union Chamber of Commerce in China (EUCCC) found that 59% of members are considering expanding their investment in the country, up 8 percentage points from 2020.

Similarly, the last survey by the US-China Business Council (USCBC) found that 43% of members plan to accelerate resource commitments to China over the next 12 months, up 18 percentage points from the year before.

The previous Two Sessions further underscored China's role as a growth engine and safe harbor for foreign investment amid heightened global volatility.

This official GDP target of around 5.5% for 2022 signaled a robust pro-growth policy stance. The stimulus program outlined to achieve this was notably business-friendly, including 2.5 trillion yuan in tax rebates.

Premier Li Keqiang's government work report also outlined further business-friendly reforms such as fully implementing list-based management for matters requiring government approvals and nationwide recognition of electronic licenses to facilitate trans-regional operations.

¹² First published on May 24, 2022 by SCMP and revised for this collection.

Improving the business environment has been a key part of his agenda over the past decade, which has seen business entities in China grow from 100 million to 150 million. His tenure also saw key breakthroughs in foreign investment, including a new law to help level the playing field for foreign firms, and a foreign investment negative list that has been cut to just 31 items today.

Despite this progress, there is still room for improvement. This was highlighted by several contributors to *Transition and Opportunity: Strategies from Business Leaders on Making the Most of China's Future*, a publication by the Center for China and Globalization.

In some policy areas, as EUCCC President Jörg Wuttke writes in the book, there is still a gap between the rhetoric and implementation. Addressing these issues will enhance multinationals' ability to act as change catalysts, helping to cultivate talent and lay the foundation for industrial upgrading by providing high-quality inputs and raising the expectations of Chinese consumers.

On the corporate side, foreign investors must play to their strengths and find niches aligned with China's long-term development strategy, which combines regional integration with efforts to make the economy more sustainable and less reliant on external resources, technology, and markets. This year's government work report points to three promising areas in particular.

First, foreign investment in sectors such as advanced manufacturing and chemicals, which can help China internalize industrial chains will be encouraged and may benefit from deeper market opening or preferential policies. The work report called for the steering of foreign investment towards manufacturing, and hi-tech areas in China's central, western, and northeastern regions.

Second, sectors that aid domestic spending, such as for cars and other consumer goods remain promising, given favorable policy directions and the continued rise of China's middle class. At the Two Sessions, new measures were pledged to support spending on big-ticket items such as cars and home appliances.

Foreign ownership limits for carmakers were scrapped this year, allowing firms like Tesla to comfortably ramp up production and sink roots by building R&D centers in China. The Regional Comprehensive Economic Partnership raises the potential for China to develop into a base for regional car exports.

Third, foreign firms with strengths in low-carbon fields can benefit from China's dual carbon goals, using sectoral and local decarbonization plans, set to be released this year, to identify market opportunities and forge partnerships with local players, especially the state-owned enterprises (SOEs) tasked with driving decarbonization by building alliances and green supply chains.

Green partnerships with SOEs can also help multinationals embed themselves in low-carbon supply chains and gain access to new customers, given SOEs' role as orchestrators or "gatekeepers" for key sectors and projects.

Success will not come easy in China's fast-paced and increasingly competitive market. Gone are the days when global firms could rely on advantages in technology and branding to ride a wave of double-digit GDP growth by simply replicating their models in China.

But multinationals still have a crucial role to play in local development. In an uncertain world, China continues to be a source of growth and opportunity for multinationals that can adapt and localize to rise above the competition.

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Chapter 12

Exploring Solutions to Globalization Challenges



The world will never stop changing and challenges to existing institutions and orders will always arise. As current shifts in global power evolve and develop, it is the role of observers and decision-makers at all levels to contribute solutions to the challenges that we face both as individual nations and as a world as a whole.

While every government, community, family, and individual faces a range of challenges that range from the mundane to the existential, there are some challenges that affect everyone equally. Today, these include changes to our climate that are resulting in more frequent and more destructive natural phenomena, the very real threat of pandemics and other public health crises that spread faster because of our increasingly connected world, as well as the as yet unknown threat of emerging technologies like artificial intelligence.

For China's part, as an emerging and increasingly influential member of the global community, the answer has always been, and remains, engagement, communication, and cooperation that spans the Global North and Global South, East and West, as well as developed and developing nations. The needs and strengths of all corners of the world are interconnected, affecting all of us. This was why China decided to open up and reform in the late 1970s, why it came back to the United Nations, why it joined the World Trade Organization, and why it continues to engage through new and innovative platforms like the Paris Agreement, the CPTPP, the Shanghai Cooperation Organization, and its own Belt and Road Initiative.

Perhaps one of the most salient examples of how China faces these challenges is in its response to the COVID-19 pandemic, which was imperfect but well suited to its own unique situation. Strict lockdowns that were rigorously enforced and contact tracing that leveraged its technological strengths, a zero-COVID policy that ensured numbers were kept low and an industrial refitting movement that ensured personal protective equipment and vaccines were produced quickly—all of these measures helped to save countless lives because they limited the spread of the disease, but their strictness and duration meant that China was cut off from the world more completely and for longer than many other countries.

However, the speed and drive with which China recovered was equally as impressive, and, unlike many other countries, China has continued to advocate for continued globalization and free trade despite the bout of protectionism that has appeared in many developed economies. Instead of forging security alliances, China sees trade as a core solution to the world's current problems while at the same time ensuring its continued growth and development, whether in terms of integrating economies so that governments think twice about engaging in military conflict or in terms of its leading position in developing and manufacturing green technologies that have the potential to stave off destructive climate change.

In this final chapter of the book, we explore actionable solutions to some of the key problems that face the world today, focusing on how China's policies and approaches can contribute to resolving them, ultimately working with the rest of the world to usher in an innovative form of economic globalization that could reshape the world order to the benefit of all.

The Path to Solutions Is Paved with Dialogue

This chapter begins by reiterating China's willingness to address the concerns of the United States, but as stated in the next article, titled "Dialogue, Not Disruption, Must Define Trade's Future," the United States must make the first move to begin this conversation, which very well may lead to breakthroughs as well as new areas of cooperation. Solutions cannot be found in a vacuum and must be explored through open and practical discussion. The ball is now in the United States' court.

The second article in this chapter, titled "Green Power Leadership: Why China Can Lead the Climate Revolution" examines the unavoidable trend of a green transition in technology and China's advanced capabilities in this era, discussing not whether China will become a leader, but whether it can sell the world on its technological advances. The third article in this chapter, titled "Leveraging China's Green Transition to Mitigate Global Climate Change," zooms in on this topic, focusing on China's specific core advantages in finding a solution to climate change. China's technological advancements in green technology give it the unique ability to provide inexpensive and effective solutions for countries that are determined to make the transition to a zero-carbon future.

Moving on to the people factor, the next article in this chapter turns to the flow of talent, which can be a boon to developing countries, not only in terms of attracting talent needed for development, but also in terms of creating understanding and preempting problems that are created through misunderstanding and misinformation. The next article in this chapter, titled "China's Visa-Free Initiative Shows It Is Choosing Openness over Isolation," emphasizes how China is truly working to become more open and accessible to the world. By providing visa-free programs to as many as 47 countries by June 2025, China is betting that by making it easier to travel to the country and increasing people-to-people exchanges, China will enhance its global image by enabling the world to experience China first-hand.

Moving on, in terms of global trade, one major concern has been that China is flooding the world with goods, and the United States has been extremely vocal about China's so-called "overcapacity." The fifth article in this chapter, titled "US

Concern about China's Overcapacity Is a Non-Issue," looks at the issue of China revolutionizing the market with a range of products, especially new energy vehicles and batteries. And how it should be viewed in the broader context of cooperation on climate change as well as the levers China and partners can bring to the table in terms of green technologies.

Sometimes there seems to be no end to the sources of tension in the China-US relationship, something that makes finding solutions to wider global issues a monumental task. In order to ensure the continuation of the prosperity that globalization has brought the world thus far, the next article in this chapter, titled "China-EU Cooperation Is Needed to Safeguard Globalization's Future," argues that the most crucial players in making this happen might be China and the EU. As the two largest economic powers after the United States, cooperation between China and Europe could create the conditions that ensure the next phase of globalization is as prosperous as the last one.

Finding a New Model for Development

The next article in this chapter, titled "A New Form of Economic Globalization to Reshape the World Order," reinforces the same theme from another perspective, discussing how the current model of economic globalization is no longer fit for purpose in today's world. However, far from a wholesale replacement of the current system, the article emphasizes the idea that a new form of globalization could be achieved through the reform of existing institutions and the creation of new ones when necessary. Creating an overall more integrated and structurally up to date form of globalization, it also provides specific recommendations on the reform of the WTO and other global institutions as well as regional frameworks like the currently shelved Comprehensive Agreement on Investment, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The next article focuses on the contributions that China's Belt and Road Initiative can make to global development in an article titled "The BRI's Role as a Global Public Good Should Be Maximized." The BRI has received generally negative press in the West, but positive feedback from the developing countries that make up the majority of its members. However, it is clear that going forward, the BRI must multilateralize its management and project selection while also linking with other efforts so that it can truly become a global public good.

As a leader of the BRI, China guides trends and the momentum of development for both developing and developed countries. Following the COVID-19 pandemic, China's reopening contributed greatly to global economic recovery, but China's continued opening up in the future will also create opportunities for the world. In the next article, "Five Reasons China's Reopening Is Good News for the Global Economy," we will take a closer look at exactly how China, as one of the world's most influential economies can provide solutions to the challenges facing globalization and a clear pathway toward economic recovery.

In a broader context, the tenth article of this chapter, titled "Could Reshaping the World Order Usher in the Return of Economic Globalization?" looks at the possibility of a "New Bretton Woods" moment in which the world could work together to ensure

economic prosperity and political stability. China's role in this context is one of promoting economic and trade cooperation over security alliances to guard against tension and conflict, and it holds that further integration, and not less, will contribute to a more stable and prosperous world.

Engagement and exchange are key to future solution seeking.

Some solutions to certain problems can have unexpected or undesired side effects. China's response to the COVID-19 pandemic was one of the most comprehensive in the world, which, while incredibly effective in saving lives in a country that could have had the highest fatality rate by far, also resulted in a nearly full stop to global talent flows, from students to skilled professionals to business people. The eleventh article in this chapter, titled "China's Zero-COVID Policy Has Had a Severe Impact on Its Stock of Global Talent," takes a close look at just how much the pandemic affected global talent in China and how the country is working to attract talent back to its shores and ensure that it has the workforce necessary to support its next phase of development.

Part of attracting talent and improving exchange is working within the international framework of agreements specifically trade agreements that set standards and frameworks that promote development. The penultimate article in this chapter focuses on China's bid to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which was led by Japan following the United States backing out of the deal. In "Japan Should Be Open to China Joining the CPTPP," which analyzes the choice facing Japan to link more closely with its biggest neighbor and destination for most of its manufactured goods, or remain close to the United States due to perceived security concerns. One of the advantages of bringing China into the agreement would that China would adhere to the requirements of the agreement leveling the field while further opening its markets to a wider range of global goods.

With a view to becoming a center of talent development and a desirable destination for the world's best talent, China is working to use many of the solutions discussed in this chapter to position itself as both a cultivator and a center of talent. The final article of this chapter, "Ushering in Innovative Policies in China to Embrace Global Talent," outlines specific steps China has made to make working in China more attractive to global professionals, like expanding its "green card" policy and implementing beneficial policies for professionals in certain industries like science and technology.

Dialogue, Not Disruption, Must Define Trade's Future¹

China is ready to engage with the US on equal terms, but the US must make the first move. Dialogue after all is essential to managing US-China trade relations, and progress here could lead to further momentum on other issues that require the cooperation of these two countries.

President Trump entered office this year loudly proclaiming his eagerness to work with China on issues ranging from fentanyl production to TikTok and peace in the world. Today, it seems that we are further away from cooperative solutions and productive dialogue than ever. On April 2, dubbed "Liberation Day" by the White House, the United States announced sweeping tariffs on dozens of countries signaling a return to the most confrontational elements of the Trump administration's policies. While Trump has since drawn back from the brink—announcing a 90 day pause on April 9 for all countries except China with further large carveouts and exceptions coming in on the 11th—these measures alone are not enough. Instead, the White House must consciously choose to reach out to both China and the rest of the world to resolve global issues together.

At the core of the Trump administration's tariffs, there is a fundamental misunderstanding of the nature of trade. The Trump administration remains fixated on bilateral goods deficits as a measure of national decline, but this view ignores the basic structure of the US economy. The United States enjoys one of the world's largest surpluses in services—ranging from finance and consulting to education and intellectual property. It is the global hub for talent, innovation, and capital. Its markets are among the most attractive investment destinations in the world. And the US dollar's status as the world's reserve currency gives Washington tremendous structural advantages few others enjoy. To frame it another way: If you pay a cook for a meal, would it be rational to take time away from your work as a general partner at a finance firm just to make pots and bowls to balance your trade deficit with the cook?

In truth, the only area where the United States runs a consistent trade deficit is in goods manufacturing—and this was never an accident, because the United States has the capacity to print US dollars to buy the goods from world. America also made a deliberate and calculated shift toward a service-driven, high-tech economy. It moved away from low-margin, labor-intensive, and often polluting industries toward sectors that are cleaner, more profitable, and globally dominant. Now the United States treats this shift as a failure and is preparing to rewrite decades of intentional economic policy.

The result is a landscape of global uncertainty. Trump's tariffs treat trade like a ledger to be zeroed out—where exports must match imports and where any imbalance is inherently unfair. Punishing trade partners based on a narrow reading of goods trade that overlooks this broader picture, where the United States has made extraordinary returns as a locus for service trade, investment, and talent.

It's clear, however, that despite all the chaos, Trump wants a deal, and though his views on trade deficits may be quixotic, it was Trump who floated the possibility

¹ This piece was written on April 17, 2025 after the Trump administration imposed tariffs on China.

of reducing restrictions in exchange for more action on fentanyl and raised issues like TikTok's ownership structure as an opening. When tariffs brought concerned representatives from around the world to Washington, the administration celebrated with Trump himself reportedly waiting on a call from China. The Chinese door for discussion and negotiation is wide open, but the United States needs to be willing to engage in good faith and on equal terms, as Chinese Foreign Ministry spokesperson Mao Ning recently reaffirmed.

But China cannot be threatened into dialogue and discussion. While the total volume of China-US trade has increased relative to the period prior to the first trade war in 2018, the importance of the United States as a partner has dropped, from 19.2% of China's total exports in 2018 down to 14.7% in 2024.² China has diversified, and today over 70% of its exports now go to non-G7 nations.³ ASEAN has become China's largest trading partner, and nearly half of China's trade today is with Belt and Road countries. China has also eliminated tariffs on imports from 43 developing nations, reinforcing its position as a partner to the Global South and signaling a continued commitment to open trade.

Further, China's own domestic transformation is in full swing, stimulating domestic consumption, deepening high-quality development through AI and green power, and unleashing new quality productive sources. China still dominates global supply in areas like rare earth minerals, while strategic sectors like semiconductors, electric vehicles, and advanced robotics are now national priorities, which have simultaneously enhanced China's resilience and reduced its dependence on the US market.

China is open to discussion on equal terms. Chinese Vice Premier He Lifeng recently met with former US Secretary of the Treasury Hank Paulson, Bridgewater founder Ray Dalio and Emeritus Chairman of the Brookings Institution and Asia Society John Thornton. But if the United States wants to move things forward, ie, as the initiator in this trade war, needs to reach out to China now rather than attempting to browbeat China with threats that serve only to roil and disrupt global markets.

Take, for instance, previous dialogues between US-China cooperation on fentanyl during the Biden administration, after which Fentanyl-related deaths in the United States dropped by 27% in 2024; a steep decline born of increased cooperation with China.⁴ If Trump wants to continue this cooperation, then he could choose to engage with China and provide clear intelligence on supply chains and trafficking routes, so Chinese authorities can in turn take further action. As former Commerce Secretary Gina Raimondo recently stated, China and the United States can solve the fentanyl crisis together. That should be the goal—not more tariffs, but real meetings and solutions.

² CSIS, "China and the Impact of 'Liberation Day' Tariffs," *Critical Questions*, April 4, 2025.

³ Dexter Tiff Roberts, "China is ready to 'eat bitterness' in the trade war. What about the US?" Atlantic Council, April 10, 2025.

⁴ Vanda Felbab-Brown, "US-China relations and fentanyl and precursor cooperation in 2024," Brookings, February 29, 2024.

Furthermore, Chinese businesses have not been shy about investment in the United States with Chinese direct investment reaching nearly 84 billion dollars by the end of 2023, and with prospects for a rekindled dialogue and cooperation bringing the opportunities for more.⁵ This mirrors how, in the 1980s and 1990s, Japan eased trade frictions with the United States by increasing investment in American manufacturing and infrastructure. The same approach could work again. Facilitating Chinese investment in job-creating industries would not only benefit local economies—it would also offer a pragmatic way to balance trade without further damaging the rules-based system.

In an increasingly unsettled world that is nevertheless more connected than ever, strong dialogue and close cooperation between China and the United States is an increasingly vital pillar of not just global trade, but for the global good; for the sake of all mankind, the United States should reciprocate in good faith. As President Trump himself said in December, “China and the United States can together solve all the problems of the world.” On issues from Ukraine and Palestine to climate change and global health, the two countries have overlapping interests and the potential for real cooperation. A stable US-China relationship is not only in the interest of both sides—it is a foundation for global peace.

The irony of this approach is that the United States, in attempting to rebalance its trade, is isolating itself. Countries like Germany, Japan, South Korea, India, and the key ASEAN economies seek stable trade relationships. China's role as a champion of openness is becoming more prominent, and if the United States does not rise to the occasion, it may find itself no longer setting the rules but reacting to them.

President Trump promises to make America “great again,” but tariffs alone will not achieve that. What is needed now is not confrontation but open-handed coordination; not walls, but bridges. Trade is not a weapon. It is a tool for shared prosperity. And it must be protected—for the sake of both our nations and for the world.

⁵ The State Council Information Office of the People's Republic of China, “China's Position on Some Issues Concerning China-US Economic and Trade Relations,” White Papers, April 9, 2025.

Green Power Leadership: Why China Can Lead the Climate Revolution⁶

As green transition becomes one of the defining technological trends of the 21st century, the question is not whether China is leading the world but whether it can sell its climate leadership fast enough to build a better future for all.

The New York Times columnist Thomas Friedman wrote in 2007 that “green is the new red, white and blue,” arguing it the United States could cement its tech leadership through clean technology. However, the ensuing decades have seen US political dysfunction turn it on its head. Now in 2025, he argues that US President Donald Trump’s “big, beautiful bill” will only “make China great again.”

It’s not hard to see why he might think that. There is an intimate connection between generation capacity and national economic output. In a world driven by increasingly energy-hungry AI models, large digital infrastructure outlays, and traditional industrial processes, abandoning the cheapest form of energy generation yet discovered to defend legacy interests in fossil fuels seems foolish.

It has been a truism since the beginning of the 2020s that, per dollar spent on capacity, renewables now beat fossil fuels on price, and renewables are not dependent on a continuous stream of outside fuel at fluctuating prices.

In that challenge lies opportunity. In a world plagued by climate instability, energy insecurity, and economic uncertainty, the next global leader will be crowned not by war or wealth but by capability and capacity. Delivering on clean energy at scale will be the leading edge upon which these are determined, and China is positioning itself at the center of this transformation. It is becoming the world’s largest producer of solar panels and electric vehicles and underwriting a green revolution that could redefine global governance.

As economic historian Adam Tooze recently pointed out during a dialogue at the Center for China and Globalization, China has effectively ignited a green energy revolution, forging capacity where there was once only framework and far-off dreams of substitution. In 2023 alone, China installed more solar capacity than the entire world did the previous year, and it’s driving down the prices of installations elsewhere.

The cost of solar has dropped to just 11 cents per watt of capacity in 2024. As Tooze said, “Because that dominance—and it is dominance—of so many areas of production, very high quality, very high flexibility, and integration across the entire supply chain and reasonable cost, means that it’s difficult for other people to imagine their economic future.”

Just as steam power helped usher in the British Empire and the transistor catalyzed American technological leadership, today green power is laying the groundwork for China to contribute to the next phase of global leadership. Unlike earlier industrial revolutions, the green transition, by its nature must be collaborative, inclusive, and global in scope.

⁶ First published by SCMP on June 26, 2025 and revised for this collection.

Climate change is, after all, a problem that threatens us all regardless of borders, especially in the world's least developed regions. In these places, new installations will build out capacity that previously never existed.

Global governance must evolve to reflect this shared future. If China can help lead the world to curb climate change, we will not only contribute to stabilizing the planet but also help write a new chapter in the architecture of international cooperation.

The transition is already bearing domestic fruit. China is moving from a state-led, subsidy-heavy model to a more efficient, market-driven green economy. Photovoltaic subsidies were phased out as the industry matured, allowing technological improvements and economies of scale to drive solar adoption on merit alone. Electric vehicle (EV) subsidies are being phased out, pushing domestic carmakers toward a renewed focus on innovation, quality and global competitiveness.

Yet China's competitiveness also poses a problem. To fight climate change, we must overcome a growing trust gap. China's rise up the value chain has already begun to displace incumbents in developed economies in areas such as automotive manufacturing, but displacement need not be the logic of China's rise.

To anchor itself and support the green transition, China must build trust through action and do so in a way that does not deprive local economies of opportunity. It will need to continually embrace a global "going out" strategy, one that is "in the world, for the world" by tangibly investing in foreign markets to expand the capability of Chinese business and spread the rewards of economic integration.

The world can benefit from endeavors such as LONGi Green Energy's joint venture in solar manufacturing in Ohio and BYD's first EV plant in Thailand. Chinese-built transmission lines, for example, can bridge solar farms in North Africa to power grids in Europe.

Of course, there will be resistance from entrenched interests and legacy industries. But for ordinary people around the world and governments seeking affordable power, the sooner the world's green transition, the better.

If the nineteenth century belonged to steam and the twentieth to silicon, the twenty-first will belong to those who master the green transition. The question is not whether China is leading this revolution. The real question is whether China can sell the world on its climate leadership fast enough to build a better, more sustainable future for all.

Leveraging China's Green Transition to Mitigate Global Climate Change⁷

Despite increased resistance to green technology and products, the opportunity presented by the challenges of global climate change should not be underestimated and China has the potential to drive a mutually beneficial green transition.

The year 2024 marked the hottest year ever recorded, highlighting the urgent need for enhanced efforts in new energy production globally. Despite government initiatives across the globe, significant shortages in new energy capacity and investment persist. As one of the leaders in the global green transition, China has significantly transformed its climate policies, transitioning from a passive role in global climate governance to taking a proactive leadership position in addressing climate change. This green transition offers numerous benefits both within China and globally. To leverage China's green transition for the mitigation of global climate change, the international community should take advantage of the advances China has made, for the benefit of the world as a whole.

The Destructive Effects of Climate Change

The continuous rise in global temperature exacerbates extreme weather events and has profound effects on global economic and social stability. Climate change has significantly disrupted major industries ranging from agriculture and energy to infrastructure and global supply chains, with particularly severe consequences for developing countries that rely heavily upon natural resources to support their economies. On the human scale, food security is under a dual threat from rising temperatures and extreme weather; while supply chains are frequently disrupted, and infrastructure is often damaged, further fuelling the precarious state of the global economy.

Severe Shortages in New Energy Capacity and Investment

Despite worldwide governmental initiatives, significant shortages in new energy capacity and investment persist. The International Energy Agency (IEA) calls for an annual investment of \$4.5 trillion in green energy, but in 2023, only a fraction of the proposed amount was spent—a mere \$1.3 trillion. The large gap between demand and actual progress highlights the urgency and necessity of developing cost-effective products, improving on resource allocation to increase efficiency, and advancing in technology to accelerate progress. Solar panels present immense growth potential as they are a key tool in combating global climate change, with the IEA forecasting that global demand for new photovoltaic installations will reach 820 gigawatts. Yet

⁷ First published on May 7, 2025 by *Global Solutions Journal* Issue 11 and revised for this collection.

again, in 2022, production capacity was still insufficient, meeting only one-quarter of that target—far from overcapacity. Similarly, the electric vehicle (EV) market grew exponentially in 2023, with global EV sales rising by 35% year-on-year. However, while global demand for EVs is projected to reach 30 million units by 2027, China exported only 1.2 million EVs in 2023, underscoring a severe supply shortage.

This shortage primarily affects developing countries, whose transition to a low-carbon economy and efforts to combat climate change require urgent funding and technological support from the international community. It is for this reason that countries should promote the use of and trade in green technology and products through an open and inclusive international trading system rather than politicizing climate issues to serve economic interests. Any policies that hinder the global transition to a green economy, especially excessive trade restrictions, will stifle global climate cooperation and weaken the world's collective power to respond to climate change.

China's Progress Toward a Green Transition

In recent years, China's climate policies have undergone a significant transformation, shifting from passive participation in global climate governance to taking on a leadership role in combating climate change. President Xi Jinping launched the Global Development Initiative at the United Nations General Assembly, emphasizing the need to accelerate the transition to a green, low-carbon economy and achieve green recovery and development, while also improving global environmental governance to actively respond to climate change.

China has not only committed to peaking carbon emissions by 2030 and reaching carbon neutrality by 2060, but it is also advancing cooperation in international green development through the Belt and Road Initiative (BRI) and other channels. By actively participating in international climate agreements and promoting sustainable trade, China has gradually come to the forefront of global climate governance. Former Vice Minister of Commerce and former WTO Deputy Director-General Yi Xiaozhun recently highlighted at a seminar at WTO headquarters that China's green policies not only have profound impacts on its domestic economy but also provide significant momentum for a global green transition.

Currently, while coal remains China's dominant energy source, the country is actively reducing its reliance on coal by significantly expanding renewable energy and nuclear power. According to China's 14th Five-Year Plan (2021–2025), the total installed capacity of renewable energy, such as wind and solar power, is expected to exceed 1.2 billion kilowatts by 2030, making clean energy a core component of China's future energy structure.

China has also invested heavily in advancing renewable energy technologies, EV technology, smart grids, energy storage systems, and other environmentally friendly technologies. Looking to create a market ecosystem around carbon reduction, China's nationwide carbon trading market aims to use market mechanisms to incentivize

businesses to reduce their carbon emissions and drive high-emissions industries to accelerate technological upgrades and the transition to greener practices. Furthermore, China is actively promoting the development of “new infrastructure,” including 5G, artificial intelligence, and the Internet of Things, which, through widespread application, will improve energy efficiency and reduce its carbon footprint.

China’s Green Transition Is Becoming More Market-Driven than Government-Led

As Yi Xiaozhun emphasized, China’s green transition is driven more by market competition and technological innovation than by reliance on government subsidies. He noted that the success of China’s renewable energy industry is based not on long-term government subsidies but rather on fostering market competition, rapid technological innovation, and leveraging its massive market.

China’s national carbon emissions trading market is a market-based mechanism that ensures transparency and fairness in carbon trading. It not only helps China control its total carbon emissions, but also safeguards fair competition in international trade, providing a more equitable environment for Chinese enterprises to engage in global markets. These measures enable China to implement a green economic transition while also maintaining the stability of the multilateral trading system, thereby demonstrating its commitment to international sustainable development.

During the early stages of development, government subsidies helped China’s renewable energy industry achieve rapid growth, but in recent years, China has gradually reduced subsidies in sectors such as photovoltaics, wind power, and EVs. Most notably, the “Notice on Matters Relevant to Photovoltaic Power Generation in 2018” significantly reduced photovoltaic subsidies and limited the scale of new photovoltaics projects. As these subsidies decreased, Chinese photovoltaic companies increased their competitiveness by upgrading technologies and reducing production costs, which gradually lowered the price of electricity. This transition has enabled them to secure a dominant position in the global market.

In the EV sector, subsidies from the Chinese government began to gradually decrease in 2017, and all subsidies for EV buyers had been eliminated by 2022. The withdrawal of these subsidies accelerated the marketization of the industry, pushing EV companies to compete by being more innovative and controlling costs. In 2018, China had as many as 480 EV manufacturers, but intense market competition cut this number to only about 50 today. This competitive pressure has forced companies to work to constantly improve existing technologies and reduce production costs, which is what has given them such a strong position in the international market.

Growing Criticism Toward China Due to Over Overcapacity and Tariffs

This green transition offers numerous benefits both within China and globally, including lower energy costs, environmental protection, and support for other nations through trade and technology transfer. However, China's efforts face criticism over potential overcapacity and challenges from tariffs and protectionist measures. The combined effects of intensifying geopolitical tension, rising economic protectionism, and the COVID-19 pandemic have led to a trend toward deglobalization. This has led to profound changes in the global trade landscape, particularly in renewable energy and green technology, where heightened competition among countries has exacerbated the instability and unsustainability of the global trading system.

Global trade growth has been one of the key drivers of economic growth and technological advancement. However, with the rise of trade protectionism, particularly the "local-first" policies adopted by major economies in recent years, the openness and fairness of international trade is facing unprecedented challenges. In response to competition in renewable energy products, countries have implemented measures that conflict with free trade policies, such as tariffs and other barriers. These policies have not only sparked widespread controversy globally but have also intensified conflicts in international efforts to address climate change and coordinate trade policies.

Recommendations for China and the Greater Global Green Transition

As efforts to address climate change and achieve sustainable development have become more mainstream, international trade policies have gradually transitioned toward green and low-carbon models. Rather than resorting to protectionism, the focus should be on fostering cooperation among all stakeholders. Governments, businesses, and international organizations should work together to develop and implement sustainable trade policies, that promote the global circulation of green products and technologies to achieve a win-win situation for economic growth and environmental protection. Below are some recommended measures that could be adopted:

Formulate Sustainable Trade Policies and Optimize the Structure of Green Products

Sovereign nations should develop trade policies from the perspective of sustainable development, encouraging the export of sustainable products while restricting the export of raw materials that consume higher levels of energy and produce higher emissions, which would restructure trade in green products and services.

By leveraging regional industrial advantages and strengths in green development, countries should accelerate their transformation to green energy, promote the application of green technologies, and encourage businesses to prioritize low-carbon, energy-efficient, environmentally friendly materials, and technologies in their design and manufacturing. This will enhance the competitiveness of green product exports.

For example, automakers in China and Europe could pioneer new forms of industrial collaboration through joint research and development facilities, shared talent development programs, and mutually recognized technical standards. Chinese manufacturers could establish production bases in Europe, creating jobs and fostering technological exchange. Currently, BYD is building a battery production facility in Hungary, adding to the region's EV manufacturing capacity, while CATL, a global leader in battery technology, is implementing major projects across Germany, Hungary, and Spain. These investments show how manufacturing synergies can move in both directions, mirroring the successful experiences of European carmakers in China, but adapted for today's evolving automotive landscape. Further, the EU and China could revive negotiations on the Comprehensive Agreement on Investment, which would provide crucial institutional safeguards for these businesses.

Deepen Multilateral, Bilateral, and Regional Cooperation

Countries should collectively uphold the current international system centered on the United Nations, and work toward the full implementation of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. Countries should actively advocate for sustainable investment, production, and consumption as outlined in the UN Sustainable Development Goals (SDGs) policy framework. The WTO, as a platform, can also be leveraged to foster a new consensus on global governance, update rules, and promote the establishment of a new sustainable trade mechanism. Countries should also promote policies that encourage sustainable trade, use multilateral negotiations to reduce or even eliminate tariffs on sustainable products, and make it easier for them to clear customs.

Advancing Low-Carbon Regulations and Strengthening International Cooperation

Countries should strengthen international cooperation and advance low-carbon regulations within major global institutions. In 2012, APEC members reached the world's first substantive agreement on a list of environmental products aimed at promoting trade liberalization, covering 54 customs tariff codes. In 2021, the IMF recommended that the world's major carbon-emitting countries increase carbon prices under the G20 framework in consideration of development stages and historical emissions responsibilities, and establish a carbon price floor. The OECD has long emphasized the importance of carbon pricing, identifying it as the most crucial policy tool to address climate change. Countries should effectively leverage existing multilateral collaboration platforms to promote policy coordination in sustainable trade and green finance, setting unified standards under an inclusive framework. Additionally, efforts should be made to enhance supply chain transparency and foster technological innovation cooperation.

Strengthening International Cooperation in Green Industrial Chains

China should drive low-carbon development in upstream and downstream industries, as well as related sectors. International cooperation in green manufacturing should also be strengthened to promote the creation of a cooperation system for green, low-carbon industrial and supply chains, ensuring the efficient integration of high-end resources with the real economy. Other measures include enhancing technical exchanges and cooperation, reducing the market entry costs for green products and technologies in order to accelerate their global adoption, and improve the top-down design for addressing climate change.

Deepening International Cooperation in Green Finance

China should promote practical cooperation in climate investment and financing, such as encouraging the development of green credit, green bonds, green insurance, and other financial products, which can provide financing support for energy conservation, environmental protection, clean production, clean energy, ecological environment, green infrastructure, green services, and other key areas. China should also improve mechanisms for international cooperation in green finance by enhancing alignment in assessment standards, the reporting and disclosure of environmental, and governance data, in addition to actively exploring and developing international green finance standards and strengthening global coordination within a standardized green finance framework. It is recommended that China's multilateral banks such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) provide credit services, issue sustainable bonds, invest in carbon reduction initiatives and green economies in developing countries, and help underdeveloped economies establish carbon markets.

Promoting South-South Cooperation for Joint Green Transition

China should also enhance South-South cooperation in the current green transition. In November 2023, China signed 48 South-South cooperation agreements on climate change with BRI partner countries. Designing and promoting green transition plans within economic and trade cooperation zones in the BRI is recommended to help address the needs of BRI countries in transforming traditional industries and upgrading their energy infrastructure. China can increase the export of green technologies and work to enhance green production capacities, using its experience to expand green transition with BRI countries.

As a final note, it cannot be emphasized enough that addressing climate change requires immediate and sustained global action. The international community must unite, building on the current momentum to strengthen collaboration in developing climate solutions during the current green transition. Through collective effort, we can shape a future where climate action is not a burden, but a catalyst and driver of global progress, innovation, and shared prosperity.

China's Visa-Free Initiative Shows It Is Choosing Openness over Isolation⁸

As China works to re-engage with the world, increasing the number of foreign tourists who visit China is a core strategy to give people an informed perspective of a modern China.

China is ready for the world to witness its development, experience its culture and engage with its people. China's visa-free policy for visitors, introduced last year, is quickly becoming its largest visa liberalization since the founding of the People's Republic. In November 2024, it added nine more countries to the scheme, including Japan, taking the total to 38.

Effective from the end of the month, travelers from Japan, Bulgaria, Romania, Croatia, Montenegro, North Macedonia, Malta, Estonia, and Latvia can visit China visa-free for up to 30 days. This is a doubling of the 15 days the scheme granted previously and applies to all countries on the list, which include South Korea and several European states.

The numbers tell the story. In the first seven months of this year, China received 17.25 million foreign visitors, a dramatic increase of nearly 130% year on year. This recovery has sparked optimism in the tourism sector.

The influx is injecting fresh momentum into sectors ranging from hotels and restaurants to transport and retail, creating jobs amid the domestic consumption weakness. Hashtags related to China travel are trending on social media, reflecting growing interest.

China's reopening is also expected to benefit tourism globally as Chinese traveler numbers recover. Before the COVID-19 pandemic, Chinese tourists were the world's largest group of top spenders.

Global mobility matters. International travel, disrupted by the pandemic, is being disrupted again by anti-globalization forces. As the world economy slows, countries are turning inward, putting up trade barriers, restricting technology transfer and limiting academic exchange. Protectionism is creating walls between nations just when we need more bridges. By welcoming more visitors, Beijing is choosing engagement over isolation.

While others are creating trade barriers, China, committed to openness, is exempting dozens of the world's least developed countries from tariffs, showing its dedication to international cooperation. Beijing should be encouraged to go further by unilaterally implementing the Comprehensive Agreement on Investment, with the European Union which was put on hold after sanctions from both sides.

Amid heightened global tensions, China's expansion of its visa-free scheme reflects a strategic move to grow its soft power as it encourages more people around the world to discover its latest developments and hear its most compelling stories.

When people across the world share their experiences of China's high-speed railways, urban development, and cultural heritage on social media, they offer authentic glimpses of a modern China that resonate more deeply than official narratives. This

⁸ First published on November 26, 2024 by SCMP and revised for this collection.

ground-up “diplomacy” is particularly effective in reshaping international perceptions, especially among the younger generation. Such direct and personal experiences often overturn preconceptions.

China is betting on a simple truth: personal connections build trust more effectively than any government pronouncement. This confident move suggests that Beijing values genuine engagement over controlled messaging and reflects a broader strategy of using increased openness to counter skepticism.

The international response has been positive. For instance, Denmark's Foreign Minister Lars Lokke Rasmussen welcomed the country's inclusion in China's visa-free scheme, noting its potential to boost cooperation between the two countries.

Such reactions suggest a recognition that in today's fragmented world, lowering barriers to exchanges between peoples can help reignite global economic momentum. For European nations in particular, easier access to the Chinese market represents both an economic opportunity and a chance to deepen cultural understanding.

The next logical step would be to expand the visa-free scheme to major economies like the United States, Britain, and Canada. Given the diplomatic tensions, increased people-to-people exchanges could help build bridges where official dialogue has stalled. As the world's largest economy, the United States remains a vital source of technology, innovation, and investment. Opening up to Americans could create significant business opportunities and facilitate knowledge exchange.

Similarly, Canada's expertise in clean energy, education, and environmental protection offers valuable collaboration potential. Any negative image or stereotypes would be challenged once people have a chance to see China for themselves.

The visa-free policy can also strengthen academic exchanges with these developed countries, fostering knowledge sharing and enhancing China's development. The success of Hainan's ambitious visa-free scheme, which lets visitors from 59 countries stay for up to 30 days, suggests a broader national program can boost international exchanges while still maintaining proper security measures.

However, the broader challenge lies in streamlining the visitor experience. For travelers from countries that still require a visa, Beijing should consider overhauling the application process, such as eliminating visa appointments, waiving the fingerprint collection requirement for low-risk applicants, and reducing fees.

Immigration procedures also need modernization. The success of automated immigration gates at airports in Singapore and Japan offers a glimpse into more efficient tech-enabled border controls while maintaining security standards.

China's tourism sector itself needs strategic upgrades to match the new openness. Both government agencies and private operators should enhance their services, from providing multilingual support to making digital payments more accessible.

Cities like Barcelona and Amsterdam have shown how crucial it is to sustainably manage tourism growth. The Chinese authorities must balance tourism promotion with the protection of local communities and cultural sites.

After all, sustainable tourism isn't just about attracting more visitors—it's about creating lasting value for both guests and hosts while preserving the authenticity that makes destinations worth visiting in the first place.

China's visa-free initiative is more than just an administrative change. It reflects a strategic choice to embrace openness and engagement when many nations are turning inward. It displays China's confidence that the best way to be understood is to be experienced first-hand. China is ready for the world to witness its development, experience its culture, and engage with its people.

This could well become a cornerstone of China's engagement strategy. In choosing openness over isolation, China is showing that meaningful connections can flourish, even in challenging times.

US Concern about China's Overcapacity Is a Non-issue⁹

Instead of pointing fingers, those crying foul because of overcapacity should view China's green capacity within the broader framework of climate change cooperation.

The issue of overcapacity in China has once again found its way into international discourse. During her recent visit to China, US Treasury Secretary Janet Yellen emphasized concerns shared by the United States and its allies over China's industrial overcapacity spilling into the global economy.

Echoing Yellen, US Secretary of State Antony Blinken also raised unfair Chinese trade practices during a subsequent meeting with local government officials in Shanghai.

Overcapacity, denoting a situation where production surpasses demand, has become a recurring theme in discussions on China's economic landscape, resonating across various sectors and industries.

Lu Feng, emeritus professor of economics at Peking University, recently shed light on the dimensions of the current wave of overcapacity. He pointed to sectors including petrochemicals, semiconductors, autos, new energy vehicles, and batteries.

For instance, Chinese exports of lithium-ion batteries surged more than 30% year on year in 2023. In the same year, China also exported 1.2 million electric vehicles, 80% more than a year ago.

The rapid growth of China's EV exports, in particular, has driven discussions on Chinese overcapacity. Fuelled by geopolitically charged mistrust, these concerns have been amplified into a chorus of anxiety.

However, the current narrative of Chinese overcapacity sounds rather similar to that of the global financial crisis of 2008, as China's 4 trillion yuan (US\$580 billion) stimulus package led to expanded industrial output and concerns over overcapacity.

China became the world's largest exporter in 2009, triggering apprehension about an economic model more centered on acquiring market share than brand-building. Back then, the contraction of global trade exacerbated fears about overcapacity, so much so that *The New York Times* ran a piece fretting over China's excess capacity.

Yet, history reveals that this state of affairs was short-lived, and that the hand-wringing about overcapacity was unnecessary. Global demand quickly recovered in 2010, as exports grew 14.5%, a rebound from the 12% fall in the previous year. And concerns about China's capacity began to dissipate.

It became evident that the outcry about overcapacity was largely inspired by the global economic slowdown and diminished market demand rather than inherent flaws in China's industrial model.

Fast-forward to 2024, and the global economic landscape is marked by geopolitical turbulence, and international trade dynamics are unfolding differently.

Despite this, international demand has shown noticeable resilience, and forecasts indicate a gradual recovery in global trade. The world electric vehicle market, in

⁹ First published on May 2, 2024 by SCMP and revised for this collection.

particular, is witnessing exponential growth, with sales soaring 35% year on year in 2023 and projections indicating further expansion.

Similarly, the solar panel market presents immense growth potential, with the International Energy Agency (IEA) forecasting that global demand for new photovoltaic installations will reach 820 gigawatts, about four times that of 2022, if the goal set by the Paris Agreement is met.

The global market's green appetite is huge and dwarfs the capacity of suppliers. To achieve the climate goals outlined in the Paris Agreement, substantial investments in clean energy are imperative—according to the IEA, US\$4.5 trillion would be needed per year, yet renewable energy spending in 2023 is expected to be only US\$1.8 trillion.

The gap between required investment and actual expenditure underscores the need for highly cost-effective products, advanced technologies, and efficient resource allocation. It is impossible for China to tackle the climate challenge alone.

Instead of addressing so-called overcapacity, we need global collaboration across industries and sectors to increase the momentum of the global sustainable economy.

As the world transitions to environmental technologies, maximizing the capacity of green suppliers is critical in combating climate change. Rather than resorting to finger-pointing and protectionism, fostering cooperation among all stakeholders—manufacturers, researchers, suppliers, investors, and consumers—is paramount.

China, with its diverse industrial capabilities, plays a pivotal role in the global manufacturing landscape, accounting for about one-third of the world's manufacturing output.

Viewed within the framework of economic globalization, China's capacity is indispensable to meeting international demand. Moreover, an integrated global market not only requires diverse participation but also offers mutual benefits, fostering a win-win scenario for stakeholders.

In conclusion, the narrative surrounding overcapacity in China must be contextualized within the broader framework of sustainable industrial growth and global collaboration.

As the world embraces the green transition, leveraging collective capacities and resources is imperative in addressing the challenges posed by climate change. Instead of fragmentation, concerted efforts toward cooperation and innovation will pave the way for a more resilient and sustainable future for all.

China-EU Cooperation Is Needed to Safeguard Globalization's Future¹⁰

The failings of the current Global Order means that we collectively must devise a new multipolar model of peaceful coexistence. In this effort China and Europe are emerging as the two most crucial players.

A clear message emerged from the first in-person China-EU summit in four years: building a multipolar world would require a systematic reform of global governance. China and Europe need to heal rifts and cooperate to play a pivotal and constructive role in ensuring a better future for global governance.

The current international system, comprising the World Bank, International Monetary Fund and World Trade Organization, and led largely by the United States and Europe, was established after World War II to promote globalization, and in this saw great success.

But the global economy, culture, and society have marched on. Given the decentralization trending in geopolitics, this system is no longer reflective of our world today and increasingly global governance is falling behind the world's needs. The world order is in urgent need of restructuring.

The world is undergoing seismic changes unseen in a century. Geopolitical turmoil, climate change, a pandemic, and the rise of an anti-globalization movement have ushered in a turbulent era. Globalization, in particular, is facing unprecedented challenges.

In May this year, German Chancellor Olaf Scholz acknowledged the multipolarity of the world at the Global Solutions Summit. But while this multipolar world has arrived, the governance system to go with it has yet to be formed.

China is part of the Global South, but some of its regions have reached levels of development comparable to Global North nations. China is in a position to link with the major sectors of a multipolar world and play a leading role in globalization.

To build a better global governance system, the United States, European Union, China and other Global South countries need to agree on a multipolar model of peaceful coexistence. It would behoove China, the United States, and the EU to establish a trilateral dialogue for regular exchanges and to promote broader international cooperation.

Also, as the world's largest economies and major emitters of greenhouse gases, these three powers should discuss sustainable development solutions.

Due to cultural and systemic differences, there is more competition between China and the United States than cooperation. If both sides can coexist in a context of competition and cooperation, they may be able to reach a new balance by 2035.

Europe will play a pivotal role in avoiding a bipolar world and helping to form a multipolar one. As Europe is an independent third party, its economic relationship with China has become increasingly important.

There are four domains in which China and Europe can cooperate to forge a more multipolar world.

¹⁰ First published on December 14, 2023 by SCMP and revised for this collection.

The first is in new technology. From the Internet of Things and artificial intelligence to clean energy, technological advances are reshaping how we do business, despite a lack of effective international governance that hinders coordination.

Cutting-edge issues include global management of the digital economy, carbon taxes, and global corporate income tax. China and Europe should discuss the establishment of international institutions to foster coordination in these emerging areas.

The second is in climate action. China is a world leader in renewable energies such as wind and solar power. Its Belt and Road Initiative seeks to promote a transformation to green infrastructure, supported by financing from the Asian Infrastructure Investment Bank (AIIB).

Next year, the AIIB will host the fifth Finance in Common Summit. At this summit, China should propose cooperation in green infrastructure between its Belt and Road Initiative and the EU's Global Gateway program. The AIIB and European Investment Bank can also facilitate funding for climate-related work in developing countries.

The third domain in which China and the EU can cooperate is in investment and trade. China has joined the Regional Comprehensive Economic Partnership and applied to be part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Digital Economy Partnership Agreement.

But while China and the EU share extensive interests and a solid foundation for cooperation, they have reached an impasse on the Comprehensive Agreement on Investment (CAI).

The sooner the CAI becomes a reality, the sooner we can see an economic boom for the Chinese and European companies, especially important amidst the currently stagnant global economy. Given that China has unilaterally lifted visa requirements for some EU countries, it could also start unilaterally applying some CAI proposals to open up.

Last but not least, China and Europe can cooperate on smoothing the movement of their citizens. Freeing up the flow of people is part of globalization and has an impact on trade, investment, and technological exchanges, promoting the exchange of culture and ideas.

It is in this spirit that China is trying out visa-free travel for the citizens of France, Germany, Italy, the Netherlands, and Spain on ordinary passports to enter the country for business, tourism, or to visit relatives and friends.

But China should also continue to work on attracting talent, especially from Europe, by further liberalizing its visa policy to promote people-to-people connectivity and help build global consensus.

Global governance needs to be more inclusive and geared toward twenty-first-century problems such as climate change and social inequality. This can be done by boosting free trade, overcoming the global infrastructure gap and closing the digital divide. China is a beneficiary of globalization, and its economy has continued to mature, entering an age of high mass consumption, similar to Europe of the past.

It is clear that China and Europe face obstacles to greater cooperation, with pressures both internal and external. But it is in the interests of both to play a leading role together in shaping the next iteration of a more resilient, inclusive, and sustainable model of globalization.

A New Form of Economic Globalization to Reshape the World Order¹¹

The future of the world order is dependent on reshaping an ineffectual form of economic globalization that is no longer fit for purpose. Nations must adapt to the reality of a new model by reforming existing institutions and establishing new ones.

“Hyper-globalization” ended when geopolitical conflicts, a sluggish global economy, and climate change brewed discontent within the world order. To address collective global issues, it is imperative to enhance the economic connections between countries and regions smartly and to reshape global economic governance. As the practitioner and beneficiary of globalization for over 40 years, China will continue to contribute to global economic governance and embrace the new wave of globalization.

A Structural Change Is Key

Globalization has come to a new crossroads after 40 years of unprecedented economic prosperity in the world. “Global Governance 1.0,” the international system based on the UN and Bretton Woods institutions, has been confronted with various challenges ranging from changing geopolitics, rapid technical advancement, and global societal and economic transformations to the accelerating pace of climate change. As Nobel Laureate in economics Joseph Stiglitz famously said in “Globalization and its Discontents,” “Globalization is not working for many of the world’s poor. It is not working for much of the environment. It is not working for the stability of the world’s economy.” To answer the prevailing discontent with globalization, one should understand what has recently happened to the turbulent international order. The simplest answer is: the world is undergoing structural change.

A Multipolar World

The world is now more multipolar, as it has witnessed the rise of developing countries in the past four decades. Nowhere is the shift to multipolarity more evident than in the rise of Asia, given that its economy is now bigger than the rest of the world combined. The simple reality is that no single power can dictate global norms and rules by itself. The existing US-led system, designed for a world where power is concentrated in the hands of one superpower, is increasingly becoming untenable.

¹¹ First published in May 2023 by *Global Solutions Journal* and revised for this collection. This article was co-authored by Mabel Lu Miao, Co-founder and Secretary-General of the Center for China and Globalization (CCG).

More Interdependence

However, the multipolar world is also more interdependent. Rising interdependence stems from two related sources. The first is cross-border flows of people, goods, capital, ideas, and data that tie the interests of different countries together through global supply chains, cultural flows, and global finance. The second is the rise of transnational challenges—usually known as non-traditional security threats, such as the COVID-19 pandemic—that heavily disrupt the global supply chain. Our current system of global governance was designed in an age when the most salient security threats that countries faced were those emanating from other states. Deepening cross-border linkages and shared global threats mean that global governance should facilitate collective responses to transnational challenges.

Digital Economy

This growing interconnectedness is visible in the rise of transnational data flows and the global digital economy. In 2021, the digital economy's added value from 47 major economies made up 43.7% of their combined GDP, marking a 15.6% year-on-year increase, according to the report from China's Academy for Information and Communications Technology (CAICT). The pandemic accelerated this digitalization, and even though its full implications for global governance are not yet clear, they are surely profound and manifold. Unfortunately, the booming global digital economy faces a threat from geoeconomics, which focuses on the use of economic tools to advance geopolitical objectives. Economic relations are increasingly a source of friction undermining international cooperation and global governance. The COVID-19 pandemic further increased calls to “re-shore” production, with some governments intervening to draw supply chains home. As Pascal Lamy, former Director-General at the World Trade Organization (WTO), has pointed out that, in the aftermath of the pandemic, a certain degree of precautionism—legitimate safeguarding of citizens' needs—was to be expected.

Rising Regionalism

As global trade rules fray, a patchwork of regional deals—as vehicles for deeper liberalization—has emerged. First was the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), launched in 2018. Then came the new free trade agreement between the United States, Mexico, and Canada (USMCA), which came into force in 2020, followed by the African Continental Free Trade Area (AfCFTA), which started trading in 2021. The latest achievement is the activation of the Regional Comprehensive Economic Partnership (RCEP) in 2022. To reform the less functional “Global

Governance 1.0,” we need to accommodate these dynamic regional solutions and increase their coordination so that they work together harmoniously. More importantly, we need to exploit the latest technical developments and take advantage of these interdependencies for the benefit of our well-being.

Main Challenges and Opportunities

The current world order was already shifting into an uncertain period when rising geopolitical tensions between the world’s largest economies daunted the international community. US-China relations are seemingly sliding into the self-fulfilling prophecy of the “Thucydides’s Trap,” as Harvard Professor Graham Allison described it. Russia’s “special military operation,” which began in 2022, signaled the collapse of the Yalta system founded after WWII. A dichotomy of democracy vs. autocracy, a ghost of the Cold War mentality, is becoming increasingly dominant within some great powers’ narratives. The common challenge posed to the world is neither inaction on disasters or conflict nor the shedding of shared responsibility, but mutual hostility in the minds of human beings.

More Inclusive, Integrated, and Flexible Governance

To adapt to these realities, a new global economic governance will need to embody three principles:

1. It needs to be more inclusive. It should better represent the voices and interests of emerging economies and mobilize a new set of actors to work on global problems.
2. Global economic governance needs to be more integrated. Complex, cross-cutting challenges need to be addressed in an integrated manner, accounting for links between different sectors and issues based on strong connections between global and regional organizations, international financial institutions, and other global alliances and institutions.
3. Finally, our post-pandemic world calls for more flexible global institutions. Rather than sticking to large, unwieldy, member-driven formats for all purposes, global mechanisms should be tailored to the job at hand. For some purposes, such as kick-starting the process of reforming key global institutions, a smaller group of powers may be preferable. For other tasks, it may be more suitable to forge a broad and inclusive group of nations and other stakeholders.

The Uniqueness of China

China has a unique role in leveraging global governance. Its persistent development in the past half-century has not only enriched the diversity of world history but also rewritten the world economic map. Furthermore, as it became increasingly aware of the importance of sustainable development, China helped nurture the momentous Paris Agreement, along with the world's leading economies. By proposing its carbon peaking and carbon neutrality goal in 2020, China also helped consolidate the global consensus on climate change.

The outbreak of COVID-19 and Russia's war in Ukraine in 2022 severely undermined the joint effort of the international community to restructure globalization. China, on the contrary, demonstrated its economic resilience during the pandemic while managing to reconnect with the world at the end of 2022. It quickly resumed its face-to-face diplomacy with the international community, and its leadership frequently visited the major stakeholders in global geopolitics. Meeting with US President Joe Biden at the G20 Bali Summit, President Xi Jinping reassured the world of his intention to reset the framework for Sino-US relations. As the first anniversary of the war in Ukraine was approaching, China published the Global Security Initiative Concept Paper and China's position paper on the Political Settlement of the Ukraine Crisis. In the latter, China reiterates its opposition to armed attacks against nuclear power plants, and its warning that "nuclear weapons must not be used and nuclear wars must not be fought" have been applauded by the international community.

All of the above efforts might be squandered if other countries are unwilling to respond. China cannot work alone, and multilateralism is key for international cooperation. 2023 bore witness to flourishing international dialogues to revive the collaboration through bilateral and multilateral mechanisms. We expect that, in subsequent summits of the BRICS, the G20, the G7, and the Asia-Pacific Economic Cooperation (APEC), shuttle diplomacy will bring fruitful achievements to help restore a fair and just world order.

Recommendations and Conclusions to Promote WTO Reform

As bilateral or multilateral investments and trade agreements are on the rise, the WTO continues to be a core promoter of investment and trade facilitation, reducing tariff and non-tariff barriers and eliminating differential treatment in international trade. A reform of the WTO would boost the confidence of the international community in the multilateral trading system and multilateralism. In the future, we hope that all parties will promote WTO reforms and that the WTO will once again fully play its role in maintaining and facilitating international multilateral trade.

Resurrect the China-EU Comprehensive Agreement on Investment

China and the EU share extensive common interests and a solid foundation for cooperation, but over the past two years, the two sides have reached an impasse on the Comprehensive Agreement on Investment (CAI), which has been hailed as China's second round of reform and opening-up. To overcome this impasse and in an effort to revive the CAI, China's National People's Congress ratified the International Labour Organization's 1930 Forced Labour Convention and the 1957 Abolition of Forced Labour Convention in April 2022 as a symbolic measure to alleviate concerns. Resuming communications may mean that the two sides can negotiate and lift sanctions, allowing the CAI to go into effect as soon as possible and bring an economic boom to Chinese and European enterprises.

Multilateralize the Belt and Road Initiative

The Belt and Road Initiative (BRI) must be reconfigured as a multilateral endeavor for global governance and development. Since it was launched in 2013, the BRI has become a vector of globalization, growth, and investment in many regions. In addition, the initiative has helped build the so-called "soft" infrastructure, such as education, healthcare, and other services. When the time is right, China can propose cooperation in infrastructure between the BRI, the EU-led "Global Gateway" program, and the US-led "Build Back Better World" (B3W).

Upgrade the Asian Infrastructure Investment Bank to the Global Infrastructure Bank

Over the last six years, the Asian Infrastructure Investment Bank (AIIB) has established itself as an effective multilateral development bank (MDB) and has successfully integrated into international financial architecture. With a fresh capital injection and expanded membership, the bank would be well placed to expand its remit and become the Global Infrastructure Investment Bank (GIIB). This would involve inviting new members to play a major role, including countries in other regions, such as Africa and Latin America. In addition, the GIIB could form a special body for multilateral actors, including MDBs and regional organizations, to enhance coordination between existing infrastructure initiatives worldwide.

China Should Move Toward Joining the CPTPP

China should move toward joining the CPTPP, a higher standard FTA geared to advanced economies. Joining the 11-member CPTPP would push back against decoupling and protectionism and provide an external impetus for the next phase of reform and opening. The CPTPP's principles are well aligned with China's goals to improve Intellectual Property Rights (IPR) protection and reform state-owned enterprises (SOEs). In the long term, an enlarged CPTPP could provide a blueprint for reforming

the WTO and getting the global free trade agenda back on track. Chinese membership could help reduce friction and the rise of geoeconomics by aligning China more closely with progressive global trade norms.

Establish Normative Agreements and Regulations for a Global Digital Economy

The digital economy is a key engine and an important trend in world economic development. A new framework must be established that can support the safe and healthy growth of the global digital economy. On June 12, 2020, Singapore, Chile, and New Zealand signed the Digital Economy Partnership Agreement (DEPA); perhaps the Group of Twenty (G20) could also further explore the regulations related to digital trade based on the Osaka Declaration on the Digital Economy. The establishment of an International Data Alliance (D20) composed of the world's 20 largest digital economy companies should also be considered to enhance the G20's ability to better promote global governance in the digital economy.

Cooperate on Green Development

Green development requires new business models and forms of collaboration across the industry. Green issues may offer a more promising field to forge consensus and meaningful reform. Specifically, China could work with other partners to promote the creation of a dedicated UN institution focused on climate change as a unique crisis that affects many areas of global cooperation. The UN already plays a leading role in addressing climate change through the UN Environmental Program (UNEP) and the UN Framework Convention on Climate Change (UNFCCC).

Conclusion

Global governance needs to be more inclusive and geared to twenty-first-century problems like climate change and addressing inequality by boosting free trade, overcoming the global infrastructure gap, and closing the digital divide. The year the book "Globalization and Its Discontents" was published was probably the heyday for China's longstanding economic growth, owing largely to the dividends of the country's reform and opening-up, and its entry into the WTO to engage in the international trade system, which stimulated domestic consumers' confidence and expanded exports for the next two decades. China has been a beneficiary of globalization, and its economic growth has shifted from take-off to maturity and the age of high mass consumption. However, retrospectively, one will find that China too faces challenges, with pressures at home and questions about how other countries will respond to its rise. However, it is in the interests of both China and other countries that the world's most populous country plays a leading role in shaping the next iteration of global governance.

The BRI's Role as a Global Public Good Should Be Maximized¹²

Multilateralization of the BRI by means of reforming decision-making mechanisms and linking with international organizations could dispel doubts among developed economies and improve the initiative's role as a global public good.

The Belt and Road Initiative has grown from a vision in 2013 to a series of bilateral arrangements today with the potential to serve as a global platform for international infrastructure development. By June 2023, 152 countries and 32 international organizations had signed more than 200 cooperation agreements with China on Belt and Road cooperation, reflecting the popularity and effectiveness of the initiative.

But despite being praised by many countries in Southeast Asia, Eastern Europe, Africa, and the Middle East, the initiative has yet to convince some Western countries about its crucial role in cross-border infrastructure development. There are multiple reasons for that, but in general, the Belt and Road Initiative faces three main challenges.

Negative Reports Cause of Misunderstandings

The first challenge is in terms of the power of discourse. Given the relatively weak voice of the Chinese media in international circles and consequently its limited influence, Western media outlets are able to influence the international community's views on the initiative to a greater extent. Also, negative reports on Belt and Road-related issues cause misunderstandings and negatively impact the initiative.

The second challenge is the West-floated notion that the Belt and Road Initiative creates "debt traps" for developing countries. Many scholars around the world have studied this issue and have proven that the initiative does not create "debt traps." Yet some Western observers and media outlets continue to trumpet their baseless claims.

And third, the initiative means different things for different countries and observers, which means it lacks a unified definition.

To enhance its inclusiveness, China should ensure that the Belt and Road Initiative widens its cooperation with other international mechanisms, so as to integrate itself with the global cooperation networks and project itself as a crucial international platform to serve not only China but the rest of the world.

¹² First published on October 12, 2023 by *China Daily* and revised for this collection.

Broad Consensus Needed to Enhance Interaction

Given these facts, the Belt and Road Initiative should build a broad consensus with its overseas participants to facilitate closer interaction with the international community. To “multilateralize” the Belt and Road Initiative, I suggest that the authorities establish the following mechanisms.

To begin with, multilateral decision-making structures could be built to strengthen the Belt and Road Initiative and ensure high-quality infrastructure development. If the countries involved in the initiative were offered and accepted the responsibility of jointly building the multilateral structures, a new institution, say a Belt and Road International Steering Committee or Belt and Road International Cooperation Organization, could be established. Invited countries could send their representatives to participate in the committee or organization, and help form a new order of global and regional governance for the initiative.

An apt example of such an organization is the ASEAN-China Center, established by China and ASEAN member states, which serves as a regional institution with offices in China and ASEAN member states. It has an efficient three-tier management structure, which provides guidance and undertakes specific tasks in the alignment and cooperation of major bilateral and multilateral policies with relevant countries.

A BRI steering committee mechanism could also be aligned with the existing multilateral institutions of global and regional governance such as the G20 and the Asia-Pacific Economic Cooperation (APEC) forum. This would allow countries to regularly meet and discuss Belt and Road-related agenda items and carry out extensive exchanges and consultations. The agreements, plans, mechanisms, and projects jointly implemented would boost the development of Belt and Road projects.

Second, the Belt and Road Initiative could engage with international organizations under the United Nations framework to invite them to participate in Belt and Road projects. The initiative could also request the United Nations to establish a Belt and Road cooperation mechanism, giving full play to the UN’s best practices and its role as a bridge between countries.

The UN’s involvement in the Belt and Road Initiative could help establish working relationships with UN agencies such as the United Nations Development Program and the World Trade Organization. While the support of the UN would give additional confidence to Belt and Road countries, getting the UN’s support may be difficult as the United States and certain other countries are likely to block UN agencies from associating with the Belt and Road Initiative. So China needs to tread this path with caution.

Third, China should take measures to engage more developed economies in Belt and Road third-party market cooperation and expand its cooperation with the United States and the European Union in infrastructure construction projects. China has already signed cooperation agreements with France and Japan for projects in third-party markets. Such agreements could be expanded to other developed countries. Third-party market cooperation agreements emphasize complementarities, which

include China's high-level production capacity, advanced technology from developed countries, and the infrastructure needs of developing countries. Bringing these together will provide a new model for high-quality joint cooperation on Belt and Road projects and promote multilateralism.

China could also consider proposing infrastructure cooperation between the Belt and Road Initiative, the EU's Global Gateway, and the United States' Build Back Better infrastructure initiatives. Also, the India-Middle East-Europe Economic Corridor proposed at the G20 Summit in New Delhi raises the possibility of building a China-US-India-Europe "quadrilateral+" platform for global infrastructure investment and development.

The Organization for Economic Co-operation and Development, an organization of industrialized economies, which promotes the economic health of its members and contributes to worldwide development, also compares policy experiences, identifies good practices, and coordinates domestic and international policies of its members. It could thus be used as a model to "multilateralize" the Belt and Road Initiative.

Advanced Economies Should Ease Doubts on BRI

Fourth, expanding the Asian Infrastructure Investment Bank's target sectors and regions could be a plausible way of providing support for eligible infrastructure investment projects worldwide. China could explore the possibility of establishing an international development bank cooperation partnership to boost collaboration among various international development banks.

The partnership among international and regional development banks such as the World Bank, Asian Development Bank, African Development Bank, Latin American Development Bank, European Bank for Reconstruction and Development, Islamic Development Bank, and the AIIB will bolster inter-banking coordination, help improve infrastructure in developing countries, build digital infrastructure, and enable the green transition.

While there are funding gaps, infrastructure spending tends to spur investment demand and create jobs. So long as the global geopolitical environment allows, the arrangement could form an international, standardized, open, and transparent infrastructure development system and expand supply networks for global products.

Sixth, the Belt and Road Initiative should consider mobilizing the business resources as well as think tanks worldwide to explore more intellectual resources. Establishing a Belt and Road international business partnership and creating a multi-tiered and diversified think tank platform would help introduce dynamics to people-to-people communication and mutual understanding. By organizing non-official international forums and summits, these partnerships can enrich and diversify the Belt and Road Initiative and turn it into a popular international initiative.

In conclusion, China could work to improve global economic governance. China can further increase its level of public participation, and more staunchly uphold multilateralism. This would help maximize the role of the initiative as a global public good.

Five Reasons China's Reopening Is Good News for the Global Economy¹³

China's lifting of COVID-19 restrictions allowed for the resumption of international business, the revival of tourism and consumer spending, and the return of cultural exchanges that paved the way for increased in-person exchanges and a broader global recovery.

After almost three years of zero-COVID, China's reopening came "gradually, then suddenly," to borrow Ernest Hemingway's famous phrase.

In late 2022, life here in Beijing had all but ground to a halt as local lockdowns spread across the city. Now, it's like a cloud has lifted as ring roads, offices, and malls around the capital begin to fill up again. Cases surged across the country, but most were mild and will soon subside as herd immunity is reached. Infections in Beijing have peaked already, with other cities following in late January 2023.

The lifting of most restrictions injected vitality into the economy as people return to regular work and life patterns. The accelerated reopening prompted Goldman Sachs and Morgan Stanley to raise China's GDP growth forecasts to above 5% for 2023.

The positive outlook is reinforced by Beijing's shift to a more pragmatic pro-growth economic policy, as signaled at the recent central economic work conference. This includes support for the private sector and domestic consumption and a more accommodating stance toward real estate and big tech, key growth drivers that have both suffered regulatory crackdowns over the past two years.

China's reopening also eases fears of a global recession at a time when advanced economies are slowing as a result of rising interest rates and high energy costs. The country is by far the world's biggest growth engine, accounting for around 30% of global growth.

Five benefits for the global economy are worth highlighting.

First, despite some short-term disruption from staff shortages, the end of restrictions should gradually help to resolve blockages in supply chains that have caused long delays for products ranging from cars to iPhones, helping to ease inflation.

The second benefit stems from the resumption of travel to and from China. Unlike flows of goods and capital, which remained strong even under zero-COVID, trips in and out of China have been reduced to a trickle, plunging 79% for mainland citizens and 95% for foreigners in 2021 compared to 2019 levels.

Eased cross-border travel is a boost for the operations and investment of multinationals. Executives will resume travel between headquarters and China, facilitating new deals and projects. Similarly, Chinese entrepreneurs will embark on long-delayed trips to seek opportunities in overseas markets.

Improved conditions will also help China-based firms attract and retain foreign talent. Last January, it was estimated that as many as 100,000 foreigners were waiting to return to Shanghai alone, including teachers and other elements of the family infrastructure that supports the international workforce.

¹³ First published on January 10, 2023 by SCMP and revised for this collection.

The third and perhaps most immediate impact of reopening will be the revival of the Chinese consumer. Consumer confidence hit record lows in 2022, but it has already picked up significantly since reopening began, making Chinese consumers the most confident in the world, according to the latest survey by Ipsos.

There is room for a considerable degree of mean-reversion recovery in 2023 as China's middle class unleashes pent-up spending power. Chinese consumers didn't get government cheques like in the West, but they hoarded cash during the pandemic. Nominal disposable income per capita rose by 5.3% in the first nine months of 2022, while residents' onshore savings rose by 16.7% to a record high of US\$17 trillion as of November 2022. In addition to increased spending on imports, China's reopening means a huge windfall for the global tourism sector, which accounts for over 10% of global GDP.

Before the pandemic, Chinese tourists accounted for almost 20% of international tourism spending, or US\$255 billion in 2019. Their absence left a huge black hole, but early signs indicate they will be back in force. Searches for top overseas destinations on the travel platform Ctrip surged tenfold within 30 minutes of the announcement on relaxed quarantine rules.

The first beneficiaries of this "outbound rebound" will be nearby destinations highly exposed to Chinese spending, like Hong Kong and Thailand, for whom extra travel spending could see a GDP boost of 6% and 3% respectively, according to estimates by Goldman Sachs. Travel-related sectors such as aviation, hotels, and retail will also benefit.

The final benefit of China's reopening for the global economy is less tangible but no less important in the long run.

US-China tensions cast a dark shadow over prospects for the global economy. Zero-COVID exacerbated this problem by choking the bilateral interpersonal exchange that is so important for building trust and mutual understanding.

China's reopening also paves the way for a resumption of in-person engagement between officials, scholars, entrepreneurs, and students from both countries. This interaction is important, especially for the next generation of decision-makers.

A recent survey shows that Chinese people with experience studying or traveling in America have more positive attitudes toward the country. Hopefully, 2023 will also bring a return of US students to China, whose numbers fell from thousands to less than 400 during the pandemic, helping to build a pipeline of China literacy for the future.

Given the current climate, it is perhaps not surprising that Beijing's recent policy shift has spurred many commentators outside China to make a U-turn of their own. After years spent highlighting the harm of lockdowns and other restrictions, many now stress the risks of reopening, such as temporary labor shortages and added inflationary pressures.

These are valid concerns, especially given that rising Chinese demand comes as global monetary policy tightens. However, that should not obscure the big picture. China's path to reopening may not be straightforward, but it will bring a huge boost to markets and industries around the world in 2023.

Could Reshaping the World Order Usher in the Return of Economic Globalization?¹⁴

A new Bretton Woods moment is upon us as the current system is unable to ensure economic prosperity and political stability, this means that major powers, including China, must work to develop a “New Bretton Woods” framework to restore a more equitable form of globalization.

Globalization is at a crossroads. The Russia-Ukraine war that broke out in February challenged the post-WWII world order. However, in a broader sense, the reshaping of the current world order is an inevitable result of global economic development, advancements in technology, and the natural evolution of the global power landscape. Under the “center-periphery” system, the globalized flow of resources, technology, capital, and personnel has enabled emerging economies to grow stronger while developed countries at the center have comparatively weakened. The cost of maintaining their current power position by suppressing competitors is rising. This has resulted in damage to their own credit while also creating shockwaves throughout the world economy and global geopolitical order.

The World Order After the Russia-Ukraine War

The Russia-Ukraine war, in the wake of the COVID-19 pandemic that plunged the world economy into recession, has shaken US hegemony and has become the biggest challenge to the international order since World War II. Globalization, as we have known it for the last 30 years, is coming to an end. Larry Fink, CEO of BlackRock, the world’s largest asset manager, declared in his 2022 shareholder letter that the Russia-Ukraine war will reshape the global supply chain and drive up global inflation. A *New York Times* article titled “Globalization Is Over. The Global Culture Wars Have Begun” echoed similar views.

Changes in the Sino-US relationship, combined with the development of other regional powers and new national alliances, have weakened US influence. Regional powers such as Türkiye, South Africa, Egypt, India, Indonesia, Brazil, and Mexico play a more unique and important role on the global stage. The ongoing development of national alliances such as ASEAN, the African Union, and the Arab League has strengthened regional unity and given them greater leverage to maintain their independence. After the outbreak of the Russia-Ukraine war, only 40 countries sanctioned Russia. This decision was motivated by trade reasons: two-thirds of the world’s countries have China as their main trading partner, causing them to opt for non-alignment. This trend indicates that today developing countries tend to be more multipolar than bipolar. Meanwhile, as the United States tries to strengthen old alliances with partners and allies, Argentina, Iran, Saudi Arabia, Türkiye, and Egypt are preparing to join BRICS, which may play a more active role in reshaping the global order.

¹⁴ First published on September 20, 2022 by the Institute of Montaigne and revised for this collection.

The outbreak of the Russia-Ukraine war accelerated major restructuring in the international landscape and increased multipolarization. Intensifying domestic issues in the United States, and whether the country has the will, confidence, and ability to maintain its status as a globally active superpower have increasingly come into question.

Zbigniew Brzezinski, President Jimmy Carter's National Security Adviser and renowned geostrategic theorist, once predicted in his book *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* that "in the long run, global politics are bound to become increasingly uncongenial to the concentration of hegemonic power in the hands of a single state. Hence, America is not only the first, as well as the only, truly global superpower, but it is also likely to be the very last."

Today, the decentralization trend of world politics is basically a foregone conclusion. As the power of peripheral countries increases and the power of the center weakens, the power in the "center-periphery" world system will become more decentralized, resulting in a more equal and inclusive multipolar world order.

Changes in the World Order and China's Role

A reshaping of the international order would mainly affect mainstream values, norms, and institutional arrangements. As major powers play an important role in the transformation of the world order, Sino-US relations and China's rise, are key elements. Singapore's former Prime Minister Lee Kuan Yew once called China "the largest player in history"—highlighting how it is impossible for a country as large as China to not have an impact on the world system. So what impact is China having on the world order?

Binary power structures, historical concepts of dominance, as well as ideological and nationalistic sentiments, make it easy for the West to regard China as an enemy. However, China's traditional concepts of "harmony," its mission to create a new era of common prosperity, and the goal of building a community with a shared future for mankind all demonstrate that China, which is committed to achieving a peaceful rise, is inclusive and harmonious. In terms of economic development, China has achieved in 30 to 40 years what it took trailblazing Western countries nearly 200 years to accomplish and is gradually narrowing the gap with the US economy. However, issues like wealth inequality still remain. China still counts 600 million people with an average monthly income of no more than ¥1,000. China's per capita GDP is just over US\$10,000, about half of the average income in developed countries, and lags far behind the United States in key areas. In geopolitical terms, China has neither the will to replace the United States as the world's policeman nor the ability to provide public goods to the world despite its rising overall national strength. But China's willingness and ability to safeguard its own national interests and assume responsibility as a major power are also on the rise.

Over the past three decades of rapid globalization, general prosperity masked the injustice in the international system and world order, which became more apparent

as the world economy slowed down. China has benefited greatly from globalization and continuously worked to open itself to the world, providing institutional public goods to the global community, while also working to promote new concepts of globalization and governance to guide it toward a more inclusive, fair, and just direction.

In the past decade, China has proposed the concept of a community with a shared future for mankind and advocated the implementation of the Belt and Road Initiative (BRI). In terms of economic development, China has promoted the creation of the Asian Infrastructure Investment Bank (AIIB), joined the Regional Comprehensive Economic Partnership (RCEP), signed the China-EU Comprehensive Agreement on Investment (CAI), and applied for joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Digital Economy Partnership Agreement (DEPA).

In his May 2022 speech outlining the Biden administration's policy toward China, US Secretary of State Antony Blinken has regarded China as "the most serious long-term challenge to the international order." From Obama's "pivot to Asia" policy to the Quadrilateral Security Dialogue (Quad), the Australia-UK-US Alliance (AUKUS), the Five Eyes, and the Indo-Pacific Economic Framework for Prosperity (IPEF), the US strategy to contain China in the coming decades is very clear. With the relative decline of American influence, regional powers will become more ambitious and there will be more military incidents between countries as well as more securitization. Such scenarios imply we will face a more fragmented, turbulent, and divided world before a new multipolar world order can be established.

Some Europeans may regard China as a challenge to the existing international order and feel distressed by the decline of the West, but Europe will remain an important player in the construction of any new world order.

China, the United States, and Europe must create space for cooperation. In terms of scale, China, the United States and Europe are the world's three main economic pillars.

In 2021, the total GDP of the United States exceeded US\$23 trillion, while the GDP of the EU reached US\$17 trillion (US\$20 trillion if we include the UK and other European countries outside the EU). Meanwhile, China's GDP reached US\$17.7 trillion. China, the United States, and Europe are also the main players in most of the global conflicts and divisions that we face today. This is why the creation of a "G3" that includes China, the United States, and Europe is relevant. A high-level platform for dialogue and coordination that can be used to coordinate differing positions on major international issues could help avoid unnecessary misunderstandings and conflicts and play a positive role in the promotion of world peace and common development.

China and Europe share consensus in many areas, such as climate change and the digital economy. Europe may not be as strong militarily, but it still has significant advantages in terms of economy, soft power, and cultural influence. Many international organizations are also located in Europe. If a China-US-EU "G3" concept is established, Europe will act as a mediator between China and the United States,

instead of completely siding with the United States and maintaining relative independence. At present, China has established a third-party market cooperation mechanism with many countries including France. In the future, China and Europe may also consider deepening third-party market cooperation in Africa and other places to jointly promote investment, trade, and infrastructure development in Africa, thereby establishing a new direction in South-South cooperation.

Restarting Economic Globalization and Reshaping the World Order

Peter Schiff, a veteran Wall Street forecaster who accurately predicted the 2008 financial crisis, warned in early July 2022 that the United States would face an economic crisis more severe than the “Great Recession” of 2008. IMF President Kristalina Georgieva also publicly stated on July 13th that the state of the global economy would be dire in 2022, and possibly even worse in 2023. It is fair to say that a global economic depression has arrived. Clearly, we have not hit the bottom of this economic recession as global inflation, food crises, and energy crises continue to bubble. The economic downturn in the United States and Europe is worsening, while China’s economic recovery is also slowing down.

The Bretton Woods system after World War II formed the cornerstone of the post-war world order and brought decades of peace, stability, and prosperity to the world. Today, the COVID-19 pandemic and the Russia-Ukraine war have brought mankind to a new Bretton Woods moment. Economic globalization is facing a more complex international environment with world peace, openness, connectivity, diversity, and fair development severely damaged.

As a result, all parties should focus on creating a new economic order and institutional basis, while at the same time hedging against military expansion and the insecurity it brings to the world.

Recommendations for a Path Forward

First, World Trade Organizations (WTO) reforms should be a priority. This institution is among the most important ones in world trade today. The package agreement reached as a result of the 12th WTO Ministerial Conference (MC12) boosted the confidence of the international community in the multilateral trading system. In the future, we hope that all parties will promote WTO reforms and that the WTO will once again give full play to its role in maintaining and mediating international multilateral trade.

Second, smooth implementation of the China-EU Investment Agreement (CAI) is needed. China-EU relations have reached an impasse on CAI over the past two

years, so the resumption of communication may allow both sides to negotiate and lift sanctions, enabling the CAI to go into effect as soon as possible, which would be a boon to Chinese and European enterprises.

Third, a multilateral development bank cooperation framework could be created. In the future, the AIIB could work with the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Islamic Development Bank, the African Development Bank, the Inter-American Development Bank, and others, to promote a platform for global infrastructure development driven by international multilateral development banks.

Fourth, promoting economic, trade and investment cooperation is key. Given the increasing demand to jointly respond to challenges, it may be possible to hedge the insecurity by enhancing economic and trade, and investment cooperation between China, the United States, and other regional countries within the “Indo-Pacific Economic Framework for Prosperity.” It is difficult for ASEAN and other Asian countries to distance themselves from China in economic and security terms, and they are unwilling to take sides between China and the United States. A politically and militarily divided Asia is not in line with the further rise of Asian countries.

Fifth, regional and global economic vitality should be stimulated to promote Asia-Pacific economic integration. The CPTTP has already reached 90% and in some instances even 98%. In the future, if the economic pie becomes bigger and everyone returns to the multilateral negotiation mechanism, it may reduce the risk of direct conflict between countries.

Sixth, a new framework must be established to promote the global digital economy’s normative agreements and regulations. The United States should also allow Huawei, TikTok, WeChat, and other companies to operate in the United States, while China should also consider opening up its market to Google, Facebook, Twitter, and other American digital companies. The establishment of an “International Data Alliance” (D20) composed of the world’s 20 largest digital economy companies should also be considered to enhance the G20’s ability to better promote global governance in the digital economy.

In conclusion, to bridge divisions induced by COVID-19 and the Russia-Ukraine war, avoid the outbreak of larger regional wars, and guide the development of the world order to operate more moderately, we must enhance economic cooperation. Reshaping global economic governance and promoting a new round of economic globalization is the best path forward.

China's Zero-COVID Policy Has Had a Severe Impact on Its Stock of Global Talent¹⁵

The exodus of talent from China during COVID has had a lasting impact that is still felt today with numbers of foreign professionals and students still only a fraction pre-COVID numbers, but China is still keen on increasing its stock of global talent.

While China's zero-COVID policy has been remarkably successful in containing the virus and keeping death rates to a fraction of those seen in the United States and the UK, it has also profoundly affected the country's economy and China's stock of global talent.

Cross-border flows of people has been greatly reduced—last year, trips in or out of China by mainland citizens plunged 79% compared with 2019. For foreign citizens, the number fell even more sharply, to just 4.6% of 2019 levels.

These numbers will begin to increase with recent moves to ease entry into China. But the continuation of strict immigration and quarantine controls has already harmed business. China-based staff in foreign multinationals have been unable to return to headquarters for knowledge sharing, training, and networking. Similarly, it has been difficult for employees of Chinese multinationals to venture out to forge personal connections and gain first-hand experience in local markets.

This disconnect has been compounded by the exodus of foreign talent. The European Chamber of Commerce in China estimates that up to half of European expatriates may have left China since the pandemic began. In May, 74% of respondents to a survey by the American Chamber of Commerce in China said zero-COVID measures had impeded their ability to attract or retain skilled foreign staff. A third said that senior executives or essential foreign workers had declined China assignments because of the latest COVID outbreak.

The family infrastructure that supports the international workforce is also eroding. The British Chambers of Commerce in China estimates that 40–60% of foreign schoolteachers will leave this year. Bilingual schools, which often enabled Chinese students to study abroad, have been hit by this teacher shortage, as well as a regulatory crackdown.

There have, however, been some benefits for local employees, who are being fast-tracked for promotion as multinationals are forced to accelerate localization and abandon the old model that saw key roles filled by foreign executives on short postings.

In January, Volkswagen announced plans to cut 30% of China-based expat employees over the next two to three years. A survey of EUCCC members in late April found that over the coming year, about 60% plan to localize staff at all levels. Apple, which before the pandemic booked 50 business-class seats to fly staff between San Francisco and Shanghai every day, now relies more on local engineers to solve problems.

¹⁵ First published on July 18, 2022 by the *Financial Times* and revised for this collection.

This localization reflects the expanding skill set and technical competence of Chinese workers. It may also enhance China's future economic dynamism, given that Chinese managers at multinationals often go on to join local companies or found their own businesses.

Further back in the pipeline, the pandemic and Beijing's policy response has also affected students. The closure of China's borders has emptied campuses of foreign students, who numbered almost half a million in 2018. This will set back the long-term internationalization of the country's workforce, given that over 60% of international students say they intend to work in China after graduation. I know that the Chinese embassy in the United States has helped international students return to China, and the Chinese embassy in France has also started to help French students come back.

The impact on outbound study has been more mixed. In 2020, many Chinese students delayed or changed plans to study overseas, but the demand for education abroad has since recovered. Since May 2021, the number of student visas issued to Chinese students to study in the United States has reached more than 90,000. And last year, the number of Chinese students in the UK returned to about the 2019 level, after a 32% plunge in 2020.

There is some evidence that the pandemic has reinforced longer-term trends for students to choose closer destinations—such as Hong Kong, Singapore, or Japan—or stay in China for postgraduate study. These patterns reflect a number of factors, including the rising quality of top Chinese universities, a declining salary premium for overseas education, and a growing perception that the West is hostile to Chinese students.

But domestic talent alone will not be enough for China's fast-growing market. At a national conference last September, President Xi Jinping stressed that efforts to cultivate homegrown talent “must not mean isolation” and emphasized “global appeal and competitive advantage.”

The body charged with this task is the National Immigration Administration, which for the past two years has been preoccupied with keeping the virus out of China. Once borders are fully open again, the agency will resume efforts to improve the immigration system and attract foreign workers. How eager they are to return only time will tell.

Japan Should Be Open to China Joining the CPTPP¹⁶

Japan's stewardship of the CPTPP presents it with a choice to either embrace or exclude China, should it support China's admission to the trade pact, it would see enormous economic gains for Japan's struggling economy.

In 2012, two US analysts penned an article in *Foreign Policy* headlined "A Tale of Two Asias," describing the continent's contrasting Jekyll and Hyde sides.

On the one hand, there is "Economic Asia," a vibrant, integrated region with an economy worth over \$30 trillion that is the most dynamic on Earth and an engine of global growth. On the other hand, there is "Security Asia," a fractious and increasingly militarized region riven by mistrust, nationalism, historical antagonisms, and territorial disputes.

Though crude, this dichotomy captures something of Tokyo's balancing act as it seeks to navigate a changing world. Like the rest of Asia, Japan is being pulled in two different directions as new trade pacts reinforce trends toward peaceful integration, even as growing security concerns cause friction in the region.

Japan has long been a driving force in forging a more integrated and prosperous economic Asia. It set up the Asian Development Bank in 1966 and gave development assistance to support China's reform and opening-up in the 1970s and 1980s.

After the Asian financial crisis in the late 1990s, Tokyo pushed for monetary integration measures that led to the Chiang Mai Initiative currency swap arrangements. More recently, Tokyo brought the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to fruition after the United States pulled out and was a founding member of the Regional Comprehensive Economic Partnership (RCEP) trade deal.

In contrast, the forces pushing Japan to focus on security in Asia are never far away. Conservatives remain determined to amend the nation's pacifist constitution, and Tokyo has signed up to new security arrangements like the Quad and reciprocal access with Australia's defense forces.

Following Russia's invasion of Ukraine, Prime Minister Fumio Kishida has sought to reinforce ties with NATO and Washington to bolster Japan's security, and former Prime Minister Shinzo Abe has even raised talk of nuclear weapons and is agitating for a sharp increase in defense spending.

Balancing economic and security interests amid US-China competition will be Kishida's most important foreign policy task. This year, on the 50th anniversary of the normalization of ties with China, he faces several decisions that will set the tone for Tokyo's future relationship with Beijing. Perhaps the most significant is what stance to take on China's application to join CPTPP.

As he considers this question, Kishida should keep an open mind and draw on the legacy of the Kochikai faction he leads, which has traditionally emphasized economic diplomacy and healthy ties with China.

¹⁶ First published on April 26, 2022 by *Nikkei* and revised for this collection.

His current focus on narrow security alliances is understandable in the wake of the war in Ukraine. But in the long term, Japan's interests, both in terms of its domestic economy and long-term security, are best served by ensuring that Asia remains on a stable, rules-based track to become more integrated, more cohesive, and more prosperous.

CPTPP is an ideal vehicle to achieve this, and China appears increasingly ready to play ball. On February 3, Chinese customs announced that it would trial CPTPP rules in the nation's free trade zones. On March 1, Vice Minister of Commerce Wang Shouwen affirmed China's willingness to "fully meet" the high standards of the trade pact.

So far, Kishida's reception of Beijing's application has been tepid. But there are good reasons why Tokyo should be open to China joining the CPTPP.

First, it would support Kishida's domestic agenda to spur domestic growth and equality. Although Japan and China are both members of RCEP, the CPTPP goes much further with tariff reductions and trade facilitation. Including China would increase Japan's real income gains from CPTPP in 2030 by \$68 billion and quadruple worldwide income gains to \$632 billion a year, according to projections by the Peterson Institute for International Economics, a Washington-based think tank.

Since 2020, China has replaced the United States as the top destination for Japanese goods. Last year, exports of food, farm, forestry, and marine products to mainland China soared by 35.2%. Under CPTPP, Japanese farmers and workers would be ideally placed to benefit from the growing demand of China's massive middle class. There would also be benefits for Japanese multinationals, for whom China continues to be a crucial manufacturing hub.

Second, even before potential trade benefits come to fruition, accession negotiations could provide a platform for productive dialogue with China. This would widen Kishida's scope for diplomacy and support efforts to promote regional harmony.

Third, China's application to join the CPTPP is a one-off opportunity for Tokyo to exert influence and encourage what is soon to be the world's largest economy to evolve in line with the highest international standards.

These include behind-the-border issues such as economic, industrial, and environmental policies. As well as benefiting Japanese companies and energizing China's reforms to build a modern, open economy, this would also help alleviate wider trade tensions, including with the United States, creating a better global environment for Japan's development.

The CPTPP is one pathway to deeper integration and eventually realizing a Free Trade Area of the Asia-Pacific. But it is not the only one. If the CPTPP door is prematurely shut to China and other countries, momentum may shift to alternative tracks like RCEP. This would not be in Japan's interests, given that this would be a process geared toward lower standards over which Tokyo has less say.

For now, any prospect of China entering the CPTPP remains distant. Accession negotiations are bound to be long and arduous. Other members remain divided on China joining and unanimous consent is required for accession. There is also the thorny issue of Taiwan, which has applied to join despite Beijing's opposition.

Still, Japan has put itself in an advantageous position by taking up stewardship of CPTPP, and its stance on China's application will hold considerable sway. Moving forward, Tokyo should build on its achievements in helping to realize a thriving economic Asia and not allow hawkish voices to foreclose viable routes toward long-term stability and prosperity in the region.

Ushering in Innovative Policies in China to Embrace Global Talent¹⁷

China is working hard to attract international professionals and expand its global talent pool through better processes and new “green cards” that make China more attractive to experts in science, technology and other sectors.

Given the rampant COVID-19 pandemic, airline meltdowns, and the tightening of national travel policies that may occur from time to time, causing inconvenience and uncertainty between China and abroad. And talent flows in some fields will also be restricted and, to some extent, decoupled.

However, the global need for talent will become even stronger in the post-pandemic era, with countries scrambling to introduce new policies to attract talent. In order to change the situation that China has long been restricted to core technologies, the country needs to make greater efforts to attract the best in international talent.

In recent years, despite the political chaos in the United States, its talent system remains a strong magnet for the world’s top talent. A report titled *Doctorate Recipients from US Universities: 2020* states that since 2010, the intention of doctoral students to stay and work in the United States after graduation has been on the rise.

Through the 2020 academic year, 73 percent of doctoral students intend to stay and work in the United States. In the 2020 academic year, 90 percent of doctoral students from the Chinese mainland and Hong Kong Special Administrative Region are in Science & Engineering (S&E) fields, with fewer than 700 Chinese students in non-S&E fields, and more than 81 percent of doctoral recipients from the Chinese mainland intend to stay and work in the United States.

According to US statistics, 85,000 people from China received US study visas from May to August in 2021. More than 300,000 Chinese students are currently in the United States, remaining the number one source of talent in the United States.

It is worth noting that while the United States continues to attract and retain overseas scientific and technological talent, China has continued to lose foreign talent in recent years. The American Chamber of Commerce in China says that the number of foreign professionals in Shanghai has fallen from 208,000 to 163,000 over the last decade.

One of the pivotal reasons for the rapid rise of the United States after World War II was the large number of top international professionals in cutting-edge technology fields. At present, artificial intelligence, quantum technology, and genetic engineering are ultimately a competition for talent.

Therefore, the competition for talent also involves the ability to attract international talent. Given the current long and limited domestic talent training cycle, scientific and technological innovation opportunities are considerable, and attracting international talent is a more efficient way to achieve breakthroughs.

China has implemented many policies to attract international talent in recent years, such as setting up the National Immigration Administration and adjusting its Green

¹⁷ First published on January 18, 2022 by CGTN and revised for this collection.

Card policy. However, China needs to further deepen institutional reform, open our minds, improve supporting policies, and create a more open and inclusive, convenient and livable social environment.

Fortunately, the US-China Fast Track Travel Channel program has been in operation since January 7, 2022, which is expected to “provide a more efficient, predictable, and reliable channel for essential US company executives, technical personnel, and their dependents to enter China.”

The program is a glimmer of hope for China and the United States to improve the flow of people as COVID-19 continues to spread and also provides a reference for China to moderately liberalize international movement of people in the business sector with other countries.

Against the backdrop of regular COVID-19 prevention and control, local governments may consider the needs of international students and business people and provide more fast-track channels for eligible persons in due course. This will partly reflect the warmth of the city, as well as the professionalism and internationalization of its policy formulation and implementation in the face of the pandemic.

China can also provide greater policy incentives to attract the best international talent. The country has been providing a more open and equitable environment for international talent to innovate and start businesses, including easier visa application procedures, more comfortable residential options, expanded green card options, and an international living environment. The experiences of Beijing, Shanghai, Guangdong, Hong Kong, and Macao in reforming how they attract international talent can be replicated and promoted in other cities.

To further build an internationally competitive talent system, a direct overseas application channel for “green cards” can be piloted. At present, Chinese green cards are mainly issued to those who have been in the country for a certain period of time, which is not conducive to attracting talented foreigners, including overseas Chinese¹⁸ who wish to come to China to innovate and start businesses. Beijing can set up a pilot system for skilled migrants. Chinese embassies and consulates abroad may also set up immigration offices to provide information on China’s policies for attracting outstanding international talent.

High-skilled international professionals who want to develop their careers in China can now apply for permanent residence online. Restrictions on overseas Chinese returning to China should also be relaxed and the “Overseas Chinese Card” should be introduced as soon as possible to facilitate the application for long-term and permanent residence for outstanding overseas Chinese.

As global competition becomes more intense, China must fundamentally reform its science and technology sectors, no longer following trends, but leading them. China needs to be more proactive and open in seeking international talent, showing that it is open and accommodating, that it welcomes international professionals to China to innovate and build businesses. It should also continue to strengthen the links between China and the world.

¹⁸ The Chinese diaspora.

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Chapter 13

On the Sharing of Ideas and Power of Dialogue



As a leading Chinese think tanker and scholar, I am frequently invited to speak at a wide range of forums, exchanges, and events, mostly on topics related to China's role in the world and what it is planning next. Inevitably, I find that my audiences are woefully uninformed about China's current situation, its intentions, and its potential contribution to the world. What's worse is that most of them have either never been to China or at least haven't visited China for a number of years. When changes are happening at what has been called "China speed," this is a critical failure in Chinese outreach.

The previous chapters of this book have presented a wide range of articles that not only address issues but also show how China has conducted itself on the international stage overtime as well as the positions it takes on a number of issues. They have also demonstrated China's view of the role, achievements, and potential future of globalization in today's world. As waves of protectionism, nationalism, and generally inward-looking mentalities spread throughout countries that had previously been champions of an open, globally linked world, China seems to be one of a select few continuing the push for a model of global governance that promotes mutual benefit, common goals, and development for all countries.

However, while these trends may lead some to sound a death knell for globalization, change does not exist in a vacuum, and the end of one thing is often the beginning of another. The opportunities created by the disruptive policies of the Trump 2.0 era are forcing the world to look at old problems from a new perspective and establish new relationships when old ones sour. Traditional Chinese notions of balance and the cyclical nature of the world provide my Chinese colleagues and me with a unique perspective on current changes and enable us to consider potentially unique alternatives to meet this new and unpredictable world in which we find ourselves.

In this, the penultimate chapter of this book, I would like to share a few of my recent speeches, specifically those given at the United Nations Security Council, Oxford Union, Harvard University, and Princeton University, as well as a piece I wrote on the passing of my good friend and colleague, Joseph Nye, with whom I

spent many hours debating and discussing our similarities and differences, but always with the goal of finding a better way.

The first speech I would like to share is one that I delivered at the United Nations Security Council to address the trend toward unilateralism and bullying in the world today, specifically by the United States. The United Nations was founded with the goal of maintaining international peace and security, developing friendly relations among nations and promoting social progress, better living standards, and human rights. This naturally requires a level of mutual respect, discussion, and ultimately compromise, which are concepts that seem increasingly foreign to the United States under Trump 2.0.

The title I chose for my speech, “The Impact of Unilateralism and Bullying Practices on International Relations,” represents the sentiment of China and much of the developing world, which have the most to lose from a turn away from globalization and multilateralism, which has been most direct in the United States. Both domestically and internationally, President Trump has made unilateral decisions that, because of the size and influence of the United States, affect the world directly and deeply, most directly in trade and economic exchanges. The sudden imposition of tariffs, which in the case of China reached up to 245% at their highest, sent countries into panic mode. This style of fiscal bullying in the name of protecting American workers and the American economy is irresponsible at best and may have long reaching destructive repercussions that the world must deal with in the longer term.

The next speech comes from one of the greatest honors I have received to date, when I became the first Chinese think tank scholar to speak at the Oxford Union. Being invited to speak on China’s behalf and be heard as an equal at the century-old forum is a clear sign that change is possible and the barriers to communication between East and West are coming down. As the title “Democracy in China, Trump’s Planned Tariffs, How the West Misunderstands China, and More” suggests, the speech covers a wide range of topics, which is important considering the lack of understanding that exists with regard to China’s actual situation and its true motivations. In it, I share a great deal of my personal journey, from my studies abroad and my work in building bridges both before and after the founding of the Center for China and Globalization. It has been my life’s mission to open channels of communication and build bridges between civilizations, societies, and individuals in order to explore the best solutions to today’s most pressing issues.

The next speech I would like to share is very personal to me. Harvard University is a name that is known the world over and people often “name drop” to show that they have some sort of connection to this august institution. However, in sharing this speech, I hope to show how the personal impact and inspiration I derived from my time as a fellow at the Kennedy School and my continued relationship with many of the academics and even fellow students there have directed and informed my work as the founder of the Center for China and Globalization as well as one of China’s leading think tank scholars.

Titled “From Academic Insights to Global Governance—On the Path to Breaking Through Sino-US Relations,” this speech draws on the lessons I learned at Harvard and brought back to China to give today’s researchers and students a new perspective

on the most pressing issues facing US-China relations and how we could potentially move beyond the contentious and potentially destructive rivalry that currently exists between our two countries to create a more mutually beneficial future.

The last speech in this chapter was given at Princeton University, at the inaugural commencement of the Princeton China Forum. In preparing for this speech, I was inspired by Princeton's motto, "In the Nation's Service and the Service of Humanity." As many people know, one of China's unofficial mottos is "Serve the People," so Princeton's motto resonated with me in a very unique way. The title I gave to my speech was "In Service of Humanity—On the Greater Mission of Academics and Learning," focusing on the fact that we as academics, whether we are researchers, teachers or students, are ultimately tasked with the betterment of society in service to humanity. The contribution by academia to the world is incredible—from trade that creates prosperity for a greater portion of the world's people, to healthcare that prevents and combats all manner of illness, to security that ensures people live in a peaceful and stable world, to technological breakthroughs that take us into the next stage of human development, the ultimate goal is to betterment of all human beings.

The final two pieces in this chapter are not easy to include in this book. This year, two scholars who made indelible marks on the world in their respective fields, were lost to us. Their passing has left an empty space in both academics and the think tank community that will not be easily filled.

The first of these is a memorial to someone whose vision, passion, and drive inspired me for many years. Professor Joseph S. Nye Jr., who left this world on May 6, 2025, leaves behind an indelible impact on the world, not only in academics, but in government, society, and the popular imagination. Known as the "Father of Soft Power," he viewed the world in a different way and believed that power could be expressed in many ways, not always through political or military means. In our many hours of discussion over the years, which included formal discussion and private correspondence, one of the things that impressed me the most was his belief that our fate is not sealed—that we as individuals or as nations, can pursue a better future, a future that inspires and enriches the world.

The second is in memory of a colleague and an icon in the think tank community. While we came from essentially opposite points of view and regularly took opposing positions on a number of issues, Dr. Edwin J. Feulner of the Heritage Foundation was a treasured friend and valuable asset in the promotion of real exchange and dialogue between the United States and China. Both before and after his time as head of the Heritage Foundation, Dr. Feulner regularly engaged in conversations with me and ensured that the channels of communication remained open and active between our respective institutions. It is his willingness to engage with opponents that helped overcome or even avoid misunderstandings and find common ground upon which more solid foundations could be built. I am confident that both the Heritage Foundation and we at CCG will continue to honor his legacy moving forward despite potential difficulties in US-China relations.

The Impact of Unilateralism and Bullying Practices on International Relations¹

The departure of the United States from its supportive position on globalization is disruptive to the global trade system that benefited it all the while disrupting other smaller economies. The world must come together to build a new sustainable form of globalization that benefits all.

Distinguished Delegates, Ladies and Gentlemen,

Good day. It is an honor to join you all today as we gather to discuss the grave challenges confronting global governance and the international economy. This year marks the 80th anniversary of the founding of the United Nations—a milestone that reminds us of the fundamental norms that underpin modern international relations. The purposes and principles enshrined in the UN Charter, especially the advocacy of multilateralism, have been broadly accepted and upheld by most countries in the world.

Over the decades, despite an evolving global landscape, the United Nations has maintained its central role in coordinating international affairs and, on the whole, the world has remained peaceful and stable, while economic globalization has emerged as a defining trend of our times. Concepts like interdependence among nations and the vision of a shared future have gained wide recognition, while most nations have embraced a goal of mutual benefit and common development.

However, in recent years, there has been a troubling rise in unilateralism and economic coercion. These practices are inflicting profound and far-reaching harm on global economic growth, the implementation of the UN Sustainable Development Goals (SDGs), people's livelihoods, and the broader international political and economic order. Unilateral measures—characterized by high tariffs, economic sanctions, technology blockades, and efforts at decoupling—have been especially pronounced in the hegemonic actions of the United States. These actions have not only constricted the foreign trade of developing countries but also disrupted their already fragile economies but also undermined global efforts to alleviate poverty and promote education and health.

For many countries, including those in Europe, these unilateral moves have eroded the trust underpinning multilateral cooperation and intensified policy fragmentation and market uncertainty. More alarmingly, this growing unilateral tendency to act

¹ On April 23, 2025, CCG President Henry Huiyao Wang briefed the UNSC session on “The Impact of Unilateralism and Bullying Practices on International Relations.” Convened by the People's Republic of China and moderated by Fu Cong, China's Permanent Representative to the United Nations. The meeting was broadcast live and remains available on UN WebTV with interpretation in all six UN official languages. Wang was one of two briefers for the meeting, alongside Jeffrey David Sachs, director of the Center for Sustainable Development at Columbia University and president of the UN Sustainable Development Solutions Network. Following the briefers, representatives of some UN member states also spoke.

outside international norms is accelerating the erosion of the global governance architecture centered on the United Nations and the World Trade Organization (WTO), increasing fragmentation and instability in the world order.

In this context, it is all the more crucial to uphold multilateralism and strengthen international cooperation. It is only through multilateral mechanisms that we will be able to effectively address global challenges and foster a fair, balanced, and sustainable international economic order.

As the United States turns away from the path of globalization, the global economy faces tremendous uncertainty. According to the WTO's "Global Trade Outlook and Statistics" report released on April 16, 2025, the volume of global trade in goods is projected to decline by 0.2% in 2025. Should current tensions escalate, the decline could reach 1.5%. On the same day, World Bank President Ajay Banga cautioned that the trade war and tariff policies initiated by President Trump have increased global uncertainty and may further slow global economic growth. Similarly, IMF Managing Director Kristalina Georgieva warned that uncertainty over global trade policies is "off the charts" and would lead to "notable markdowns" in growth estimates. This trend has raised serious concerns about the future trajectory of the global economy.

First, the current trade war is, in essence, a trade war initiated by the US government against the rest of the world. It has disrupted the international order and caused significant harm to the global economy. Overall, the growth of global trade has driven economic expansion and prosperity worldwide, fostering increasingly close ties among national economies. Since the establishment of the WTO 30 years ago, global trade volume has surged from US\$5 trillion in 1994 to US\$33 trillion in 2024—an increase of more than fivefold. A prolonged trade war would severely hinder global economic development and stability.

As the world's largest economy, the United States has long accounted for over 25% of global GDP. The US dollar, serving as the dominant international reserve currency, makes up around 60% of global foreign exchange reserves. These advantages have allowed the United States to reap enormous benefits from economic globalization, making it undeniably one of the greatest beneficiaries of free trade and the current international economic order. However, in recent years, the United States has increasingly downplayed the gains it has made from free trade, portraying the international trade system as unfair. Rather than actively advancing globalization, it has increasingly acted to disrupt it.

Second, the so-called US trade deficit presents only a partial picture. While there is a deficit in the trade of goods, the United States maintains substantial surpluses in services, investment, and talent. In the services sector alone, the United States posts a trade volume of over \$1 trillion with a surplus of \$300 billion.

Moreover, as the world's primary payment currency, the US dollar enables the United States to leverage its deficit position to acquire global resources at scale. The dollar's role as the dominant global settlement currency provides the United States with enormous advantages. These conditions have cemented America's dominance of the global economy and attracted substantial international investment. As a result, US stock markets consistently reach new highs, buoyed by strong global capital inflows.

It is important to note that although the United States does in fact run a deficit in goods, it has also deliberately phased out certain sectors of manufacturing—particularly those that are pollution-intensive or labor-intensive. These industries are often less desirable to American workers, have a greater environmental impact, and typically yield slower investment returns. As a result, their relocation to labor-abundant countries—most of which are developing economies—has been part of a natural process of global economic restructuring.

Against this backdrop, the United States has redirected its focus and resources toward high-tech industries, education, life sciences, the digital economy, and artificial intelligence. These sectors have seen rapid innovation and growth, enabling the United States to maintain a leading position globally. While the United States has retreated from certain areas of traditional manufacturing, this shift does not suggest a loss of overall competitiveness. Rather, in line with the principle of comparative advantage, countries have increasingly specialized in different sectors, highlighting their strengths and complementarities. The United States continues to hold a significant advantage in the global economy, but it cannot expect to be the winner in every field.

Third, the trade war has significantly hindered the normal operations of multinational corporations, which rely on finely tuned global value chains marked by specialization and close coordination. These networks are essential for reducing costs, improving efficiency, and responding quickly to market demands. However, the imposition of high tariffs and heightened policy uncertainty caused by the trade war have not achieved the so-called “reshoring of manufacturing.” Instead, they have severely disrupted global economic arrangements.

The impact on developing countries has been particularly severe. Many of these nations serve as suppliers of raw materials, primary processing hubs, or assembly centers within global value chains. Their economies are highly dependent on export-oriented industries. When trade wars erupt between major economies, global demand weakens, supply chains are disrupted, and investor confidence declines. As a result, these already fragile developing economies are often the first to suffer.

Fourth, history has shown the dangers of protectionism. In the 1930s, under the pretext of “protecting domestic industries,” the United States imposed tariffs of over 50% on nearly 2,000 imported goods. This policy ultimately plunged the United States into the Great Depression and inflicted widespread hardship across the globe. In 2018, the United States imposed additional tariffs on \$250 billion worth of Chinese goods, causing American consumers to pay an extra \$57 billion annually in tariff-related costs.

Today, the United States accounts for only 13% of global merchandise imports, a notable decline from nearly 20% two decades ago. This suggests that the United States alone lacks the leverage to reverse the course of economic globalization. Simon Evenett, a professor at the International Institute for Management Development (IMD) in Switzerland, found that if America’s trading partners maintain their current export growth rates to other markets, 70 of them could fully make up their lost sales to the United States within one year, and 115 partners could do so within five years.

Fifth, economic globalization is an unstoppable trend. In the face of rising protectionism, the momentum to safeguard and advance globalization is gathering strength. China has implemented zero-tariff policies for more than 40 least developed countries, aiming to better support the development of the broader Global South. The deepening of the Regional Comprehensive Economic Partnership (RCEP), the advancement of the African Continental Free Trade Area (AfCFTA), and the expansion of the BRICS bloc all demonstrate that globalization continues to be embraced by the vast majority of the international community.

Today, the overwhelming aspiration of most nations is not to reject or abandon globalization, but to build a more inclusive and equitable form of globalization that benefits all. At a time when the world is facing not one but several unprecedented crises, we must strengthen cooperation and work together to safeguard global peace and development.

Democracy in China, Trump's Planned Tariffs, How the West Misunderstands China, and More²

The key to a future that is secure, prosperous, and peaceful is cooperation. China's return to the world stage, riding the wave of globalization, as well as recent advances in green technology, has put it in a unique place to have a positive impact on guiding the next step of global development.

Late last year, as I prepared for a speech at the Oxford Union, I was reminded of Charles Dickens' famous line, "It was the best of times, it was the worst of times," in *A Tale of Two Cities*. Today, his words resonate once again as we face a world defined by dualities.

On the one hand, we are living in an era of unprecedented advancements. The global economy has expanded many times, technological innovations are reshaping every facet of our lives, and cross-cultural exchanges have created a tightly linked "global village."

On the other hand, we are also threatened by immense global challenges. The ongoing Russia-Ukraine war and the conflict between Israel and Palestine have destabilized entire regions and raised fears of a Third World War. Meanwhile, climate change is having unprecedented catastrophic consequences, from devastating wildfires to rising sea levels. Global pandemics, like COVID-19, have also exposed vulnerabilities in our public health systems.

Additionally, the rapid advancement of artificial intelligence (AI) poses ethical and economic dilemmas, while developing countries face mounting debt issues.

At this critical moment and crossroads, we need to work together for a better future, and key collaboration between major global powers like China, the United States, and Europe with the Global South is both urgent and essential.

A Personal Microcosm

My personal journey is intimately intertwined with globalization and the process by which the world reached this point in its history and also explains why I'm so keen on globalization and building bridges. Therefore, I'd like to give a little background on myself.

I was born in Chengdu, the bustling capital of Sichuan Province, home to China's famous pandas and known for its rich culture and delicious Sichuan cuisine. But for

² On November 27, 2024, Henry Huiyao Wang, Founder & President of the Center for China and Globalization (CCG), made history as the first Chinese think tank scholar to address the Oxford Union, the world's prestigious debating society, with an unparalleled reputation for bringing international guests and speakers to Oxford. Since 1823, the Union has been promoting debate and discussion not just in Oxford University but across the globe. This piece is adapted from his speech in the Oxford Union in April 2025.

the last 45 years, I have witnessed firsthand China's development through its reform and opening-up process.

At the age of 17, like many young people of my generation, I was sent to a rural village as part of the "down to the countryside" movement. The years I spent living in a simple thatched hut and working alongside farmers were incredibly challenging but deeply formative. There was no electricity or running water, only wells we had to pump for drinking water; there wasn't even enough food. It was so cold in the wintertime that I had to drink hot water with chilies to keep myself warm. Life was harsher than I could have imagined during the Cultural Revolution and it was difficult to keep your body and soul together. There was only work—from dusk till dawn. My daily income was just 20 Chinese "cents," which was equivalent to about three US cents at the time. From this, you can see how far China has progressed. It was a very difficult time for me, and one of my most treasured possessions was a small radio that connected me to the outside world, offering glimpses of hope and knowledge amidst the hardship.

Then, in the winter of 1977, the village loudspeaker broadcast a message that "the government will reinstate the university entrance exam," which had been suspended for a decade during the Cultural Revolution. The moment I heard the news, I jumped at the opportunity and started preparing by using my radio to study English with "Follow Me." This transformation brought by Deng Xiaoping's reform and opening-up policy was the beginning of my journey with globalization; it not only opened China to the world, but also completely changed my future.

The first round of entrance exams saw six million candidates, which had been unable to participate in the exams during the ten years of Cultural Revolution, competing for just 250,000 spots—a daunting 1:25 acceptance rate. I was fortunate to get accepted, and I received my bachelor's degree in English and American literature, which became the foundation for my later involvement in international affairs and opened a door to a world of opportunities.

After my first degree, I served in the Chinese Ministry of Foreign Trade and Economic Cooperation in Beijing in the early 1980s and later was able to pursue an MBA in Canada, becoming one of the first MBA students from China to study in Canada. Then, I went on to obtain my PhD at the University of Western Ontario and the University of Manchester, here in the United Kingdom. I also became a Senior Fellow at Harvard Kennedy School and a Visiting Fellow at the Brookings Institution. Seeing the world with my own eyes was different from my previous experience in China. These learning experiences have helped me look at the world more objectively. I regard myself as an example of one of the many that have benefitted from China's reform and opening-up.

After my studies in Canada, I worked for one of the largest multinational companies in Canada, SNC-Lavalin. Later, I went through several rounds of interviews and was appointed Chief Trade Representative for the Quebec Government Office for Hong Kong and Greater China. Those years were also a period of major transformation for China, which the world was watching closely. After coming back to China as a "returnee entrepreneur," I started a company that I ran for many years. At that time, one of the most important things was how to promote the entrepreneurial

spirit in China. After years in the corporate sector, I finally went back to academic life and became an adjunct professor at Guanghua School of Management in Peking University, where I taught international management.

When I was young, my parents told me constantly, “You must read 10,000 books and travel 10,000 miles,” which has profoundly influenced my outlook on the world. Education was in my blood, starting with my great-grandfather, who was a dean at Yuelu Academy in Hunan Province, which has a history of more than a thousand years. My parents worked as engineers on China’s vast railway network and often took me on their travels to many places. Those experiences cultivated my fascination with the world beyond China, including Africa, thanks to my father’s travels to Tanzania and Zambia to help work on TAZARA, China’s railway project in Africa in the 1970s. This had an enormous influence on me.

Building a New Bridge

After my entrepreneurial and academic careers, I began thinking about how I could combine my experiences in government, business, and academia. Creating a uniquely Chinese global think tank was one of the first things that came to my mind.

I co-founded the Center for China & Globalization (CCG) with Dr. Mabel Miao in 2008, just as China was holding the Summer Olympics Games. The theme of the Games that year was “One World, One Dream,” which perfectly symbolized the spirit of globalization. This inspired me to found a non-governmental think tank in China that focused on globalization. But at that time, a lot of people were suspicious, asking, “Why would you put ‘globalization’ in your think tank’s name? Globalization means Westernization and Americanization.” But we pushed ahead, holding forums and publishing a lot of books. We established CCG with the goal of building bridges and fostering connections between China and the outside world. Guided by our newly coined motto, “Global Vision for China, Chinese Wisdom for the World,” we have continually worked to serve as a global connector, bridge builder, and cross-cultural adapter that promotes mutual understanding and collaboration between China and the world.

CCG has become a phenomenon and one of the most productive think tanks in China. I’m very pleased to say that CCG has seen impressive progress over the last 17 years, conducting in-depth research on key aspects of China’s experiences in globalization, while also providing suggestions to policymakers both in China and abroad. As a non-governmental organization, CCG is the only think tank in China that has been granted special consultative status by the United Nations. For many years in a row, CCG has been ranked among the world’s top 100 think tanks and the top 50 best independent think tanks in the world by the Global Go To Think Tank Index published by the University of Pennsylvania Think Tank and Civil Society Program.

CCG played an especially important role during the pandemic as the first Chinese think tank to reach out to the world. Before restrictions had been fully lifted, we visited

six countries over the period of a month and engaged with different global communities and government officials, bridging the gap between China and the outside world. Since the pandemic broke out, I also personally hosted a series called “CCG Global Dialogues” with nearly 100 prominent global thought leaders, including Jim O’Neill, Martin Wolf, Thomas Friedman, Graham Allison, Lawrence Summers, Joseph Nye, Ray Dalio, Arancha González, Pascal Lamy, Niall Ferguson and many more. These videos can still be found on our YouTube channel and official website. In the United Kingdom, I talked with Martin Wolf for two hours and the videos of our dialogue have been viewed around two million times. When I spoke with Larry Summers, he said, “Look, Henry, China lifted 800 million people out of poverty, which is an achievement comparable to the Industrial Revolution in Great Britain.” I also talked to Pascal Lamy, who was the former Director-General of the WTO. He said, “Trade is so vital. Globalization will not stop.”

We’ve published more than 100 books in English and Chinese on global issues, as well as multiple research reports, which have reached many readers at home and abroad. Our three English newsletters—Pekingnology, The East is Read, and CCG Update—reach 30,000 subscribers from government offices, multinational news agencies and think tanks worldwide. It’s of great significance to keep the dialogue going and the windows of communication open between China and the world.

Over the course of 17 years, CCG has provided support to government policy-makers on domestic and global issues with proposals and recommendations, many of which have been acted on by different levels of government. CCG has also hosted high-profile forums that have become known for their international impact, welcoming thousands of participants from China and abroad. CCG also frequently partners with prestigious global forums, such as the Munich Security Conference, the Paris Peace Forum, the Athens Democracy Forum, the Doha Forum, the Bled Strategic Forum and the Boao Forum to promote more balanced and constructive dialogues.

CCG also hosted many ministerial-level guests from different countries and this year, we have been proud to host regular international ambassador roundtable luncheons in Beijing. These events have received positive feedback and generated meaningful dialogue with over 50 foreign ambassadors based in Beijing, making CCG a hub for international exchanges between China and the world.

Looking to the future, I would like to present three concrete proposals in my role as a think tank scholar and witness to China’s unique experiences.

Firstly, I propose a UN Peace Summit to end the wars in Ukraine and the Middle East.

President Trump has shown his resolve to make a deal and China is also ready to help with this process with a proposal of a 12-point peace plan for Ukraine. But far from waiting for the United States, China, and Brazil have also jointly proposed a 6-point peace plan for Ukraine, in addition to forming a “Friends of Peace” initiative for Ukraine along with Brazil and South Africa.

China’s role as a mediator is becoming increasingly significant. Its economic influence and diplomatic ties allow it to foster dialogue where other nations might struggle. For example, China is the largest trading partner of both Russia and Ukraine.

This dual connection provides China with unmatched economic leverage, enabling it to act as a neutral intermediary. China could participate in post-war reconstruction efforts for both Ukraine as well as Palestine.

China also has one of the biggest peacekeeping forces among the five permanent members of the UN Security Council. China's recent diplomatic successes, such as brokering the restoration of ties between Iran and Saudi Arabia, have demonstrated its capability. Leveraging its position as the largest oil importer of both nations, China facilitated a groundbreaking reconciliation. China recently gathered 14 Palestinian factions in Beijing, contributing to the signing of the Beijing Declaration on Ending Division and Strengthening Palestinian National Unity. China could also inspire North Korea to join China-Japan-South Korea trilateral talks and even encourage its participation in regional frameworks like RCEP and CPTPP.

I regard protecting peace as the most important issue in our time and China, the United States, the EU, the United Kingdom, and Global South have to work together to prevent a third World War. As early as March 2022, I called for a Seven Parties Talks model including P5 countries plus the EU and Ukraine, to work toward a UN Peace Summit.

My second proposal is to confront our shared challenge—climate change.

A major flood hit Spain a few weeks ago, resulting in serious fatalities, and last year was the hottest year on record. We are currently witnessing the dire consequences of climate change and need to truly work together based on the guidelines of the Paris Agreement.

A decade ago, Beijing was enveloped in a dense shroud of smog, painting a grim tableau reminiscent of the soot-laden streets of nineteenth-century London described by Charles Dickens in *Oliver Twist*. The air was thick with pollutants, obscuring skyscrapers and casting a gray pall over daily life. At that time, the US embassy installed a pollution monitoring device on its roof and began publishing daily PM2.5 air quality data, highlighting the dire urgency of confronting the pollution crisis—especially since nearly half of it stemmed from the emissions of vehicles that clogged the city's traffic arteries. This alarming situation sparked an awakening among the Chinese public about the vital importance of environmental protection.

Today, 60% of the pollution in Beijing is caused by car emissions, which is why China started to develop EV cars and is currently the world's largest producer. China has achieved significant advancements in renewable energy, now producing 90% of the world's solar panels. China is leading the green power transition, but this transition requires all countries to work together. Some countries accuse China of overcapacity and flooding global markets in new energy, but according to the International Energy Agency, global demand for new photovoltaic installations will reach 820 gigawatts, about four times that of 2022, if the goal set by the Paris Agreement is met. This means that the world must invest \$4.5 trillion per year in clean energy, far behind the total amount spent in 2023 on global clean energy, which was only \$1.8 trillion. Far from oversupply, we need to set aside our differences and produce more green energy solutions.

Many years ago, US President Ronald Reagan asked Soviet leader Mikhail Gorbachev, "If aliens were to attack the United States, would the Soviet Union come

to our aid?" Gorbachev replied, "Yes." Then Gorbachev posed the same question: "If aliens attacked the Soviet Union, would the United States come to our aid?" Reagan also answered, "Yes." Today, the "alien" we all face is climate change—a threat to all of humanity that demands our collective effort and cooperation to overcome. There's no reason for us to separate when facing these common challenges. Climate change is our biggest threat and a common enemy. I propose an annual G10 Summit of the 10 largest carbon producers to concentrate on coming up with global solutions in fighting climate change.

The last proposal is about artificial intelligence, which is a double-edged sword that requires true global governance.

Artificial intelligence is a concept and an issue that can't be avoided. It now permeates many facets of everyday life. Two years ago, the inaugural Global AI Summit in London underscored the urgency of addressing artificial intelligence as both an opportunity and a challenge, with China actively contributing to the discussions. As the two biggest AI developers, if the United States and China were to go separate routes, it would be a huge challenge.

Europe, however, has a greater willingness to work with China on AI. In June 2024, I cohosted a seminar with the German Ambassador Patricia Flor and French Ambassador Bertrand Lortholary to highlight the ongoing urgency surrounding AI governance and regulation. I am confident that European countries can make a huge contribution to mitigating the concerns around AI by setting new regulations and serving as a mediator between China and the United States on AI issues.

As we navigate an era of both great promise and immense challenges, it is clear that global cooperation is no longer optional—it is essential. Regardless of whether we are addressing geopolitical conflicts, combating climate change, or shaping the digital economy, the shared responsibility of major powers—China, the United States, and Europe—will define the future of our interconnected world. The COVID-19 pandemic showed us how vulnerable human beings can be without mutual support. The world has so many burning issues going on that need major powers to work together.

History has shown us that when nations work together, they can overcome even the most daunting obstacles. By fostering dialogue, promoting mutual understanding, and leveraging our collective strengths, we can build a more peaceful, sustainable, and prosperous global community. Let us move forward with a shared vision and a commitment to collaboration, ensuring that the challenges of today become the opportunities of tomorrow. Together, I am confident that we can safeguard global peace and stability for generations to come.

From Academic Insights to Global Governance—On the Path to Breaking Through Sino-US Relations³

A few lessons drawn from the “Spirit of Harvard” in moving beyond trade protectionism, and towards mutual understanding through people-to-people exchanges, as well as uncovering new avenues for cooperation.

Dear professors, students, and friends,

Returning to Harvard Kennedy School, walking among the familiar red-brick buildings, the shimmering waters of the Charles River and Harvard Square lights seem to weave a tunnel through time. Almost 40 years ago, I first arrived here, launching my in-depth exploration of Sino-US relations and Globalization studies in this beautiful campus that has witnessed countless intellectual debates and exchanges. This experience is like a prism, reflecting both the wisdom of academia and the complex spectrum of great-power relations.

My Journey with Harvard: A Dialogue Across Minds

I first came to Harvard in 1986, invited by my brother Wang Huijin, who was one of the six founding members of Chinese Economists Society (CES). Qian Yingyi was the president of CES at Harvard then and many Chinese students and scholars had come to Harvard for the annual CES Conference. This first experience created an enduring bond with Harvard that has lasted until the present day.

Later, my incredible academic experience as a senior fellow at Harvard Kennedy School in 2011 inspired me to write a book titled *The Path of Public Management Elites at Harvard*, becoming the first Chinese author to offer a firsthand account of experiences at the Kennedy School.

Over time, my connection with Harvard deepened significantly. I benefited tremendously from my interactions with many of its renowned professors, including Larry Summers, Joseph Nye, Graham Allison, William Kirby, and Tony Sachs and have had many interesting discussions with them over the years. Professor Nye’s influential works, like *Soft Power and Great Power Competition*, have been included in the “China and Globalization” series published by my own think tank, the Center for China and Globalization. His latest autobiography, *A Life in the American Century*, is also currently being translated and will also be published in China by CCG.

Graham Allison, who is my great friend, is a legendary figure and often regarded as the “next Kissinger” in US-China relations. I had the privilege of engaging in many intense dialogues with Professor Allison, which ultimately led to one of our

³ On April 26, 2025, Henry Huiyao Wang, Founder and President of the Center for China and Globalization (CCG) delivered a speech and engaged in panel discussion at China Conference, a student-run conference at Harvard Kennedy School. This is adapted from his speech.

most recent publications *Escaping Thucydides's Trap* in both English and Chinese, which highlights the vital pathways of how to avoid the pitfalls of the Thucydides's Trap and effectively manage China-US relations.

Sino-US Economic and Trade Relations: Seeing Through Data to Break Cognitive Misconceptions in Sino-US Economic and Trade Relations

• The Destructiveness of Trade Wars

The current trade war is essentially a unilateral challenge by the US government against not only China but also the world, disrupting the international order and severely impacting the global economy. Since the founding of the WTO 30 years ago, global trade has grown from \$5 trillion in 1994 to \$33 trillion in 2024—but trade wars threaten this progress. As the world's largest economy (accounting for over 25% of global GDP, with the dollar comprising 60% of global foreign exchange reserves), the United States has been the biggest beneficiary of free trade, yet it undermines globalization under the pretext of “unfair trade.”

• The One-Sidedness of Trade Deficits

While recognizing the existence of the US goods trade deficit, we must also point out the significant advantage the United States has in services, in which it showed a \$300 billion surplus in 2024 with a total service trade volume of \$1 trillion. Additionally, advantages like the dollar's seigniorage and overseas investment returns highlight America's dominance. American society has also benefited tremendously from global talent. In terms of numbers, over 60% of Nobel laureates work in the United States, 30% of American AI professionals are from China, and Chinese students make up 36% of all international PhD graduates in STEM fields in the United States. Many Chinese students also choose to stay in the United States to work, contributing greatly to its talent base and overall economy. In many ways, the transition of the United States from polluting, labor-intensive industries to high-tech sectors reflects comparative advantage, not “trade failure.”

• Shocks to Global Industrial Chains

Trade wars disrupt global supply chains that rely on complex division of labor. High tariffs and policy uncertainty have had no foreseeable impact on “manufacturing reshoring,” while at the same time damaging developing nations—Southeast Asian export-oriented manufacturing has seen plummeting orders, and African raw material exporters face fiscal pressures. Historical lessons are stark: in 1930, the United States passed the Smoot-Hawley Tariff Act, leading to a 60% contraction in global trade. In 2018, tariffs imposed on Chinese goods caused American consumers to pay an additional \$57 billion annually. Today, the share of imported goods in the US market

has fallen from 20% two decades ago to 13%, demonstrating the difficulty of reversing the trend of globalization.

- **The Resilience of Globalization**

In the face of rising protectionism, the forces supporting globalization are gathering momentum. China has implemented zero-tariff policies for over 40 of the world's least developed countries. Meanwhile, the Regional Comprehensive Economic Partnership (RCEP), the African Continental Free Trade Area, and the expansion of the BRICS group all indicate that economic globalization remains a shared aspiration among many nations around the world.

Breaking Through: Rebuilding Global Consensus Through People-to-People Exchanges

1. Educational Exchanges: Cultivating Future Understanders and Collaborators

Educational exchange lies at the heart of China-US people-to-people interactions. Every year, large numbers of Chinese and American students study abroad, becoming ambassadors of their respective cultures and fostering communication. Research by CCG shows that over 80% of Chinese students who studied in the United States gained a deeper understanding of American society and many actively promote people-to-people exchanges upon returning home. Likewise, American students who come to China gain a more objective view of the country by experiencing its culture and technological development firsthand. Educational exchanges thus nurture future talent with cross-cultural competencies, reduce misunderstandings caused by cultural differences, and foster cooperation across various fields. China has also been proactive in this area with President Xi inviting 50,000 American students to visit China over a five-year period, resulting in 16,000 American students visiting China in 2024 alone.ⁱⁿ

2. Track II Diplomacy: Strengthening the Social Foundations of China-US Relations

Civil society, represented by think tanks like CCG and many other organizations, have built multi-layered platforms for dialogue by organizing business forums, youth dialogues, and other exchange activities. With its flexibility and broad reach, people-to-people diplomacy penetrates various levels of society, enhancing mutual trust and willingness to cooperate, becoming an increasingly important supplement to official diplomacy.

3. Promoting Peaceful Cooperation on Global Issues

In the context of the Russia-Ukraine war, there is significant potential for China and the United States to cooperate more extensively in promoting peace. President

Trump has expressed reluctance to deploy US troops and called on Europe and other countries to contribute troops if necessary. However, the participation of non-European forces remains uncertain. One viable solution may be the deployment of a UN peacekeeping force composed of personnel from Global South countries should negotiations progress to this level. It is not inconceivable that China could contribute to post-war peacekeeping efforts, provided it receives authorization from the United Nations Security Council and gains unanimous consent from the relevant nations.

4. Boosting Investment Flows

President Donald Trump has verbally and publicly welcomed Chinese companies to invest in the United States, recognizing how this could revitalize its industrial base. This push for re-industrialization aligns with the commercial interests of Chinese companies: the pursuit of growth opportunities and the desire to access a critical consumer base closer to their destination market.

However, beyond statements by the President, it is essential for both the US Congress and the broader government to send positive signals that demonstrate a genuine openness to Chinese investment.

Conclusion: Let the Spirit of Harvard Illuminate a New Era of Globalization

The Harvard experience taught me to analyze problems with data and logic. It also inspired me, through its emphasis on social responsibility and global vision, to devote myself to the research of China-US relations and globalization. The future of China-US relations requires rational decision-making by governments as well as the continued efforts of civil society. We should work to overcome trade protectionism, enhance mutual understanding through people-to-people exchanges, and explore new possibilities for cooperation.

Standing by the Charles River, I recall a sentence I read before, “Politics is ephemeral, scholarship is eternal, and talent is the carrier of civilization.” While Trump’s trade war could potentially be a “coming of age” in great-power relations, it is the academic spirit of institutions like Harvard, the cross-cultural bridges created by international students, and constructive dialogues conducted by think tanks that will ultimately prove that true great power lies in mutual learning between civilizations and true globalization lies in forging consensus amid differences.

In Service of Humanity—On the Greater Mission of Academics and Learning⁴

Dialogue and exchange are central to improving relations between China and the US. From think tank dialogue to academic exchanges, the ultimate product of these discussions is a vital service—both to one’s own nation, and to humanity as a whole.

Distinguished guests, cherished students, and friends,

It is a profound honor to serve as a keynote speaker for the 1st Princeton China Forum. Stepping onto this campus—where Gothic spires guard centuries of inquiry and dogwoods are just beginning to bloom—I feel both humbled and invigorated. Princeton’s motto, “In the Nation’s Service and the Service of Humanity,” captures the aspiration that first propelled me across the Pacific decades ago: the conviction that knowledge is not an ornament for the fortunate few but a lever for the many. To address a university that has nurtured presidents, Nobel laureates, and public servants of every calling is, for me, a homecoming of the spirit.

I first set foot in North America with two suitcases, a dictionary, and more curiosity than cash. After several formative years at China’s Ministry of Foreign Trade, I became eager to understand how the West unlocks human potential. Professors lengthened library hours so a newcomer could finish assignments; host families widened their dinner tables so a stranger could taste Thanksgiving. Those early kindnesses convinced me that trust—an old-fashioned word—can travel faster than any cargo ship, and that when openness meets diligence, national destinies shift.

Years later, I founded the Center for China and Globalization (CCG), now ranked as the top non-governmental think tank in Beijing. CCG has become an unofficial port of call for diplomats seeking ground truth, for professors brainstorming joint studies, for journalists hunting nuance beneath headlines, and for students—American, European, and African—searching for China’s place in their own future. We host dozens of dialogues each year, drawing participants from leading policy centers and universities across North America. It is in those exchanges—where tariffs and technology fears are probed with data rather than slogans—that I learn daily how engagement tempers ambition with realism and realism with empathy.

Collaboration is not a slogan at CCG; it is the workflow. We sustain a deliberately porous workflow: visiting scholars collaborate on fresh policy ideas, graduate students chase down the data that will anchor tomorrow’s theses, and retired trade negotiators still swap war stories in the cafeteria queue. Skeptics arrive with folded arms and leave at least better informed. That iterative enlightenment is how rival powers edge away from collision and toward coexistence.

Universities remain the first stringers in this bridge across the Pacific. Even in seasons of frost, Princeton climatologists co-author with Beijing data scientists; engineers at top schools on both coasts refine battery chemistry with partners in Shenzhen and Suzhou. Science respects no passport queue, and peer review is an

⁴ On Saturday April 19, 2025, Henry Huiyao Wang, Founder & President of the Center for China and Globalization (CCG), delivered a keynote speech at the first Princeton China Forum.

under-appreciated instrument of global security. It is fitting, then, that China now welcomes 50,000 American students over five years—an invitation extended by President Xi Jinping in San Francisco at the end of 2023 and already embraced by nearly 16,000 young Americans in the past year. They are tasting delicacies in Chengdu, my hometown, probing AI ethics in Beijing, and discovering that the China of documentaries and headlines is never quite the China of daily life. If my generation built bridges armed only with paper dictionaries, imagine what theirs will do with AI powered translators at their fingertips.

Exchange, of course, must travel in both directions. Last year, the United States hosted nearly 290,000 Chinese students, injecting into local economies and sustaining a significant number of American jobs. Some will stay, founding start-ups from CRISPR labs in Boston to cloud computing firms in Seattle; many will return home, becoming bilingual ambassadors for American ingenuity in China's vast marketplace. Either way, every dorm room friendship narrows the margin for miscalculation across the Pacific.

Now, let us also speak plainly about trade, for trade still pays tuition and lab fees. Chinese exports shave percentage points off US consumer price inflation each year, cushioning American family budgets at the checkout counter. When tariffs rise, that quiet subsidy disappears; a recent Boston Fed analysis warns that proposed increases could add up to two full points to core inflation if mark ups stick. Affordable toys for children, laptops for college freshmen, spare parts for Midwestern auto shops—all become a little dearer, and the invisible tax falls heaviest on working families.

Conversely, collaboration in advanced manufacturing promises shared prosperity. President Donald Trump has voiced openness to Chinese automakers building plants in America. If clear, predictable rules follow—rules that respect US labor standards and national security concerns—Chinese capital can revive industrial corridors from Michigan to Mississippi, accelerate the rollout of affordable electric vehicles, and create middle-class jobs American voters crave. Competition, then, enlarges the pie before slicing begins.

The digital economy offers an even greater upside. American cloud providers can host Chinese start-ups eyeing global markets, while Chinese e-commerce platforms rely on North American logistics firms to reach last-mile customers in the Midwest. When both sides align technical standards on data protection—a topic CCG has explored with its North American partners—small businesses benefit first: Ohio farmers selling soy snacks online, Sichuan artisans shipping tea sets to Phoenix.

Healthcare, too, rewards cooperation. During the pandemic, US and Chinese scientists jointly sequenced viral genomes; today they refine mRNA platforms for cancer immunotherapy. Shared clinical trials accelerate breakthroughs for patients in Baltimore and Beijing alike. In an aging world, time is our scarcest resource, and collaboration, not rivalry, buys us more of it.

Beneath these sector specific gains lies a sturdier foundation: supply chain resilience. Dialogues with industry leaders show that diversified—not duplicated—routes are the surest insurance against global shocks. Ports on the US coasts benefit from foreign upgrades in handling equipment and software, while ports along China's littoral apply best practices from cold chain logistics and safety protocols developed

abroad. Every incremental improvement lowers the odds that an earthquake in one hemisphere will empty store shelves in the other. Collaboration, again, is not charity; it is enlightened self-interest.

Track II and Track 1.5 diplomacy provide the scaffolding for such progress. At CCG, we convene international business delegations gauging consumer trends, investors seeking sustainable industry partnerships, and educators exploring new models of workforce training. We are determined to make well-tested ideas circulate long before formal positions crystallize into press releases.

To younger generations looking to expand their horizons and take dialogue to the next level, I suggest spending a semester in Beijing, an internship in Hangzhou, or a summer mapping green supply chains along the Yangtze River. Your skills—and your friendships—will outlive any single election cycle. To faculty, craft syllabi that share data while guarding legitimate security concerns; let peer review, not politics, judge science. And to policymakers across Washington and Beijing, remember: the next breakthrough in energy abundance or Alzheimer's therapy may require visas stamped in both directions.

When I first left China, bilateral trade hovered near US\$5 billion; today it is more than one hundred times larger. Numbers that large command their own gravity, pulling suppliers, consumers, and researchers toward collaboration—so long as we keep communications open. Having benefited from North America's openness and China's reform era, I stand convinced that bridges built of curiosity and respect can outlast any storm of suspicion.

Princeton's charge is to serve the nation and, more ambitiously, humanity. Let us—scholars and students, entrepreneurs and officials—strengthen the bridges we have inherited and construct new spans, so future generations inherit affordable goods, resilient industries, and the habit of talking before acting. In doing so, we honor not only our two nations but the common welfare of humankind.

The Legacy of Joseph Nye and His Wisdom for Sino-US Relations⁵

The passing of Joseph Nye is an incalculable loss for the world. His belief in “power with others” gave the world hope that the nations of the future could shape the world together. Let us take a moment to remember his legacy and use it to create a brighter future.

In May, the world lost one of its most thoughtful and influential voices in international affairs: Professor Joseph S. Nye Jr. At 88, he left behind a legacy as a teacher, theorist, and bridge builder between nations. I am deeply saddened by his passing. I was privileged to have known him personally, and as I reflect on our interactions over the years, I am reminded of his immense generosity of spirit, intellectual clarity, and unwavering commitment to peace through understanding.

Joseph Nye will forever be remembered as the architect of the concept of “soft power,” a term that has since become foundational to how we think about global influence. As he often remarked, “One has to imagine not just power over other countries, but power with other countries. These issues, the transnational issues, cannot be solved by exerting power.” His finding that attraction and persuasion often serve countries better than force and coercion shaped the modern field of international relations and served as a guiding light for those dedicated to building bridges between East and West.

I first met Professor Nye in 2010, when I was a senior fellow at Harvard’s Kennedy School of Government. Even then, well into his seventies, he radiated energy and intellectual vitality. He was generous with his time, engaging with young scholars and international visitors alike. We connected immediately and shared meaningful conversations and dialogues over the years. His wisdom stood out not because he was forceful in argument, but because he listened and understood. In a time when diplomacy often falls prey to ideology or arrogance, Nye maintained a conscientious and ethical manner and stood unwavering in his rejection of a fatalistic destiny of inevitable conflict.

Over the years, he remained in regular contact and strongly supported the Center for China and Globalization (CCG). I had a number of dialogues with him. His presence in our programs was always thoughtful, never perfunctory. In April 2021, during the height of the COVID-19 pandemic, he joined me for a virtual CCG Global Dialogue on “Power Shifts in the 21st Century.” For over an hour, we discussed the future of US-China relations. He was sharp, hopeful, and always focused on solutions.

⁵ This essay was written on May 8, 2025 in remembrance of Joseph S. Nye Jr., one of the most influential figures in international relations and a man who shaped decades of American foreign policy and introduced the world to the enduring concept of “soft power,” after learning of his death on May 6th in Cambridge, Massachusetts at the age of 88. A former dean of Harvard’s Kennedy School and senior official in the US government, Nye’s passing marks a profound loss for scholars, diplomats, and policymakers across the globe. As a final tribute, CCG will soon publish the Chinese edition of *A Life in the American Century*, a memoir Nye had previously authorized CCG for publication in mainland China, bringing his legacy to a new generation of readers.

As Nye discussed with me in a 2021 dialogue, US-China ties can be characterized in twenty-year cycles starting in 1950 with war over the Korean Peninsula, to strategic alliance following Nixon's visit to Beijing in the 1970s, through the 90s we saw China integrate, joining the WTO and the US-led economic order. Now in 2025, we stand at the midpoint of the latest 20-year cycle that began with Donald Trump's 2015 presidential candidacy. Properly managed, this present downturn need not be permanent; in Nye's eyes, diplomacy's arc could always bend back toward mutual benefit.

It was in that spirit that he joined us again in 2023 for the launch of his book that I edited for him, *Soft Power and Great-Power Competition: Shifting Sands in the Balance of Power Between the United States and China*, as part of the China and Globalization series I co-edited with Dr. Mabel Lu Miao. Co-published by CCG, Springer in English, and CITIC Press in Chinese, he participated virtually in the book's launch, but his voice was firm and his message urgent. He stressed the need for "guardrails" in US-China ties—not to restrict contact, but to prevent crises. He was particularly concerned about the dangers of decoupling in areas where our interdependence is not only strategic but existential: pandemics, climate change, technological standards, and the global commons.

His warnings were rooted in a deep understanding of theory and history. Nye rejected Cold War analogies, insisting that the US-China relationship was categorically different from that between the United States and the Soviet Union. As he said at CCG's 8th China Global Think Tank Innovation Conference, "We confuse ourselves when we use that terminology." The sheer scale of economic integration, educational exchange, and social interconnectedness between our countries requires a new framework—one where both nations must develop the capacity to work with, not just against, each other.

Even as his health began to wane, his thinking remained sharp and his drive undiminished. He continued to challenge lazy thinking and resisted populist currents. In 2024, he invited me and Dr. Mabel Lu Miao to the Aspen Security Forum, where we met in person for the last time. It was there I had the pleasure of meeting his wife, Molly, who sadly passed away five months before him, in December. At Aspen, he stood firm and made clear his opposition to decoupling between China and the United States. It was also there that we discussed his memoir, *A Life in the American Century*, and he entrusted us with bringing it to a Chinese audience. It was an honor to accept that task. The book is now soon to be published by CCG in partnership with China Science and Technology Press, though he sadly did not live to see it come to fruition. The loss was a blow, and coupled with concerns over his health, gradually drew him away from public engagement. Even in his final months, he remained productive—writing and publishing thoughtful and piercing commentary.

His sudden passing this May came as a deeply unexpected shock. And now as the world could benefit most from his calls for cooperation and understanding—and rejection of reckless decoupling—amidst the turbulent times of the Second Trump Administration and a global order increasingly in upheaval he has departed for the final time. More than anything, I will miss his presence—his clarity, his fairness, and his willingness to engage with China not as an adversary to be defeated, but as a

partner in shaping the future and no decoupling between our two countries. In every exchange, he responded personally. He never stood on ceremony. His humility made his intellect all the more compelling.

He believed that power was not just about coercion or even strategy, but about inspiration. That is why he remained a powerful voice in both academic and policy circles long after retirement. He never stopped trying to improve the world.

For those of us committed to stabilizing and strengthening US-China relations, his life remains a beacon. As I grieve his passing, I also renew my commitment to the work we shared: building understanding, resisting confrontation, and believing—as he did—that our destinies are not a terminal spiral to conflict written in stone. The legacy and legend of Joseph Nye and his wisdom will continue to inspire all of us for Sino-US relations.

Commemorating Edwin J. Feulner—A History of CCG-Heritage Foundation Exchanges⁶

Nearly all great breakthroughs in history have been made by people who come from different points of view. Dr. Edwin J. Feulner, while representative of the conservative American perspective, placed great value on his interactions with China and especially those between CCG and the Heritage Foundation.

Dr. Edwin J. Feulner, founder and long-time president of the Heritage Foundation, passed away at age 83 on July 18, 2025.

The Center for China and Globalization (CCG) had rich interactions with Dr. Feulner and the Heritage Foundation, among other leading US think tanks, over the past fifteen years. In memory of Feulner, we revisit some of the exchanges between CCG and Dr. Feulner's Heritage Foundation. These encounters are a symbol of a spirit of openness and dialogue in Sino-US relations, despite ideological divides. Feulner believed in the value of face-to-face engagement, and his efforts helped bridge understanding between Chinese scholars and their conservative leaning American counterparts. By revisiting these moments, we honor Feulner's memory and reaffirm the importance of keeping dialogue open between China and even the most staunchly conservative US institutions.

Dr. Feulner's warm relationship with CCG began in earnest in 2008, after CCG emerged on the global think tank stage. He was receptive to engagement with his Chinese peers and remained so even after retiring as Heritage's president in 2013. Several notable high-profile meetings between Feulner and CCG leadership took place in the late 2010s, highlighting his commitment to dialogue.

In the fall of 2017, a CCG delegation traveled to Washington. Our last stop was a visit to the Heritage Foundation's headquarters, where we met with Dr. Feulner.

During this meeting, CCG President Dr. Wang Huiyao and Dr. Feulner held fruitful discussions on US-China relations. Dr. Feulner warmly received the delegation and praised CCG's engagement, stressing that robust exchanges between think tanks can significantly aid decision-making in both governments by reducing misunderstandings. Feulner also briefed the CCG team on Heritage's operations and his involvement in advising the US administration at the time, underscoring a mutual desire to keep dialogue channels open even amid political shifts.

The following year, as trade tensions simmered, Dr. Feulner again personally engaged with visitors from CCG. On September 27, 2018, the Heritage Foundation hosted a private luncheon in Washington for a visiting CCG delegation that was also attended by Asia Studies Director Walter Lohman and research fellow Patrick Tyrrell, among others. Discussions focused on the scope of US-China economic and trade ties at a sensitive time in negotiations.

⁶ This essay was written on July 20, 2025 in remembrance of Dr. Edwin J. Feulner, founder and long-time President of the Heritage Foundation, passed away at age 83 on July 18, 2025. The loss of Dr. Feulner, a colleague and a friend, has left a personal and professional gap that will not soon be filled.

Feulner sitting at the head of the table was a clear sign of Heritage's openness to candid dialogue. Both sides exchanged views on trade policy, investment, and areas where the two countries could still find common ground despite their disputes at the time. The Chinese attendees were particularly impressed by his graciousness and strategic insights.

Even after travel all but ceased during the COVID-19 pandemic, Dr. Feulner continued to maintain regular communication with CCG. On January 12, 2022, CCG and the Heritage Foundation jointly organized an online seminar titled "An Outlook for US-China Relations in 2022." Dr. Wang Huiyao and Dr. Feulner met in a virtual chat room for a discussion moderated in part by Heritage that touched on the trajectory of US-China relations under the Biden administration and prospects for rebuilding trust. Feulner offered historical perspectives from his decades in Washington, assessing challenges and opportunities for the bilateral relationship in 2022. This virtual reunion once again demonstrated Feulner's unwavering belief in engagement.

Former US Ambassador to China Terry Branstad, who had recently joined Heritage as a distinguished fellow, also joined the online discussion, adding insights from his diplomatic experience.

Dr. Feulner's direct interactions with CCG over the years were marked by warmth, respect, and a genuine exchange of ideas. He consistently emphasized the value of open communication between the US and China, even when political winds blew strong in Washington. In each encounter, Feulner acted as a bridge—sharing conservative viewpoints while listening to Chinese perspectives. His legacy in this regard is one of openness and civility: he demonstrated that even a proud leader of a conservative think tank saw merit in engaging across cultures. CCG, in return, viewed Feulner as a true friend in the American intellectual community. His passing is deeply felt, but the dialogues he helped initiate will be remembered as guiding lights for future Sino-American understanding. Beyond Dr. Feulner's personal involvement, CCG and the Heritage Foundation have built a broader relationship of exchange.

By commemorating Feulner, we also recognize how the Heritage Foundation, under his influence, has remained open to engagement with CCG. The following are a few of the important interactions that we've had in recent years.

In April 2019, as US-China trade talks approached a critical juncture, CCG held its Fifth China and Globalization Forum in Beijing, which was attended by Heritage's Ambassador Terry Miller.

On May 23, 2019, Heritage Foundation's Anthony B. Kim, Editor of the Index of Economic Freedom, came to a CCG-organized training session in Beijing.

In July 2023, CCG visited Michael Pillsbury, a prominent Heritage senior fellow and head of its China research program, at his Heritage office.

In October 2023, Pillsbury attended CCG's conference and visited CCG's Beijing headquarters.

Dr. Edwin J. Feulner played a pivotal role in opening doors between CCG and the Heritage Foundation. Under his leadership and afterward, Heritage did not shy away from conversations with Chinese intellectuals—rather, it actively sought them out. Feulner's personal meetings broke the ice at a time when many in Washington were

growing skeptical of engagement. He proved that principled conservatives could still sit down with Chinese counterparts in search of mutual understanding. Each interaction—whether an informal breakfast, a formal forum, or a private luncheon—built incremental trust. These exchanges allowed both American and Chinese experts to explain their thinking, correct misperceptions, and even find unexpected areas of agreement.

CCG, for its part, has always advocated for open dialogue as a means to stabilize Sino-American relations. In Dr. Feulner, CCG found a willing partner who often disagreed but shared the belief that communication is better than silence, even when official relations soured, or ideological divisions widened. As Feulner once noted during an exchange, think tank dialogues can help avoid misjudgments between great powers by ensuring each side's views are heard. This wisdom rings true today more than ever.

I bid a fond farewell to Ed—a scholar, leader, and bridge builder. The many dialogues between CCG and Heritage that he inspired will remain a cornerstone of our institution's collective memory. We will continue to cherish those moments of understanding and build on them—with other US think tanks and interlocutors as well.

In doing so, we keep alive Dr. Feulner's hope that through honest exchange, the United States and China can find a path to peaceful coexistence, even in challenging times. This, perhaps, is one of the most meaningful tributes we can offer to his legacy.

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Chapter 14

Coming Full Circle—Forewords and Other Writings



It is often in composing introductions and overviews of larger works that we ultimately discover the essence of a work or a collection of works. This is why the closing chapter of this book is dedicated to the forewords of selected books that have been published by the Center for China and Globalization. These include both works by and compilations for top scholars like Joseph Nye, Graham Allison, Kishore Mahbubani, and Kerry Brown. Our goal in publishing these books was to provide Chinese readers with a better understanding and greater insights into the thoughts and perspectives of Western scholars on China.

However, including them here provides another layer of meaning, because by translating these into English, we not only revisit the key concepts proposed by these great scholars, but also provide readers outside of China with access to a perspective that targets Chinese readers. This unique take on familiar concepts is an important part of cross-cultural exchange, which is itself an integral part of CCG's mission.

By focusing on these broader themes and bringing them back to the forefront of the conversation, we can come away with the essential core concepts of the world's leading minds, which we can then gradually implement into our own practices, whether those be in business, academics, or government. Thus, by closing this book with a selection of forewords from other key works, we come full circle both in terms of key themes and important perspectives on central issues.

The first entry in this chapter is a translation of the foreword for the Chinese edition of Joseph Nye Jr.'s autobiography *A Life in the American Century*. In light of the increased influence of Asian countries, and China in particular, in global affairs, a number of scholars have begun to talk about the beginning of an Asian Century. Kishore Mahbubani is one of the main proponents of this concept. By looking back at the influence of the United States since the end of World War II, including both the positive and negative impacts it has had on world affairs, we are able to better analyze and observe a potential Asian Century and help the countries and leaders that will be consequential in how it takes shape.

A mirror of the first entry in this chapter, this second foreword comes from the translation of the Chinese version of Kishore Mahbubani's autobiography, aptly titled *Living in the Asian Century*. The difference is clear from the title, showing how Mahbubani believes that we are already living in the Asian Century, which he sees as an irreversible reality of today's world. His view is supported by the massive impact that countries like Japan, China, and ASEAN nations are having on the global economy as well as regional cooperation and how the traditions, values, and systems of these Asian nations will impact the future of global governance as well as how specific global issues are handled. Mahbubani provides interesting insights into many of the unique changes and challenges the world faces.

The third entry in this chapter is slightly different as it is meant as a guide for readers specifically for Henry Kissinger's masterwork *Leadership: Six Studies in World Strategy*. Because of the gap in understanding between China and the world in certain areas, it is sometimes helpful to provide a bit of background for readers interested in slightly more academic or technical works by Western scholars or experts. Kissinger's reflections on leadership are based on his interactions with and personal perspectives on a selection of six world leaders, including how they left their impact in history. Known as the "Master of Realism," Kissinger's analysis is full of practical elements that readers, whether they be scholars, entrepreneurs, diplomats, or private citizens, can apply in their professional and even private lives.

The next entry in this chapter takes an even broader perspective on relations between East and West. In this foreword for the Chinese translation of Kerry Brown's work *China Through European Eyes: 800 Years of Cultural and Intellectual Encounter*, we see how the current paradigm between Europe and China has taken shape over centuries, with accounts from travelers, traders, philosophers, and diplomats that have tried to explain and convey the subtleties of a culture very different from their own. As with the previous three entries, using the past as a mirror enables us to learn from those that came before, build on their successes, and possibly avoid their mistakes. Here, Brown makes an incredible contribution by increasing the size of that mirror exponentially.

The final entry in this chapter brings us to a core concept and one that is central to CCG's mission, my own personal vision, and a world in which everyone wins. This is the idea of the "positive-sum game," especially in the most decisive international relationship in the world today—the United States and China. This is a translation of the foreword of the Chinese edition of Joseph Nye Jr.'s seminal work *Soft Power and Great-Power Competition*, which examines how soft power, a term coined by Nye, is not a finite resource. The rise of China, especially in terms of its global influence and soft power, is not a threat to the United States and could even pay dividends for both countries if they can work on key global issues together. Professor Nye, a paragon in the field of great power relations, once again provides us with hope that the world can come to greater understanding through learning and with willingness to work together.

When the American Century Meets the Asian Century¹

Symbolic of the American Century, Professor Joseph Nye's own life embodied the American Dream and the socio-political dynamics of the 20th and 21st centuries. With personal anecdotes that provide deep insights, his book delves into the inner workings and logic of the American policy and the leaders behind it.

When Henry Luce, publisher of *Time* magazine, coined the term "American Century" in 1941, Joseph Nye Jr. was just four years old. It can be said that Professor Nye was born at the dawn of the American Century and grew up alongside it; his life and work is a vivid reflection of the American Century. His autobiography, *A Life in the American Century* is not only a personal memoir but also a "textbook on strategies" that decodes the evolution of international relations from the twentieth century to the early twenty-first century. In the book, Nye used the terms of each US president as chapter titles, blending his dual roles both in government and as an intellectual to seamlessly interweave grand narratives such as the Cold War, the globalization wave, the war against terrorism, and US-China competition and cooperation with his own academic and political endeavors. In the book, Nye avoided dry theoretical exposition, instead using vivid historical details—such as his efforts on nuclear non-proliferation during the Carter administration, his promotion of the "Nye Initiative" during the Clinton administration, his debates with Henry Kissinger, and his reflections on the concept of "soft power"—including many previously undisclosed details, to illustrate how a scholar shapes reality with his ideas.

For readers interested in international politics, this book offers an excellent chance to understand the evolution of US foreign policy, the rise and fall of great power hegemony, and the transformation of the global order. Over the past 80-plus years since World War II, the question "Is the American Century over?" has not only been a common concern worldwide but also a recurring theme in Nye's career. Nye's answer to it was firmly: "Not yet," as the United States has consistently demonstrated extraordinary resilience. However, he also warned that America's dominance in the twenty-first century would differ from that of the twentieth century. As Asia and China return to their "rightful place in history," will the "Asian Century" replace the "American Century"? In his book, Nye says, "the greatest danger we face is not that China will surpass us, but that the diffusion of power will produce entropy, or the inability to get anything done." Therefore, Nye believed that the United States and China should manage their competition while collaborating in areas that threaten humanity's existence and the well-being of both nations: climate change, global public health, nuclear non-proliferation, artificial intelligence, trade and economic relations, and cultural exchanges.

¹ This is the foreword to the Chinese Edition of Joseph Nye Jr.'s autobiography *A Life in the American Century*, which has been translated into English and adapted for this collection.

The Embodiment of the American Dream

Nye's life is a perfect embodiment of the American Dream. His ancestors were immigrants from different European countries, from Britain and Ireland to Germany, and represented different denominations of Christianity—Puritanism and Catholicism. They sought opportunities in this “New World” and became a part of the American melting pot. Nye grew up in a rural area of New Jersey, his father a partner in a bond company and his mother a secretary. He received his education at local elementary and secondary schools, then entered Princeton University through his own efforts. He later continued his studies at Oxford University (where he received a Rhodes Scholarship) and Harvard University, studying under renowned scholars such as Henry Kissinger. He co-developed the theory of neoliberal institutionalism in international relations with Robert Keohane—while traditional liberalism views economic interdependence as a tool for achieving peace, they proposed that economic interdependence could also be used as a tool or weapon in confrontations between powers. Though Nye and Keohane argued for a realist perspective when analyzing international relations, starting from the reality that there is no global government and that nations rely on power balances to maintain order. They argued that power is multidimensional and that cooperation via institutions is both possible and rational. Their 1976 book, *Power and Interdependence*, has been reprinted multiple times and remains a standard textbook in teaching international relations to this day.

In addition to teaching at Harvard University, Nye held two government positions. During the Carter administration, he served as Assistant Secretary of State, proposing and vigorously promoting the International Nuclear Fuel Cycle Evaluation program. During his tenure, he advanced policies to prevent nuclear proliferation and was awarded the State Department's Distinguished Service Award. During the Clinton administration, Nye served as Chairman of the National Intelligence Council (NIC) and Assistant Secretary of Defense, launching the “Nye Initiative,” reinforcing the US-Japan alliance, and establishing a power balance in Asia, for which he received the NIC's Distinguished Service Medal and the Department of Defense Distinguished Service Award.

In the 1980s, Japan's growing economic power threatened America's global dominance, reigniting the discussions about America's decline. British historian Paul Kennedy, in his book *The Rise and Fall of the Great Powers*, categorized the United States at the time alongside nations like Spain under Philip II or England during the Edwardian era. To refute this view, Nye wrote *Bound to Lead: The Changing Nature of American Power*. In the book, Nye introduced the concept of “soft power” for the first time and published a paper with the same title in *Foreign Policy* at the same time. This groundbreaking theory divides national power into two dimensions: hard power and soft power. The former encompasses quantifiable resources such as economic scale, military strength, and technological capabilities, while the latter refers to soft influences such as cultural dissemination, value identity, and diplomatic strategies. Nye emphasizes that only by combining the two skillfully to form “smart power” can a nation maximize the effectiveness of its strategies. As his theoretical framework

continued to develop, Nye became widely recognized by the international academic community as the “father of soft power.” In 2004, Nye published *Soft Power: The Means to Success in World Politics*, using empirical analysis to reveal the critical role of cultural appeal and institutional identity in global governance. In 2020, Nye took a different approach in his book *Do Morals Matter?: Presidents and Foreign Policy from FDR to Trump*, using “moral dimensions” as an analytical tool to examine the foreign policies of US presidents from Roosevelt to Trump and provided an innovative perspective for interpreting the evolution of US global strategy and contemporary changes in the international landscape. He continued to develop the soft power theory and expand the ethical dimension of international relations research.

Another of Nye’s major achievements is the establishment of an extensive network. In addition to holding positions in transnational and non-governmental organizations such as the Trilateral Commission and the Aspen Strategy Group, during his tenure as the Dean of Harvard University’s Kennedy School of Government, Nye promoted the establishment of multiple training and exchange programs, particularly a high-level official training program with China. Many current senior officials in the Chinese government have studied at the Kennedy School, which has made a significant contribution to China-US exchanges.

CCG’s Interactions with Professor Nye

I first met Professor Nye in 2010 when I was a senior fellow at the Kennedy School of Government, where he was a professor and former dean. We hit it off immediately and have maintained close communication ever since. Even after the outbreak of the COVID-19 pandemic in 2020, we continued to stay in touch online. At the beginning of 2020, we participated as guest speakers in an online seminar on COVID-19 and economic growth organized by the Boao Forum for Asia Academy. In October 2020, we joined an online roundtable discussion hosted by the European think tank “Friends of Europe.” In April 2021, I invited him to participate in the “CCG Global Dialogues,” a video program, as a dialogue guest, to discuss “Power Narratives in a Changing World: Implications for US-China Competition.” In the same year, Professor Nye also contributed a forward-looking article titled “China and the United States: Looking Forward 40 Years” to the book *Consensus or Conflict?: China and Globalization in the 21st Century*, which I co-edited with Alistair Michie.

In 2023, the book I compiled for Nye *Soft Power and Great-Power Competition: Shifting Sands in the Balance of Power Between the United States and China* was published in both Chinese and English. Nye attended the book launch event online and delivered a speech. In October of the same year, Nye visited China to participate in the 8th China Global Think Tank Innovation Forum co-hosted by CCG and the Chinese People’s Association for Friendship with Foreign Countries. In 2024, Nye invited me and Mabel Lu Miao, Secretary-General of CCG, to attend the Aspen Strategy Group’s annual security forum, where we were the only Chinese representatives. The forum featured over 40 dialogue sessions and seminars around themes such as “The

China Challenge,” “Infinity and Beyond: Space and National Security,” “Start Ups to the Rescue: The Next Gen Industrial Base,” and “Flammable World: Who Will Help the World’s Most Vulnerable?” “Democratice Resilience in the Age of AI.” During the forum, Nye held a book launch event for his autobiography. In his remarks, he noted that China and the United States have extensive opportunities for cooperation in areas such as climate change, pandemic control, and infrastructure development, and can work together to address global challenges. This impressed me deeply.

In my view, Professor Nye is a truly admirable academic giant. He is sharp-minded and far-sighted, always able to penetrate complex international situations and foresee future trends. For example, about ten years before the 9/11 attacks, he warned that the United States was not prepared to respond to such attacks. He is skilled at building networks and has a warm and approachable manner when interacting with others. He has made tremendous efforts to maintain US alliances and bridge the divide between the two major political parties in the US.

Even in his late 80s, Professor Nye remained passionate about academia and maintained a vigorous spirit, continuing to write prolifically. He published one or two insightful and analytically rigorous articles on international politics in authoritative academic platforms or mainstream media almost every month, offering profound insights into the global political landscape for both the academic community and the general public.

Moreover, Professor Nye remained actively engaged on the international political stage. He frequently traveled between the United States and various parts of the world and attended important events at the invitation of hosts. With profound professional expertise and unique insights, he facilitated in-depth discussions on hot issues in international politics, contributing wisdom and strength to addressing global challenges. He was also a media favorite, consistently explaining complex international political phenomena to the public in an accessible manner.

Additionally, Professor Nye served as co-chair of the Aspen Strategy Group. The Aspen Security Forum, hosted by the group, has significant influence in international politics. The forum is held twice a year, in summer and winter, in Aspen and Washington, D.C. It focuses on key issues in national security and foreign policy and attracts hundreds of elite professionals from the US government, strategic circles, think tanks, diplomatic missions, non-governmental organizations, and the media each year. The forum operates under Chatham House Rule, allowing participants to speak freely and engage in candid and in-depth discussions.

Even after leaving government, Professor Nye continued to exert indirect influence on policy through various channels, such as his students (many of whom have become senior leaders), the “trickle-down” effect of his academic works; commentaries published on journals and newspapers; participation in non-governmental organizations; and television appearances; all of which helped to shape and perpetuate the American Century.

When the American Century Meets the Asian Century

Throughout *A Life in the American Century*, Nye tries to answer one question: “Is the American Century over?,” coincidentally the title of his 2015 book, in which he examined potential challengers—Russia, China, the EU, India, and Brazil—and concluded that by 2045, the United States may still be the world’s leading power, describing the challenges faced by the American Century across different periods through examples from his personal life. At the end of the book, Professor Nye concluded that the American Century has not yet ended, but America’s dominant position in the twenty-first century would be fundamentally different from that of the twentieth century, holding a guardedly optimistic view about the country’s future.

On the other side of the world, after shaking off the shackles of colonialism, Asia began to thrive and has seen decades of development. The share of the global economy held by the Four Asian Tigers, China, India, ASEAN, and others has consistently increased. In the eyes of some scholars and politicians, Asia is returning to its rightful place in history, marking the dawn of the “Asian Century.” Meanwhile, the Global South—made up of developing countries worldwide—is also on the rise, seeking to make its voice heard on the global stage.

In Nye’s eyes, Asia’s revival is natural, as the region has the largest population and has historically been the most economically prosperous. However, whether developing countries can achieve a consensus among themselves also remains to be seen. In his 2025 column for *Project Syndicate* titled “What are the BRICS good for?,” Nye wrote that within the BRICS group, Russia, China, and India all vie for leadership, and “the group’s stated intention of avoiding the dollar and clearing more of its members’ bilateral trade in their own currencies has made only limited headway.” To replace the dollar as a global reserve currency, China must back the Renminbi with deep, flexible capital markets and the rule of law, but these conditions are far from being met. Therefore, whether the BRICS countries can become a new fulcrum of world politics remains unknown.

On the future of the American Century, Professor Nye seems more worried about domestic changes and the potential impact of changes on America’s soft power. He believes that “even if its external power remains dominant, a country can lose its internal virtue and attractiveness to others.”² For example, in his view, Trump’s “America First” policy was a betrayal of liberal internationalism by withdrawing from multilateral institutions, disregarding allies, and stoking populism not only weakened America’s soft power but also accelerated the fragmentation of the global order. Professor Nye argued that despite its flaws, the United States is an innovative society that has successfully reinvented and recreated itself many times in the past. Maybe Gen Z will do it again. But he also warned that the United States should be wary of counting too heavily on American exceptionalism.

Professor Nye believed that in the future, the United States should reshape its leadership through cooperation by attracting other countries with its institutions and values while also maintaining its advantage in military and technological fields. He

² Joseph Nye Jr., *A Life in the American Century*, Cambridge: Polity, 2024.

felt that the United States should collaborate with China, the EU, and others on transnational challenges and issues such as climate change, global public health, and artificial intelligence, as these areas can only be addressed through cooperation. Although Nye firmly believed that the US-led liberal international order could provide a “better” future for the world and I am sure that if he had engaged in more in-depth exchanges with the Global South, their voices would have undoubtedly provided him with further inspiration.

China-US Relations: Competition and Cooperation

As the world’s largest developing country and the largest developed country, the largest emerging power and the established power, representatives of the Global South and North, and representing the two largest carbon emitters globally, there is no doubt that the relationship between China and the United States has become the most important bilateral one of the twenty-first century.

Nye argued that China is an impressive peer competitor with great strengths but also weaknesses. In assessing the overall balance of power, Nye notes that the United States has at least five long-term advantages. First, geography. The United States is surrounded by two oceans and two friendly neighbors, while China shares borders with fourteen other countries, several of which it is engaged in territorial disputes with. Second, the United States has a strong energy advantage, whereas China depends on energy imports. Third, the United States derives power from its large transnational financial institutions and the international role of the dollar. A credible reserve currency depends on it being freely convertible, building deep capital markets, and the rule of law, which China lacks. The United States also has a relative demographic advantage as the only major developed country that is currently projected to hold its place (third) in the global population ranking. Seven of the world’s fifteen largest economies will see their workforces shrink over the next decade, but the US workforce is expected to grow; comparatively, China’s workforce peaked in 2014. Finally, America has been at the forefront in key technologies (bio, nano, and information). China, of course, is investing heavily in research and development and scores well in the numbers of patents, but by its own measures its research universities still rank behind American ones.³

Nye has also argued that China is a potential challenger to the American Century but not an existential threat to the United States unless the United States makes it one by blundering into a major war. Clearly, the United States’ China policy has transitioned from “engagement and enlargement” into a “great power rivalry,” with both sides set to engage in intense competition across technologies ranging from quantum computing to AI, economic issues such as supply chain restructuring and global rule-making, military affairs, and values. However, this does not preclude the possibility of cooperation. In 2024, while the former State Secretary Blinken was visiting China,

³ Joseph Nye Jr., *A Life in the American Century*, Cambridge: Polity, 2024.

Professor Nye led a delegation from the Aspen Strategy Group to China for a Track-II diplomatic dialogue with the Party School of the CPC Central Committee. In an article titled “US-China Cooperation Remains Possible” written for *Project Syndicate*, Nye noted that during the dialogue, both sides identified seven areas for potential cooperation: climate change, global public health, nuclear weapons, artificial intelligence (especially in military applications), certain areas of trade, subsidies, and overcapacity, and cultural exchanges.

Nye believed that a war between the United States and China was entirely possible, with the most likely trigger being Taiwan, or miscalculations or provocations by third parties (such as the Philippines or North Korea), which could also spark regional conflicts. In his article “How to Prevent a War over Taiwan,” Nye emphasized that the United States should clearly commit to the “One China” policy, reminding Taiwanese leaders that any *de jure* declaration of independence would be a provocative act and is unacceptable, and to avoid crossing China’s red lines; but at the same time, Taiwan should maintain its self-defense capabilities and ensure that military resources deployed by the United States in Japan, Australia, and the Philippines could reach Taiwan within a week. Nye referred to this as “double deterrence,” which is meant to “extend the status quo indefinitely.”

This year, Trump was elected as president again, with “uncertainty” remaining the hallmark of his term, which he uses as a tactic, especially in US-China relations. Before taking office, Trump publicly stated that China and the United States can cooperate to solve all the problems in the world. However, shortly after assuming office, he announced an additional 10% tariff on Chinese imports to the United States on top of existing tariffs and soon launched another tariff war. But this leaves people wondering—where will US-China relations head in the future?

Nye once said that Trump has “low situational intelligence” in international affairs, and his excessive narcissism limits his emotional intelligence. Trump is skilled at leveraging populism, protectionism, and nationalism to gain attention, and his policies challenge the fundamental premises of American foreign policy and the American Century. His choice of Marco Rubio as Secretary of State and Michael Waltz as National Security Advisor, are both well-known “hawkish” figures who view China as a major threat that requires a strong response. In my view, this approach is more reflective of Trump’s negotiation strategy, which involves adopting a tough stance initially to ultimately achieve outcomes that align with his interests. I believe that if both China and the United States focus their efforts on economic and trade negotiations, cooperation is entirely possible. This would also help to manage competition between China and the United States, avoid miscalculations, and prevent self-fulfilling threats.

A Life in the American Century is a record of Professor Nye’s thoughts and practices, filled with both heartfelt details and candid reflections on decision-making processes. It also illustrates the evolution of American foreign policy over the past half century and is helpful in understanding its underlying logic, which will ultimately help us in making choices and shaping the future we desire.

The Dawn of the Asian Century⁴

With the rise of China and increased confidence among many developing Asian nations, a rejuvenation of Asia is leading towards an “Asian Century”, according to Kishore Mahbubani, renowned Singaporean diplomat and scholar, who sees this shift as beneficial for world as a whole.

As the momentum of an Asian rejuvenation grows, discussions about whether the twenty-first century will be the Asian Century are becoming more and more heated. When talking about “Asian rejuvenation” and an “Asian century,” one cannot fail to mention the Singaporean diplomat and public intellectual Kishore Mahbubani. He was one of the first scholars to analyze and discuss Asian rejuvenation and has been tirelessly promoting the idea that “the twenty-first century will be the Asian Century” for decades.

While there are countless grand narratives about the Asian rejuvenation and the Asian Century, Kishore Mahbubani’s memoir *Living the Asian Century* takes a different approach. It delves into the details of his personal life, using the small to illustrate the large, reflecting how the grand narrative of Asia’s fight for independence, economic development, and the right for their voice to be heard in international arenas after the Second World War have transformed the lives and thinking of Asian peoples once ruled by Western colonizers, and how Mahbubani himself has gradually become a confident diplomat and public intellectual capable of navigating international negotiations for his motherland’s interests on an international level.

Kishore Mahbubani’s identity, personal growth, and achievements make him one of the best spokespeople for Asian rejuvenation. He is an Indian-Singaporean whose parents fled to Singapore due to the riots and ethnic massacres triggered by the British-led Partition of India and Pakistan. Kishore Mahbubani was born in Singapore in 1948 and grew up in a poor neighborhood where Hindu, Muslim, and Chinese cultures coexisted and blended. At that time, Singapore was still under British colonial rule, and the educational curriculum was still aimed at cultivating pro-British “imperial subjects.” Kishore Mahbubani loved reading and thinking, and majored in philosophy during his university years. This led him to reflect on the education he had received and to view the world through a dialectical lens. He received his undergraduate education at the National University of Singapore, pursued a master’s degree in Canada and was awarded an honorary doctorate, later also becoming a visiting scholar at Harvard University. His diverse educational background shaped his multilateralist perspective and ideology, which he fully utilized in his diplomatic career, which spanned 33 years, including two terms as president of the United Nations Security Council, and enabled him to witness and participate in countless diplomatic negotiations. Meanwhile, the ideas and principles of Singapore’s founders also had a profound influence on him, helping him develop his own geopolitical theory. After retiring, he continued to be involved in academia and became a globally renowned

⁴ This is the foreword of the Chinese Edition of Kishore Mahbubani’s autobiography *Living the Asian Century* and adapted for this collection.

expert on Asian issues, earning the title of “the muse of the Asian Century.” His professional achievements have granted him significant influence in both the East and West. Kishore Mahbubani has been advocating the concepts of Asian rejuvenation and an Asian century for some time and has published numerous monographs on the subject.

* * *

I have known Kishore Mahbubani for nearly 20 years, and we have discussed issues and exchanged views on numerous occasions, both publicly and privately, including at events like the World Economic Forum in Davos and the Boao Forum for Asia. He has always warmly invited me to attend the launches of his new books. We have also worked together. In May 2019, we participated in the globally renowned Munk Debates, held in Toronto, Canada, where we debated whether China poses a threat to the liberal international order. Our opponents were H. R. McMaster, a former National Security Advisor to President Trump and a hawkish figure on China, and Michael Pillsbury, Director of the China Centre at the Hudson Institute, who represented the mainstream Western view that “China poses a threat to liberal international order.” The debate was held in a Western country, and the atmosphere was unfriendly to those in favor of China. That evening, Kishore and I worked seamlessly, refuting the opposing side’s misleading narratives with reason, evidence, and restraint. The vote by the 3,000-member audience at the end of the debate showed that we had won by directly addressing Western skepticism during the debate and providing a solid rebuttal.

During the COVID-19 pandemic, we held multiple online exchanges, and in 2021, CCG was invited to translate Kishore’s new book *Has China Won?*, a globally best-selling political commentary, into Chinese. Together with CITIC Press, we organized a launch event and seminar that included a video conference with Kishore to discuss the “the question of the century”—how will US-China relations evolve? In the book, Kishore poses a thought-provoking question: faced with global challenges such as the COVID-19 pandemic, global recovery, and climate change, the question we should ask is not whether China or the United States has won, but whether humanity has won. The book has received widespread acclaim from academics, publishers, and general readers. Later, we also organized a special dialogue session on the book, titled “China, Globalization, and a Multipolar World in the Post-Pandemic Era,” which was part of the CCG Global Dialogue series. During the dialogue, Kishore Mahbubani reiterated that there is no fundamental core conflict of interest between China and the United States. The two countries would be better off allocating resources to improving the well-being of their own people and cooperating on common challenges like climate change, rather than engaging in geopolitical competition, which harms the interests of both countries and the world as a whole. The transcript of this dialogue has been included in the book *CCG Global Dialogues: Understanding Globalization, Global Gaps, and Power Shifts in the 21st Century*, published by the renowned global publisher Palgrave Macmillan.

In the same year, Kishore Mahbubani also contributed an article titled “Globalization Is Dead! Long Live Globalization!” to one of CCG’s English publications, *Consensus or Conflict?*, co-edited by Mabel Lu Miao and me. The Russia-Ukraine war broke out shortly after the book was released, clearly indicating that building global consensus is a long and arduous journey.

In 2022, CCG and Kishore Mahbubani jointly released the English edition of *The Asian 21st Century* and held a seminar. This book was part of the English series “China and Globalization,” which is co-edited by Mabel Lu Miao and me, and includes other books such as *Consensus or Conflict?*, *Perspectives from Ambassadors to China* (Volumes 1 and 2), *Transition and Opportunity*, *The Ebb and Flow of Globalization*, Professor Joseph S. Nye Jr.’s work *Soft Power and Great-Power Competition*, *Enhancing Global Governance in a Fragmented World*, and *Global Development and Cooperation with China: New Ideas, Policies and Initiatives for a Changing World*. All these books are available on the Springer Nature website.

The book *The Asian 21st Century* has garnered widespread attention from the international community, with over 4 million downloads since its launch on December 30, 2021. The global president of Springer Nature, the book’s publisher, has said that the downloads are nearly a hundred times higher than the average for academic publications. At the seminar we organized in January 2022 for this book, which was themed “The Rise of Asia and Its Implications for an Increasingly Multipolar World,” two renowned scholars in the field of Asian studies—Kent E. Calder, Deputy Dean of the School of Advanced International Studies (SAIS) at Johns Hopkins University and Director of the Edwin O. Reischauer Center for East Asian Studies, and Kerry Brown, Director of the Lau China Institute at King’s College London, both praised the book, agreeing that it accurately describes the major transformations currently unfolding in the world and holds an important message for the West. With the considerable attention the book received around the world, Kishore held another seminar in Singapore that welcomed guests including Professor Koh Cheng Hsing, Dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore, and Chan Heng Chee, Ambassador-at-Large of Singapore’s Ministry of Foreign Affairs. Former Chinese Ambassador to Singapore Sun Haiyan also praised the book’s perspectives and the author’s influence.

In 2023, the simplified Chinese edition of *The Asian 21st Century* was published by CITIC Press, which was also followed by a book launch at CCG’s Beijing headquarters, where Kishore delivered a speech that received widespread coverage and attention. The same year, the traditional Chinese edition was published by Joint Publishing (Hong Kong).

* * *

As a diplomat representing a small country, Kishore deeply understands and highly values the significance of multilateralism, which China has consistently advocated for in global governance. At the Boao Forum for Asia in early 2025, Kishore and I engaged in a high-level dialogue on the future of multilateralism. Kishore believes that Western leadership of global affairs is drawing to a close and that the world has

entered a “3M” period, one of multipolarity, multilateralism, and multiculturalism. However, the West is finding it difficult to accept this reality and trying to use existing institutions and power bases to maintain its dominance. Kishore believes that the United Nations should reflect the voices of the entire world, but the West, which accounts for only 12% of the global population, holds 60% of the seats on the UN Security Council. Clearly, the United Nations should be reformed to fully and adequately reflect the voices of diverse groups and societies.

Kishore pointed out that over the past few decades, Asia has made significant contributions to maintaining peace, preventing wars, and driving global economic growth. The Association of Southeast Asian Nations (ASEAN) and its Regional Comprehensive Economic Partnership (RCEP) initiative provide an excellent example of an institutional platform for effective collaboration in regions with high levels of diversity. Therefore, he suggests that existing regional and sub-regional agreements and arrangements in Asia be further integrated, with Asian countries or organizations continuing to work together to make the twenty-first century a truly Asian Century, which is similar in spirit to the “Asian Union” that I have long advocated. In the face of the rising tide of anti-globalization and increasing fragmentation in the world, regional integration has become an important means of fostering multilateral cooperation, which is conducive to global development. Against a backdrop of the Asian rejuvenation, an Asian Union could be established based on an “ASEAN+3” framework along with efforts to advance Asia-Pacific regional integration to mitigate geopolitical tensions in the Asia-Pacific region, which would help maintain regional peace, stability, and prosperity. In my book *China and Globalization in the 21st Century*, published by CITIC Press, I argue that the influence of Confucian culture on East Asian countries have created a cultural consensus of principle that includes “harmony without uniformity,” “harmony and unity of heaven and humanity,” and “taking the perspective of the other,” which can help foster closer economic cooperation while acknowledging and preserving the diversity of economic, cultural, and historical-political identities of the peoples in the region.

Today, a number of regional economic agreements have been signed in the Asia-Pacific region, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), RCEP, and ASEAN “10+N,” which to some extent demonstrates the vitality of Asia’s economy and the strong willingness of all parties to cooperate. However, the large number of trade agreements has also led to “fragmentation,” which is detrimental to regional stability and development. Therefore, promoting the unification of standards between free trade zones, creating a common market with unified standards, and establishing a Free Trade Area of the Asia-Pacific (FTAAP) that would cover the entire Asia-Pacific region are issues that need to be addressed in the future. According to the research by CCG, an FTAAP can be achieved in two ways: first, by merging the CPTPP and RCEP; or second, by forming an “umbrella agreement” that incorporates the CPTPP and RCEP. The FTAAP could establish an intermediate standard that addresses tariff reductions, the opening up of service sectors, and intellectual property rules, thereby establishing a multi-tiered free trade system across the Asia-Pacific region. This would facilitate a process of

Asian integration would be significant in the current context of global uncertainty and the growing scarcity of global public goods.

In the face of the current global trend toward division, Kishore Mahbubani also urges Europe and the United States to engage in more economic cooperation with Asia, stating that “the best way to make America great again is to make the whole world great.”

* * *

Living the Asian Century is Kishore Mahbubani’s memoir, in which he reveals the details of his journey from poverty to becoming an academic and diplomat, candidly retelling the ups and downs of his life and changes in his thinking, without shying away from the criticism of others. He opens up and speaks frankly about his life, recalling his interactions with Singaporean leaders and diplomats from other countries, linking his own experiences to a wider narrative, making history vivid, tangible, and full of warmth. In the book, he expresses his gratitude for Singapore’s success and Asia’s development, as it is this broader historical context that has nurtured a figure as legendary and influential as Kishore Mahbubani. CCG was honored to have been invited to translate this book into Chinese and coordinate the distribution of the simplified Chinese edition through the World Affairs Press, which is affiliated with the Ministry of Foreign Affairs.

We extend our gratitude to all those who support the publication of this book, which we believe will offer a unique perspective for those interested in diplomatic affairs and the rejuvenation of Asia, thereby deepening their multi-layered and multi-angled understanding of these fields.

The Last Revelation from a Master of Realism⁵

Predicting the trajectory of international relations is fraught because of the massive number of variables both public and obscured, in his book, Kissinger tackles the variable of leadership and the role it has to play in determining the course of history as the world faces complex challenges and changes.

Observing a Century of Change Through a Single Life

What kind of leaders do we need indeed? This weighty question is precisely what Dr. Henry Kissinger sought to address in this book.

Following *On China* and *World Order*, *Leadership: Six Studies in World Strategy* concludes Kissinger's "Trilogy" of historical reflections and future insights. The English edition was published in May 2022, by which time the COVID-19 pandemic had raged for two years; the Russia-Ukraine war had erupted three months prior; ChatGPT's public release was half a year away; Dr. Kissinger's last visit to China was still a year and two months in the future, and his sudden passing was a year and a half away.

In this sense, *Leadership: Six Studies in World Strategy* is of historical significance, representing the intellectual legacy the author left at a critical historical juncture. Observing the unprecedented great transformations that occurred over the course of a century through a single person's life has inherent historical value. In the future, many people—whether politicians, scholars, businesspeople, or ordinary readers—will inevitably turn to the work of this wise man for clues to understand the present and pierce the fog that continues to obscure the future, just as people in 2023 sought clues as to the trajectory of major powers relationships from his final visit to China.

Leadership: Six Studies in World Strategy is a fascinating work, imbued with Kissinger's distinctive style. Kissinger wrote extensively throughout his life. His early works, such as *Nuclear Weapons and Foreign Policy* and *The Necessity of Choice: The Prospects for American Foreign Policy*, are heavily academic. As he entered politics and experienced several major historical turning points, Kissinger gradually developed his unique narrative style. His later works interweave erudite academic theories and concepts with abundant personal experiences and reflections from pivotal historical moments. Thus, Kissinger's writings often balance grandeur with minute details, intertwining narrative and commentary, making them highly readable.

Leadership: Six Studies in World Strategy continues the style of Kissinger's later works, but by changing the subject of the narrative, it becomes even more grabbing. In this book, Kissinger attempts for the first time—and perhaps the only time—to adopt a concise biographical approach to summarize the political careers of six national

⁵ This is a reading guide originally published in Chinese for Kissinger's work *Leadership: Six Studies in World Strategy* and adapted for this collection.

leaders with whom he has had multiple interactions since World War II and in some cases even developed deep friendships. Kissinger relays to readers that outstanding leaders possess certain inherent abilities and qualities that enable them to penetrate the deep structural turmoil of society and influence the future development of human civilization.

Kissinger's Dissatisfaction and Anxiety

It should be noted that Kissinger does not use a heroic narrative to prove the validity of his theories. While the six leaders he chooses all possess the will to endure hardships and persevere, their lives are not entirely success stories. In the case of Anwar Sadat, he was assassinated for promoting a policy of peace policy with Israel; Richard Nixon resigned in disgrace due to the Watergate scandal; Margret Thatcher's neoliberal economic policies remain controversial to this day; and Konrad Adenauer, Charles de Gaulle, and Lee Kuan Yew also had their share of controversies. Kissinger deliberately downplays these aspects. What he sought to highlight in the book was the relationship between changing historical contexts and the leaders themselves. In his view, following the end of World War II, the model of national political governance shifted from "aristocratic rule" to "elite governance." The six politicians who rose to prominence after the Second World War were largely unattached to the traditional ruling class. Most of them came from middle class families and entered politics at a time when the pre-war aristocratic political system had been dismantled, enabling them to ascend the political ladder, retaining the aristocratic moral ethos of the past while also embodying the pragmatic behavioral patterns characteristic of the middle class. Kissinger sought to illustrate that, regardless of the success or failure of their governance, the political character of these leaders was universal and enduring.

Kissinger analyzed the leadership style of these six leaders through the dimensions of analytical ability, strategy, courage, and character, seemingly aiming to establish a framework for analysis. However, this is merely superficial. He seemed more concerned with establishing a reference point for readers to draw upon in the future. In the conclusion, he quoted Machiavelli's notion that prolonged peace leads to societal complacency, which in turn causes a decline in leadership. Comparing this to the present, Kissinger stated: "The criteria used to judge leaders throughout history have remained unchanged: whether they can transcend their environment through foresight and dedication."

It is evident that Kissinger harbored dissatisfaction and anxiety regarding the leadership of political figures in the post-Cold War era. He hinted at the potential for leadership decline in times of peace and summarized the essential characteristics of leadership. From this perspective, *Leadership: Six Studies in World Strategy* is not an objective evaluation of these six leaders but a work strongly influenced by the author's subjective intentions, choosing six individuals of the past but clearly focusing on the present.

As a diplomat and statesman, one of Kissinger's greatest achievements was promoting the development of China-US relations—this was also the major power relationship that most concerned him throughout his life, as reflected in his over 100 visits to China. Even at the age of 100 and until his passing, he continued to visit China and dedicated himself to the improvement of bilateral relations. China-US relations are also a focal point of attention across all sectors and levels of society. CCG has always remained in regular communication and often collaborated with Kissinger, serving as a bridge for him to engage with individuals concerned about China-US relations. On June 28, 2011, the 2005 Committee of the Western Returned Scholars Association, an association that Henry Huiyao Wang, President of CCG, has been a member since its launch, invited Dr. Kissinger to attend a breakfast meeting held at the Beijing International Club. He engaged in discussions with Chinese scholars that returned to China on topics such as China-US exchanges, trade relations, the development of social diversity, and the growth of China's middle class. On November 21–22, 2019, Dr. Wang and Dr. Kissinger attended the 2019 New Economy Forum co-hosted by the China Center for International Economic Exchanges and Bloomberg, which brought together over 500 government officials, corporate executives, innovators, and experts from around the world to discuss solutions to the major challenges facing the world today and explore responses to current global issues. Kissinger repeatedly emphasized the importance of avoiding open conflict between the United States and China, which is undoubtedly of great value.

As a scholar and sage, Kissinger possessed far-reaching strategic vision and foresight. Before his passing, he co-authored an article with Harvard Professor Graham Allison—with whom I previously worked at the Harvard Kennedy School of Government—titled “The Path to AI Arms Control,” warning that artificial intelligence could pose unprecedented threats, some of which may be even more terrifying than those posed by traditional weapons. He argued that global restrictions should be established before artificial intelligence becomes fully integrated into national security, and urged the United States and China, the two leading AI research and development countries, to establish a working group as soon as possible to assess the development and impact of AI. This article was published prior to the 2023 APEC meeting in San Francisco. On November 15th of the same year, following the meeting between the leaders of China and the United States, Foreign Minister Wang Yi informed the media that both sides had agreed to establish an intergovernmental dialogue mechanism on AI.

Whether in public office or as a scholar and sage, Henry Kissinger has always been known as a master of realism. His political identity and life experiences have to some extent shaped his political stance, and his extensive research, particularly his deep understanding of European diplomatic history, has led him to highly value the “balance of power.” The book *Leadership: Six Studies in World Strategy* continues to carry his realist methodological approach to international relations, arguing that the qualities, capabilities, and courage of leaders can to some extent serve as a counterbalance to historical development, preventing human civilization from plunging into the abyss. The creation of *Leadership: Six Studies in World Strategy* seems to be an attempt to prove this point.

Are Politicians True Colors Applicable Everywhere?

Kissinger's outstanding diplomatic and administrative career has given him a certain degree of diplomatic flexibility. In his book, he carefully, even cunningly, avoided commenting on certain controversial policies of the six leaders he chose. Regarding de Gaulle, he did not mention the objective impact of France's withdrawal from Algeria on the African colonial system; regarding Nixon, he did not mention the impact of the Watergate scandal on the American political system; regarding Lee Kuan Yew, he did not mention the negative implications of extremely pragmatic policies for decision-making in small countries.

In Kissinger's analysis, while these leaders were indeed realists, their ideals often determined the pragmatism of their actions. They harbored grand ambitions to govern their countries and bring peace to the world, and Kissinger did not hesitate to lavish praise on them for this. However, he also sought to downplay the Machiavellian aspects of their personalities. This also makes the characters in the book appear more noble and upright—de Gaulle is at most a bit aloof and unsociable, while Lee Kuan Yew is simply outspoken in his manner of speaking. As we know, politics does not always shape people in such a way.

Beyond implying Kissinger's characteristic caution and diplomacy, the book also conveys a sense of distance between the author and the figures in the book. While his observations of the six statesmen are richly layered, they are not always accurate. Despite having had close contact with all six leaders, the temporal and cultural gaps remain evident. Kissinger's description of Nixon is notably clear and detailed. Adenauer, born in 1876, and Charles de Gaulle, born in 1890, are significantly older than him and have different historical perspectives compared with Kissinger. The author observes them from a position of admiration, which inevitably feels somewhat superficial. For Sadat and Lee Kuan Yew, cultural differences lead the author to understand them more through their personalities and behavior—rather than strategic thinking—which undoubtedly adds to the complexity of understanding these figures. At their core, leaders may be very simple individuals, but in decision-making, they sometimes depend on rational choices and at other times on instinctive reactions. When writing *Leadership: Six Studies in World Strategy*, the author may have overemphasized the value of leadership.

However, overall, Kissinger highlights the homogeneity of leadership among these six individuals. Given his extensive international experience, Kissinger could have chosen any more contemporary leaders as subjects for his narrative. But the obvious homogeneity among these six individuals ensures that Kissinger's understanding and interpretation of leadership will be passed on to future generations. Just as MacArthur repeatedly emphasized "duty, honor, and country" in his farewell speech at West Point to highlight the essence of a soldier, Kissinger also shows his understanding of the role of a statesman over the past century in his final work, using an apocalyptic tone to articulate the qualities of "courage, perseverance, and strategy," hoping to instill the idea in future generations that these are universal truths applicable to all.

China and Europe: Learning from the Past to Understand the Present and Future⁶

The mirror of history provides invaluable lessons for us if we only look into it. Kerry Brown's research into 800 years of European views on China gives us a unique perspective on this important relationship and how to improve it going forward.

Today's world is experiencing intense geopolitical competition with portents of a new Cold War and the outbreak of regional conflicts. Professor Kerry Brown's book *China Through European Eyes: 800 Years of Cultural and Intellectual Encounter* examines the writings of European historical figures on China over the past eight centuries, offering both an intriguing historical perspective and a re-assessment of modern China. Vitally, it helps readers around the world to better understand the historical roots of relations between Europe and China.

Professor Brown argues that Europeans and Americans tend to marginalize China, which makes those in the West unaccustomed to seeing a rising China as a major power and an equal. Secondly, Europeans are stuck in their own beliefs and lack a basic understanding of Chinese values, either dismissing them as unimportant or simply refusing to learn about them. Sometimes, they even casually label Chinese values as problematic, in conflict with Western values, and a threat to the West.

Professor Brown believes that Chinese values are a "hybrid" as China's culture and history have been influenced by a wide range of ethical, philosophical, and religious perspectives, from Confucianism to Daoism as well as contemporary belief systems, which have created a highly flexible worldview that is difficult to define succinctly. For this reason, Professor Brown explores a range of European perspectives to help Western readers better understand Chinese history and culture, increase their knowledge base, and promote dialogue and mutual understanding. This was the primary motivation for Professor Brown in compiling this book.

In this era of uncertainty, it is important that two civilizations that could have avoided misunderstanding in the first place should commit to promoting mutual exchange in order to gain a clearer understanding of each other. Professor Brown's work encourages Europeans to gain a new understanding of China and has gone much further than many "China experts" in the West by exploring the historical depths of the past eight centuries and practical exchanges between Europe and China to seek answers to today's pressing questions.

I have known Professor Brown for many years. His most recent visit to CCG was in 2019 to participate in a symposium on China-US-Europe relations and global governance co-hosted by CCG and the Royal Institute of International Affairs. Professor Brown graduated from the world-renowned University of Cambridge and is a prominent expert in China studies in the UK. He currently serves as the director of the Lau China Institute at King's College London. He first came to China in 1994

⁶ This is the foreword of the Chinese edition of Kerry Brown's edited book *China Through European Eyes: 800 Years of Cultural and Intellectual Encounter*, co-authored by Henry Huiyao Wang and Mabel Lu Miao, and adapted for this collection.

and later served as first secretary at the British Embassy there, interacting with various sectors of Chinese society and developing a comprehensive, objective, and multi-dimensional understanding of China. Since 2006, he has authored over twenty works on China, including *A Tale of Five Chinese Cities*, and established himself as an internationally influential China expert who is both knowledgeable about and friendly toward China.

His latest research work, *China Through European Eyes*, which was translated into Chinese by the Center for China and Globalization, is divided into five sections, compiling excerpts from the writings of sixteen prominent European figures on China, beginning in the thirteenth century when Marco Polo visited China and proceeding to the mid-twentieth century and the Cultural Revolution.

The first section, titled “Origins,” begins with descriptions of China by Marco Polo, Samuel Purchas, and Matteo Ricci; the second section continues with the writings of three important European Enlightenment thinkers—Gottfried Wilhelm Leibniz, Voltaire, and Montesquieu—on China; the third section recounts John Barrow’s impressions of China during his visit with the Macartney Embassy, Georg Hegel and Karl Marx’s perspectives and sympathies toward feudal China, as well as Evariste Régis Huc’s exploration of China’s frontiers; the fourth part delves deeper with research by Max Weber, Bertrand Russell, and Carl Gustav Jung on Chinese beliefs, the China question, and Chinese wisdom; finally, the fifth part closes with observations from Simone de Beauvoir, Julia Kristeva, and Roland Barthes on China under Mao Zedong.

These sixteen authors have been extremely influential in Western thinking. While eight of them visited China in person, the other eight—Samuel Purchas, Leibniz, Voltaire, Montesquieu, Hegel, Marx, Max Weber, and Carl Gustav Jung—researched a wide range of literature on China. In explaining why he chose these authors, Professor Brown said he felt Marco Polo provided an excellent starting point for outlining how outsiders have viewed China over the past eight centuries, while Matteo Ricci’s work is significant because it demonstrates that it is entirely feasible, though extremely challenging, to engage deeply with the Chinese way of thinking and its culture while maintaining a European worldview and perspective. He continues, saying that Leibniz keenly identified commonalities in Chinese traditions and European religion and philosophy, while Voltaire described China as tolerant and inclusive. John Barrow’s account of the Macartney Embassy to China provides European views at the beginning of “the century of humiliation,” which remains a painful memory in the minds of the Chinese people. Hegel’s ideas deeply influenced a young Karl Marx and indirectly influenced China’s journey toward modernization and the ultimate choice to pursue communism. Evariste Régis Huc’s travelogue provides insight into the many admirable aspects of the Chinese people, their way of life, and their traditions from a European perspective. Weber dedicated himself to exploring the beliefs of the Chinese people, while Bertrand Russell held the Chinese people and their spirit in the highest regard, seeing the East and West as equals and emphasizing the view that the East should not be viewed as less than the West. Carl Jung unwittingly contributed to understanding the “mysterious” and “exotic” side of “Eastern

wisdom,” while Simone de Beauvoir, who visited China during the Cultural Revolution, wrote about seeing a China that had been liberated from exploitative socioeconomic class relations. Finally, Kristeva notes how the People’s Republic of China officially recognized the rights of Chinese women in 1950.

Professor Brown deeply believes that collecting and studying the views of these important thinkers on China can help readers in the West take China seriously, and he states at the end of the book’s preface that, *“China’s ‘difference’ is often seen as a triggering statement—an attempt to postulate some other which can then become the object of idealism or condemnation. But the writers in this work all show very different ways of dealing with China realistically, empirically, with critical enquiry. None adopt the airy luxury of observing China from nowhere—but locate themselves either in a European or a rational location and launch their enquiry from there. What unites them in the urgent need to take this place, with its complex traditions and world view, seriously—and to be puzzled and in some ways unsettled by how best to think about China accurately and honestly. In an era vexed by Sinophobes and Sinophiles, panda huggers and dragon slayers, putting together the views expressed here by such different, but distinct and important thinkers, perhaps offers an antidote to jumping to conclusions too quickly.”*

I believe this book has a great significance in promoting better understanding of global diversity, greater inclusiveness of different civilizations—especially China—as well as dialogue and mutual understanding between China and Europe. After finishing the book, I truly feel that it has achieved Professor Brown’s goal as the views and perspectives on China from prominent European figures can be more persuasive and inspire those in the West to be more rational when looking at China and Chinese civilization and become more inclusive in their ideological views.

However, this book is also significant for readers in China and other parts of the world, deepening their understanding of current relations between China and Europe, which is very unique and in more recent times has become a close, practical connection. In 2021, China was the EU’s largest trading partner, while the EU was China’s second-largest trading partner. In the same year, 15,000 freight trains traversed the Eurasian continent between China and Europe, while 200,000 Chinese students braved the risk of COVID-19 to begin their studies in European countries.

In 2021, China and Europe were two giants at opposite ends of the Eurasian continent, ranking as the world’s second and third largest economies with a combined population that accounted for a quarter of the global total. Both of these giants have proud histories and philosophical traditions that have endured to the present day. Their geographic distance means that they have virtually no territorial disputes and have regularly worked together to address the world’s challenges. One of the most significant achievements of this cooperation in the twenty-first century was the 2015 United Nations Framework Convention on Climate Change, the Paris Agreement, initiated by the European Union and facilitated by China. In terms of global governance, both advocate multilateralism, support free trade, and have made significant contributions to human civilization. They should join hands, seek common ground despite their differences, and work together to address common challenges to humanity.

On globalization, the vibrant and dynamic Europe that emerged in the 1990s and the early 2000s was a fine example of globalization. As an economic and political alliance uniting most European nations, the EU swiftly emerged as one of the most important players in the global order. With the evolution of new global power structures, a new era of “three-way dynamics” emerged, with the United States, the EU, and China as the main players. China and Europe share significant common interests, while the EU and the UN Security Council serve as an important balancing force in international relations, which is essential to peaceful and sustainable globalization.

However, despite efforts to exercise stability and restraint in relations with China, the EU Commission’s March 2019 report *EU-China Strategic Outlook* defined China as both a partner for cooperation and negotiation and an economic competitor, as well as a systemic rival.

With the global spread of COVID-19 in 2020 and the outbreak of the Russia-Ukraine war in February 2022, China’s role as a partner faded in the eyes of European leaders and media, and increasingly resembles that of a competitor and adversary—a trend we must collectively study and avoid.

Constrained by subject matter and the overall environment, researching the current phase of Chinese political history poses significant challenges for many Western political scientists, both in terms of the time frame as well as the theoretical tools at their disposal. Their research can explain many Chinese political phenomena in isolation, but they lack an overall framework, if it exists at all, and merely follow the historical inertia of “Orientalism,” which was strongly criticized by Edward Said for fitting Eastern phenomena into Western theories, using one’s own ideas to explain others’ behavior.

It is difficult to say whether Professor Kerry Brown’s research has been influenced by this deeply ingrained approach, but he is at least aware of its existence. He has traveled extensively in China, accumulating a wealth of experience as a teacher, diplomat, businessman, and scholar. These experiences, combined with his proficiency in Chinese, have undoubtedly provided him with the advantage of viewing contemporary Chinese politics from a broader and deeper perspective. In recent years, he has increasingly explored China’s history and cultural traditions, as well as their influence on contemporary Chinese politics, enriching and diversifying his observations. A prime example of this is his opposition to using the Western term “faction” to distinguish between high-level political groups in China. He also recognizes the complex components of Chinese political philosophy, which incorporates both the Marxist origins of the ruling party and the traditions inherited from Confucianism, Taoism, and Buddhism that have existed in China for thousands of years.

One of the major features of this work is Professor Brown’s use of a methodology that views the dynamic relations between China and Europe through a historical lens, which explains aspects of modern Sino-European relations by referencing historical interactions between China and Europe.

The historical exchanges between these great civilizations have played an important role in the history of human civilization. Marx believed that Chinese gunpowder helped the Western bourgeoisie ascend to the historical stage, while Voltaire used his own imagined idealized concept of China to enlighten the French people on the eve

of the French Revolution. Their views reflected positive aspects of Europe's perception of China, while negative aspects were articulated by figures like Montesquieu, showing two opposing sides of Europe's perception of China.

In January 2022, Professor Brown described the past 800 years of Sino-European exchanges in the following way: *"The pattern that you get over that 800 years is broadly two narratives, two stories. On the one hand, to idealize China, and the other to be fearful and demonize it. Leibniz and Voltaire, I suppose represent idolization. They regarded China with its Confucian meritocratic system as a valid alternative to what Europeans were doing at the time in the enlightenment. That has continued down to the present day. The other hand, figures like Montesquieu wrote of China as being an oriental despotic place that we shouldn't copy. Form the narratives that we have available, I don't see that fundamental structure has changed, at least in Europe, and it seems to be true in America and Australia too."*

In this sense, Professor Brown's review and commentary on nearly 800 years of historical documents on Sino-European relations serves to establish a comprehensive framework for Europe to realize that China is not an "Eastern autocratic state" and gaining a proper understanding of history to correct this misperception. Professor Brown himself said in an interview that for Europe and the United States, one of the most urgent tasks today is to address the lack of basic knowledge about Chinese traditional culture, so that they at least know who they are trying to collaborate with, rather than acting on hypothetical assumptions.

Today, criticism of China in Europe is evolving in a politically correct direction and Professor Brown is considered to be a scholar who speaks candidly. He never hesitates to say that what Europe and China need today is cooperation and coexistence. In a recent conversation he said that, *"That there was even a small moderate middle space, even as these arguments intensified for Britain, Europe and the US, in particular, which was important for the very simple reason that for all the legitimate concerns about the places where China increasingly didn't align to Western interests and expectations, and in some of the most important areas, there was plenty to work together on. Of these, areas concerning climate change, sustainability, public health and economic recovery after the pandemic were at the front. In all of these, China figured as a largely collaborative partner—even if this was more about potential than actuality."*

With his extensive experience, boundless energy, and outspoken personality, Professor Brown has become a highly sought-after expert on China among global media outlets. As stated in the preface to his book *A Tale of Five Chinese Cities*, he has been interviewed by "every major media outlet in the world" and participated in countless forums, summits, and academic discussions on China. I first met Professor Brown at an international conference years ago and, with CCG's emphasis on mutual understanding and international cooperation to prevent conflict, our positions aligned perfectly. Furthermore, CCG's role as an international platform for exchange means that Professor Brown's collaboration with CCG has even closer. In recent years, he has participated in numerous online and in-person dialogues organized by CCG, engaging with global opinion leaders and intellectuals to foster consensus. The upcoming Chinese edition of *China Through European Eyes* is one

of the most important products of the collaborative exchange between CCG and Professor Brown.

Finally, it is my view that *China Through European Eyes* provides an even deeper layer of meaning—showing that cultural exchange goes both ways. In this sense, this book also serves to encourage further research on Europe. The lack of Chinese understanding of Europe before the modern era means that it would be difficult for us to compile a book similar to *China Through European Eyes*. Our understanding of Europe was fragmented and often based on one-sided views of Western missionaries. Later, China adopted concepts of science and technology as well as the social sciences and humanities from Europe, which drove China's modernization. This one-way flow of information—from China to Europe in the past and from Europe to China today—is what may have led to conflicting sentiments in China toward Europe: one of unconditional admiration and another as a victim left of modern history, the latter manifesting as a strong sense of nationalism in the current international environment.

Today, more than ever, China and Europe need to understand each other as equals, starting with their own similarly long civilizations to seek a “middle place of moderation” that allows for bilateral coexistence, learning from the past to understand the present. To achieve this, we not only need Western scholars like Professor Brown, who have a deep understanding of China, but also Chinese scholars with a comprehensive understanding of Europe. Through the process of exchange, understanding, and inclusion, both sides will take Sino-European relations to the next level.

Promoting a “Positive-Sum Game” for China-US Relations⁷

Our fate is not sealed—the conclusion of renowned scholar Joseph Nye—gives the world hope, as he once again reiterates that relations between China and the US does not have to be a zero-sum game and that we should search for a way to ensure a positive-sum outcome for both countries and the world.

On 7 December 1972, from 29,000 km above the Earth’s surface, humans took the first panoramic photograph of the Earth from space—the Blue Marble—a small blue-green island, the only home for all humanity, floated in the vast black expanse of space. This scene made all the differences, contradictions, disputes, conflicts, cold wars, and hot wars between peoples and nations seem so insignificant. The Earth, which carries all life and the interests of all nations, was nothing more than a glass marble in the universe. This is the image I used to start the preface of my new book *CCG Global Dialogues: Understanding Globalization, Global Gaps and Power Shifts in the 21st Century*. I reiterate this here to dispel a common expectation among readers: do not expect Professor Joseph Nye to discuss whether American soft power is stronger than Chinese soft power, whether China will prevail in a new era of great power competition, or whether the United States will emerge victorious. Instead, the book offers a broader perspective to examine the impact of US-China relations on both nations and the world, so that we can delve more deeply into Professor Nye’s wisdom.

Approximately one-fifth of the twenty-first century has already passed. We have witnessed the evolution of a global model of uni-multipolarity into a new stage of truly multipolarization. Economically, in 2021, the combined GDP (gross domestic product) of China and the United States exceeded 40 trillion dollars, accounting for over 40% of the global total. But we are also witnessing a historic shift in global power from the West to the East—from the United States, the established power and leader of the West, toward China, the emerging power and the center of an Asian rejuvenation. Professor Nye once proposed a thought-provoking question: “how do we manage that power transition from the West to East in a way which is beneficial for all countries and which doesn’t break down into great power rivalries, which are destructive?”⁸ There is no doubt that the “great power competition” mentioned here primarily refers to China and the US, which will be the most important bilateral relationship of the twenty-first century; if managed well, it will benefit both countries and the world; if managed poorly, it will harm the global community.

Facing countless uncertainties, many are puzzled about how this relationship will evolve. In April 2021, during a dialogue with Professor Nye, he introduced his “20-year cycle theory”: the first 20 years after the founding of the People’s Republic of China saw extremely strained bilateral relations between the United States and China, with the two countries at war in Korea; in 1972, Nixon’s visit to China marked

⁷ This is the foreword of the Chinese edition of Joseph Nye Jr.’s *Soft Power and Great-Power Competition*, and adapted for this collection.

⁸ Henry Huiyao Wang in Dialogue with Joseph Nye Jr., “Power Narratives in a Changing World: Implications for US-China Cooperative Rivalry”, April 28, 2021.

the beginning of a 20-year period of improving bilateral relations; after Clinton took office in 1992, bilateral relations remained good, during which China joined the WTO (World Trade Organisation) and deeply integrated into the global economy and international order; following the rise of Trump in 2015–2016, bilateral relations began to deteriorate, and we are midway through the current cycle. Based on this 20-year cycle theory, Professor Nye predicted that US-China relations would begin to improve by 2035. “I hope this doesn’t have to last that long,” he said. I believe many people share this hope. Ultimately, good China-US relations will make the world better, while deteriorating China-US relations make the world uneasy as many countries would rather not have to choose sides. Right now, all we can do is wait and see whether Nye’s 20-year cycle theory will ring true yet again.

* * *

When I first met Professor Nye at Harvard University’s Kennedy School of Government, the China-US relationship had not yet reached the low point that it has today. At that time, US foreign policy was focused on combating terrorism, particularly in the Middle East, following the 9/11 attacks. China had just hosted the Olympics and was celebrating the 10th anniversary of its accession to the WTO.

Professor Nye, with the sharp insight of an international political scientist, had been paying attention to China’s rise for over a decade prior to this. In an article published in 1998, he wrote that the term “China’s rise” was a misnomer, and that “re-emergence” would be more accurate. In late 2005, he published an article in *The Wall Street Journal*, discussing China’s soft power for the first time. According to Professor Nye, a nation’s power comprises “hard power” (economic, military, technological, etc.) and “soft power” (cultural, values, foreign policy, etc., factors affecting its development potential and appeal). The combination of hard and soft power forms “smart power.” He said that the attractiveness of traditional Chinese culture, the popularity of Chinese films and television overseas, the 2008 Summer Olympics, the increasing number of foreign students and tourists to China, as well as China’s tripling of its GDP versus pre-reform levels, its foreign economic aid and open markets, had all greatly increased China’s attractiveness. However, Professor Nye also pointed out that China’s soft power still had a long way to go as “China does not have cultural industries like Hollywood, and its universities are far from the equal of America’s. It lacks the many non-governmental organizations that generate much of America’s soft power.”

In 2009, he published an article stating that China’s soft power was still in the early stages of development, with fundamentally different resources compared to the United States or other developed nations: “These systemic and values-based considerations mean that Chinese soft power may be unfamiliar or unpalatable to those outside the Chinese system. However, China as a rising power is attractive in the developing world, which makes it a force that cannot be ignored.” He also discussed the interaction between China and the United States in terms of soft power for the first time, saying that although most Americans assume a zero-sum perspective and cast a more negative, rather than positive, light on China’s soft power growth, “there

is little evidence that an increase in Chinese soft power would unbalance American soft power.” He noted that, “the perception that the Chinese model of combining a market economy with one-party rule (the Beijing Consensus) will challenge the Western model (open markets, democracy, and rule of law), and values are dubious,” “the soft power interaction between the United States and China thus need not be seen as a competition, but rather as a more complex combination of competitive and cooperative forces.”

In 2012, Professor Nye visited China and gave a lecture on soft power at Peking University. In his speech, he humbly noted that while he first proposed the concept of “soft power” over 20 years ago, that type of power had long existed throughout human history and been applied unconsciously. He noted that it was implicit in Lao-tsu’s writings when he says that a leader is best not when people obey his commands, but when they barely know he exists. He noted that soft power is not unique to the United States, and that traditional Chinese culture is the source of China’s soft power. The values that Confucianism respects, such as social harmony, propriety, filial piety, and compassion, have influenced most of East Asia. As Henry Kissinger wrote, “In the Chinese version of exceptionalism, China did not export its values but let others come to seek them.” Additionally, China’s remarkable economic achievements are another major source of its soft power. Over the past 40 years, China has lifted hundreds of millions of people out of poverty, making the country attractive and influential, and winning the admiration of other countries. But he also noted that “China’s economic success has generated both hard and soft power, but within limits.”

In 2019, Professor Nye visited China to attend a seminar hosted by Ogilvy. During a break, he discussed how Chinese companies going global could enhance China’s soft power, provided they establish their brands overseas and improve compliance. As this was an important focus for CCG as well, Professor Nye and I continued to discuss the interaction between the images of multinational companies and national soft power during lunch.

Professor Nye has long held the view that soft power has a positive-sum dimension, where both sides can benefit simultaneously—though this is not always the case, it is possible under certain circumstances. In our dialogue in the spring of 2021, he reiterated his view that soft power doesn’t have to be zero-sum, and gave an example: if China becomes more attractive in the United States, and the United States becomes more attractive in China—it could help both of us overcome our differences—and I couldn’t agree more. This dialogue took place nearly three years after Trump launched his trade war against China, with multiple confrontations taking China-US relations to a low point and placing it at a historic crossroads as the Biden administration had just taken office, and its China policy remained unclear. The international political landscape has undergone a major reversal in just a few years, with buzzwords like “China threat” and the “Thucydides’s Trap” becoming household concepts.

After taking his office, Trump changed Obama's China policy, and since 2017 Washington has shifted its priority from the Middle East to Asia, focusing increasingly on great power competition. So, the question is, what is the next step in China-US competition? As China becomes stronger economically and militarily, how will the United States respond? Will an arms race break out between China and the US? Will the United States form alliances like those formed during the Cold War and define China as its primary rival? How will the United States respond to China's continued advances in technology? Will the United States accept China becoming the world's largest economy and leading technological innovator? Or will the United States view China as its primary strategic rival and try to limit its economic and technological development?

Over these questions looms the shadow of the Thucydides's Trap. China's increasing strength has caused concern and anxiety in the United States. Over the past 30 years, Professor Nye has written extensively on the nature of power and US-China relations. From a historical perspective, the fundamental reason for the changes in bilateral relations is China's continued rise, but beneath the surface lie new adjustments and turmoil triggered by shifts in power. Professor Nye believes that the rise of an emerging power can instill fear in an established power, which may be the root of conflict, but it does not necessarily mean that they have to fall into the "trap." China is not an existential threat to the United States, nor is the United States an existential threat to China.

He also dislikes using terms like "new Cold War" to describe US-China relations, as this is a misperception of history. Today's great power competition cannot be defined using old concepts from the twentieth century due to the greater degree of economic, social, and ecological interdependence between China and the United States compared with the Soviet Union. The correct approach is to strengthen existing social links, such as student exchanges, tourism, and cultural exchanges, and to make progress in economic exchanges, preventing decoupling in some areas from leading to costly economic decoupling. Ultimately, the broader US-China relationship must be managed to avoid miscalculations and unintended consequences. According to the 20-year cycle theory, US-China relations should begin to improve by 2035, but Professor Nye also believes that intense competition between the two countries is inevitable and is likely to continue for 20 years. How, then, can the competition between these two great powers be managed to ensure that the relationship remains healthy and does not become destructive?

* * *

First, we must take the challenges that China and the United States are facing in the twenty-first century very seriously.

In April 2021, during a dialogue with Professor Graham Allison, who brought up the example of the "Thucydides's Trap," we discussed the three objective realities facing both sides: MAD (Mutually Assured Destruction) status brought by nuclear weapons, threats of climate change, and how to decouple without weakening either China or the United States. One way to break this deadlock is to recognize that

cooperation between China and the United States is possible despite the intense competition between the two.

Some politicians and analysts think that the United States and China have entered a “new Cold War,” but Professor Nye argues that this puts China into an ideological framework while ignoring the real strategic challenges both countries face. He argues that even if the two countries were to decouple, they could not avoid an ecological interdependence, which follows from simple physical constraints, not political ones. He argues that there is no need for the countries to get caught up in a new Cold War, let alone a destructive hot war. Over the next 40 years, as China becomes stronger, both countries will need to adjust to a new normal. Nye points out that the United States and China should maintain the current “cooperative rivalry” and once quoted the former Australian Prime Minister Kevin Rudd, who said that US-China competition would be managed competition because it would be non-lethal in nature.

At nearly every opportunity, Professor Nye emphasized two key points: “power with” and “positive-sum,” firmly believing that the world will continue to remain interconnected because of the fact that isolationism is impractical, and the only way forward is through cooperation and engagement. In his book *Do Morals Matter? Presidents and Foreign Policy from FDR to Trump*, he discussed how a country cannot merely seek “power over” others but must also consider “power with” other countries. Today’s information revolution and globalization are profoundly transforming global politics. When facing global challenges such as the COVID-19 pandemic and climate change, power can be a “positive-sum game.” Exercising power *with* other nations in addressing global issues also helps a country achieve its own objectives. Both American and Chinese leaders must recognize this. He urged the United States and China to avoid demonizing each other and believed that if both countries could make themselves more attractive in each other’s eyes, the probability of destructive conflict between them would decrease considerably. If an increase in Chinese soft power can reduce the potential for conflict, it will naturally become part of a “positive-sum relationship.” This is the conclusion Professor Nye came to after a life of research and one that he included as the main theme of this book.

The Center for China and Globalization, which I founded in 2008, has dedicated itself to enhancing China’s soft power. I agree with Professor Nye’s assertion that “a country’s soft power primarily stems from civil society.” Here, I propose that Chinese civil society—whether individuals, businesses, think tanks, or other organizations—should work to promote friendly relations between China and the outside world, understand the differences in values and cultures between the East and West, and act with mutual respect, humility, and confidence when engaging with the world, creating a positive impression.

From the Chinese perspective, if we work harder to actively engage in “track-two diplomacy,” maintain regular exchanges with Western experts, scholars, and business and political elites, hold international forums and create multilateral organizations with international institutions, we can set the agenda in the international public opinion arena, lead the public narrative, build consensus, and unite and expand the scope of those who understand and support China. Over the years, CCG has been actively engaged in multilateral international forums, participating in events such as

the Munich Security Conference and the Paris Peace Forum, and hosting sub-forums. We have launched the “CCG Global Dialogue” program, featuring exchanges with international opinion leaders and experts such as Angus Deaton, Thomas Friedman, Martin Wolf, Pascal Lamy, John Thornton, Kishore Mahbubani, Tony Saich, Neil Bush, David Lampton, Stephen Roach, Jim O’Neill, and dozens of other international opinion leaders and experts. In 2021, CCG also launched the “Global Young Leaders Dialogue Project” (GYLD), which works to create a platform for dialogue among youth from different countries and backgrounds. To mark the one-year anniversary of GYLD, representatives sent a letter to President Xi Jinping describing their experiences in China and received a reply, a rare honor and recognition of their efforts. Our efforts have placed CCG among the top 100 global think tanks in the University of Pennsylvania’s Global Think Tank Index for several consecutive years, and we were the first Chinese think tank to be awarded special consultative status by the United Nations EOCSOC.

* * *

Reading this book, careful readers will find that some articles are written from the American perspective. In the first article of Part One, Professor Nye discusses how the concept of “soft power” originated as a rebuttal to the then-prevalent theory of American decline. In Part Two, he discusses soft power and American foreign policy from the perspective of American interests. But at the same time, he has also published articles criticizing the Trump administration’s “America First” strategy, arguing that it undermines American soft power and decreases America’s attraction in the eyes of other countries and people around the world.

In the third and fourth parts, we find that Professor Nye’s discussion is rooted in American national interests and with a bird’s-eye view. Adhering to scholarly neutrality, he adopts a broad perspective on the impact of Sino-US competition and cooperation on both countries, the world, and the future, looking beyond the surface to grasp the essence of the problem and propose solutions or recommendations.

US-China relations have weathered many storms and progressed through twists and turns. In this historic period of profound change, the old international order is undergoing significant change, and the creation of a new international order will face numerous challenges. Regardless of the roles the two countries play in this process, one thing is certain: challenges presented by technology and the environment must be addressed through bilateral cooperation. The harm caused by climate change may far exceed the destruction brought by war. The COVID-19 pandemic, which claimed millions of lives, will not be the last major pandemic humanity will face. The meeting between President Xi Jinping and President Biden in Bali where the leaders discussed strategic issues in China-US relations and major global and regional issues, as well as talks in Langfang, have sent positive signals. I believe that while the specter of the Thucydides’s Trap has loomed over human history for the past 2500 years, an ancient Roman proverb can also be used to explain the current geopolitical situation and possibly counteract Thucydides’ curse: if your neighbor is wealthy, you are likely to become wealthy as well; if your neighbor is poor, you will not become wealthy

either. In the global village, countries are neighbors, and both sides of the Pacific can benefit from each other’s growth, and other countries also can benefit from that healthy relationship. Let us not forget that we all live on the same big blue dot.

Joseph Nye is no stranger to Chinese readers. His co-authored works, *Understanding Global Conflict and Cooperation: An Introduction to Theory and History*, *Power and Interdependence* and *The Oxford Handbook of International Relations* have been translated into Chinese and reprinted multiple times as university textbooks. The Chinese edition of his monographs *Soft Power: The Means to Success in World Politics*, *The Powers to Lead* and *The Future of Power* were published by CITIC Press, sparking a boom in soft power research and discussion in China. Additionally, his other works such as *Is the American Century Over?* and *Do Morals Matter?* have also garnered significant attention from the academic community in China.

The successful publication of Professor Nye’s book *Soft Power and Great-Power Competition* is thanks to the hard work of the staff at CITIC Press. I hope that readers will be able to appreciate the development of his ideas and his stable perspective amid such radical changes as they read his articles based on more than 30 years of research on power and China-US relations.

Furthermore, I would like to thank the translation team for this book: Li Yanjie (translator of “Dialogue” and Part One), Bai Ruixia (translator of Parts Two and Four), Bai Yunfeng (translator of Part Three), and Ren Yuyuan, who reviewed the entire translation manuscript.

I would like to conclude this preface with a quote from Professor Nye’s article “China and the United States: Looking Forward 40 Years”: “There is no single future until it happens. The fate of the United States, of China, or of the world as a whole is not yet sealed.” Indeed, the destinies of the United States, China, and the world depend on the choices and actions we make today.

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Chapter 15

Reaching the World



News media is an important part of any modern society, from local newspapers to national television stations to the global internet. Today, the dissemination of information and opinion is easier, and therefore more accessible, than at any point in human history, but this comes with both benefits and drawbacks.

For much of the past few centuries, the format of media and the largest media outlets have been dominated by the West. But even more fundamentally, the basic language of information and media, especially on the internet, is undeniably English. While this is not, in and of itself, something that denies access to the non-Anglophone world, it limits the ability of non-English speakers to express themselves and for their ideas, hopes, and dreams to reach English-speaking audiences.

For me, as a Chinese think tanker, and for the Center for China and Globalization, this is an especially challenging realm to navigate. The abundance of misinformation or biased reporting in the majority of Western English-language media, as well as the lack of accurate, comprehensive assessments of China's history and current stage of development, mean that far from being able to discuss core issues that China could potentially contribute to, we are often faced with the task of dispelling concerns, correcting inaccurate information or informing people around the world about China's actual situation.

In the final chapter of this collection, we have compiled some of my most recent interviews with media outlets ranging from television stations in Hong Kong, China, India, and Türkiye to print media from Korea and Slovenia and even the "Living History" project initiated by the United States Consulate in Shanghai. The broad and balanced nature of these interactions is also fundamental to CCG's mission of ensuring that a wide net is cast in sharing and promoting China's positions, its achievements, and hopes for the future, not only for itself but also for the world.

The first interview in this section is with *Choson Ilbo*, South Korea's oldest newspaper, as part of a series of interviews commemorating the 80th anniversary of the end of World War II. Following Japan's surrender, the separation of Korea after the Korean War and the founding of the People's Republic of China created a dynamic

in Northeast Asia that is fraught with complex and unresolved issues. The presence of US troops in both South Korea and Japan, China's close relations with North Korea, and the yet-to-be-reunified island of Taiwan mean that relations between these nations are inextricably linked with the United States and the post-war paradigm that it led. However, what is different is that China has a greater ability and, therefore, responsibility to take a greater role in how the region develops in the future and to ensure its overall peace and prosperity.

The second interview, with Hong Kong-based Television Broadcasts Limited (TVB), moves south to focus on India and a visit by Indian Prime Minister Narendra Modi that came just before a key meeting of the Shanghai Cooperation Organization in early September 2025, which was also attended by President Putin of Russia. The complex relationship between China and India has long been difficult to balance and recent conflicts, despite being limited in their scope and severity, have strained relations. India's participation in both BRICS, and the Quad adds to the difficulty of balancing relations between the world's two most populous countries. But the potential for positive development is considerable, considering recent tariffs levied by the United States and China's continued efforts at reconciliation.

The next interview, this time from the Indian media outlet Republic TV, looks at the visit by Prime Minister Modi from a different, decidedly Indian, perspective. It covers a range of topics from the recent conflict between India and Pakistan, a close ally of China, as well as the possibility of BRICS as an organization to stand up to the United States on the issue of tariffs, as well as possible positive steps that China and India could make going forward, not only to improve their own bilateral relations but also to create an environment in the region that is conducive to stability and increased trade.

The fourth interview in this chapter is from the English-language services of the national broadcaster of Türkiye—TRT World. While this interview once again focuses on US tariffs and other pressure, which China feels is tantamount to outright bullying, the emphasis was rather on the fact that China has kept the doors to dialogue wide open. The fact that trade wars benefit no one, especially in a world where the economies of so many countries are so intertwined and any chance to talk things out would ensure that both the United States and China benefit. The interview also touched on Israel's actions in Gaza and the instability and suffering that it has caused, discussing the changing nature of America's reputation in the world as well as the need to establish a peacekeeping force through the UN to bring stability back to the Middle East.

Taking a closer look at the situation in the Middle East, the next interview in this chapter is from Al Jazeera's "The Bottom Line" program, which wanted to gain a deeper insight into China's view on Israel's war on Gaza. China recently brokered a historic agreement between Iran and Saudi Arabia, which had long been unable to resolve their differences. This has been attributed to China's unique position in the world and alternative approach to negotiations and peacemaking, which could also be effective in finding an offramp to hostilities in Gaza as well as Ukraine. China not only lacks the historical baggage of the United States and Europe in these conflicts, but it also emphasizes effectively leveraging multilateral institutions, from the United

Nations to the G7, G20, and even BRICS to foster peace and find areas of common ground.

China has long been a staunch supporter of a more multilateral world order that gives equal weight to developing and smaller nations. This next interview was conducted on the sidelines of the Bled Strategic Forum in Slovenia by the RTV Slovenija. The Bled Strategic Forum is unique in that it is held in, and what is generally considered a smaller country that is not often in the global spotlight, however, it is exactly this aspect of the Forum that gives it a unique perspective on issues, which allows it to surface often underdiscussed perspectives on vital issues.

In a world where China-related issues often have regional or even global implications, and the conclusion of the next issue is particularly appropriate—namely, the fact that a more open China is a more secure China. In this interview with Phoenix News on the sidelines of 2024 Aspen Security Forum, topics on how policies that isolate and alienate China from the global discussion could have destructive consequences. The “small yard high fence” strategy of the United States in terms of semiconductors and other essential technologies will ultimately end up forcing China to develop its own alternatives and cause the United States to lose a key market. Similar problems also exist in geopolitics. Not working with China on issues including Taiwan and other regional issues will only make China’s stance more rigid, whereas engagement and open communication would create an environment where China is more open to negotiation and compromise.

The different systems, histories, and even values that exist in China and the West are often a point of contention that requires time and effort to understand and accept. This is the core topic of the eighth interview in this chapter with *Delo*, Slovenia’s largest newspaper, which was also conducted in conjunction with the Bled Strategic Forum. While there is an onus on China to work to better express itself in an international context, considering the language barriers, cultural differences, and systemic complexities that China faces, it is also important for leaders and decision-makers unfamiliar with China to work to better understand it through dialogue and exchange at all levels, from government to institutions and people-to-people exchanges.

The last interview in this chapter focuses on my own journey of personal and professional growth, from the dark, difficult times of the late Cultural Revolution, the light and hope of a university education and studying abroad, as well as the trials and successes of an incredibly exciting cross-cultural career. It was an honor to be interviewed by the “Living History” documentary series, supported through the US Consulate in Shanghai, which attempts to record the period from 1979 to 2010 through the personal experiences of individuals from all walks of life. Without being overly self-congratulatory, I have experienced nearly every aspect of China’s recent history, received education in both China and the West, and worked in governments and major multinationals on both sides of the Pacific, finally founding my own think tank with the vision to continue what I feel to be the most important lesson of my life—to foster dialogue wherever possible and ensure that the people of all nations come to understand and accept each other on their own terms to ensure a better future for all mankind.

80 Years on—Northeast Asia’s Past and Future¹

On August 12, 2025, Henry Huiyao Wang, Founder and President of the Center for China and Globalization (CCG), gave an interview to *Chosun Ilbo*, South Korea’s largest daily newspaper. Their discussion examined the transformations in Northeast Asia over the past eight decades, during which Wang shared his perspectives on China’s role in reshaping the international order and on broader trends in global development.

Founded in 1920 and headquartered in Seoul, the *Chosun Ilbo* is South Korea’s oldest and most widely circulated daily newspaper. This interview formed a central part of the paper’s special series marking the 80th anniversary of the end of World War II and was featured in its dedicated China section. The piece appeared both in print and on the newspaper’s official website.

Part I US-China Relations and the Global Order

Chosun Ilbo: You are now one of the most prominent experts on US-China relations. How should we assess the current easing of tensions between the two countries? For example, today it was announced that the United States and China have extended their tariff “truce period” by 90 days. How do you view the overall situation?

Henry Huiyao Wang: I believe US-China relations are essentially a relationship of interdependence and shared prosperity. Over the past eight years, spanning Donald Trump’s first and current presidential terms, through continued engagement with China and multiple rounds of trade war maneuvering, the United States has come to fully recognize a reality long understood in China: “I am in you and you are in me.” In truth, it is very difficult to separate the two.

That is why I think Trump has adopted a more pragmatic approach this time. He agreed with China to extend the suspension of tariff measures. Whether in Geneva, where talks pushed for tariff reductions, in London, where both sides sought to maintain the status quo and clarify differences, or in Stockholm, where the latest discussions were held, this trend has been evident. Today’s announcement of a further 90-day extension of the tariff truce likely serves to create room for a leaders’ summit, enabling further progress in the three months ahead.

My view stems from China’s unique position. In America’s dealings with major global trading partners and economies, China’s advantages and weight are increasingly pronounced. Within global supply chains, China plays a pivotal role: 80 percent of iPhones are produced in China; half of Tesla’s electric vehicles are manufactured there; and a significant share of auto parts, particularly those needed by US companies, also comes from Chinese suppliers. Beyond this, China is the holder of irreplaceable strategic resources such as rare earths.

¹ The interview was conducted in Chinese, and the Chinese transcript is available on CCG’s official WeChat blog. The English translation of the transcript has not been reviewed by either of the speakers.

Therefore, if the United States continues to stoke trade wars in these areas, it no longer holds the same leverage as before. A better approach is for both sides to sit down and negotiate, identify common ground, and strike a balance. For instance, China can step up purchases of US agricultural products, especially soybeans. As Trump recently emphasized, he wants China to buy more American soybeans, and that is entirely feasible. At the same time, the United States could consider easing restrictions on China in the semiconductor sector. After all, these restrictions not only affect US firms but also chipmakers in South Korea, Japan, the Netherlands, and elsewhere.

In this light, the consensus to continue suspending the 24 percent tariffs sends a positive signal. Particularly as Trump prepares to advance peace talks between Russia and Ukraine, he needs tangible economic and trade achievements to showcase progress. Against this backdrop, breakthroughs in US-China economic talks would undoubtedly inject stability into the global landscape and provide the world with a much-needed reassurance.

Chosun Ilbo: In South Korea and Japan, some commentators argue that the tariff war launched by Trump is not only long-lasting, but that most of the so-called “victim countries” are actually US allies, such as South Korea and Japan. By contrast, China, though in a confrontational stance with the United States, appears in some ways to have emerged relatively better off. Do you think the fundamental reason lies only in differences of power, or are there other factors at play?

Henry Huiyao Wang: I think Trump is a relatively pragmatic leader. He likely believes that in international relations today, “power” remains the decisive factor. That is why he has imposed high tariffs on India, the European Union, Japan, and South Korea—economies that, compared with the US, still show a clear overall gap in strength. China, however, is in a somewhat different position. This April, after our National Day, Trump briefly raised tariffs on Chinese goods to as high as 245 percent, but he quickly announced exemptions covering \$100 billion worth of Chinese products, including smartphones, computers, and semiconductors. These categories are closely tied to production by US companies in China. Apple and Tesla, for example, depend heavily on China, while roughly 60 percent of Walmart’s global procurement also originates there.

In addition, the United States has repeatedly escalated its chip export controls against China citing “national security,” which no doubt sets a precedent. In response, China has the option to reciprocate, “treating others the way they treat you.” For instance, rare earth materials, which are vital for US defense and security industries, could be subject to measured restrictions from China, sending a clear signal. If the two sides fully confront each other in this domain, the United States would deeply feel the weight of China’s influence.

At the same time, Trump still seeks to reshape the international order and continue his broader plan to “Make America Great Again.” He does not want excessive pressure on China to undermine his global strategic agenda. After all, he is advancing new initiatives in Canada, Greenland, and Panama; pushing US-led processes in the Middle East; pursuing strategic arrangements in the Caucasus, even brokering a

peace deal between Azerbaijan and Armenia; and, of course, aiming to play a central role in the Russia-Ukraine war. With so many parallel priorities, he cannot afford to make enemies on all fronts at once.

China, as America's principal "strategic competitor"—at least in Washington's eyes—may therefore see some restrictions eased or at least find Trump more willing to reach certain agreements, out of considerations of power and strategy. Such moves reflect Trump's pragmatism and also serve his larger ambition of reshaping the global economic and trade order.

Chosun Ilbo: So, what exactly is Trump trying to reshape? What do you think is the ultimate goal or outcome of this "reshaping"?

Henry Huiyao Wang: Trump's "reshaping" rests on his belief that the United States has been "taken advantage of" under the current international system. In his view, America has been losing out in the international trade order built over nearly 80 years since World War II. He argues that US manufacturing has been hollowed out, and that the Midwest and the middle class have suffered severe blows. But these claims are not entirely accurate. In fact, in many ways, the United States has been the biggest beneficiary of the post-war system.

The United States still ranks first globally in GDP, with a population of over 300 million and extraordinary natural endowments. Its continental territory stretches between the Atlantic and Pacific, giving it unmatched geographic advantages. The United Nations headquarters is in New York, giving the US unique influence in global governance. Overall, the United States has been the primary beneficiary of this system.

Nevertheless, Trump wants to rewrite or even overturn that order in pursuit of a new strategic design. His goal is to shift from multilateralism toward unilateralism, because he believes America still has the power to "do it alone." In dealing with China, he exercises more caution; with other countries and regions, he feels less constrained. His core aim is "America First": to maximize US interests and preserve the advantages the country has enjoyed for the past 80 years. In his eyes, America is no longer as comfortably dominant as it once was, so he seeks to craft a new strategy that maximizes US gains and ensures America remains at the helm of global affairs.

Chosun Ilbo: Building on what you just mentioned—that China's overall national strength has risen significantly and now approaches that of the United States—how would you quantify this? From the perspective of political, economic, and diplomatic strength, what percentage of US power would you say China has reached?

Henry Huiyao Wang: I would say that in terms of soft power, China still lags behind the United States. China's GDP now approaches 70 percent of America's, but when it comes to soft power, the United States retains clear advantages. For example, English is the global lingua franca, giving the United States inherent global influence. Many international organizations are headquartered there, with the United Nations in New York being the most prominent example. The United States also maintains dominance in global media, news, and publishing, all fundamental pillars of soft power.

That said, it is also important to note that while the United States was the primary driver of economic globalization for much of the past seven or eight decades, that role is increasingly being taken up by China. China's soft power is now closely linked to its promotion of globalization and international cooperation. For instance, the creation of the Asian Infrastructure Investment Bank (AIIB) has provided an important complement to the World Bank and the IMF. The Belt and Road Initiative has generated cooperation agreements with more than 150 countries, building a vast network of international economic partnerships. China has also gradually emerged as a leader of the Global South, working alongside India at the core of mechanisms such as BRICS.

BRICS itself is an inclusive economic cooperation platform, essentially an "economic club." Its membership spans a wide range of governance systems: from India, often described as the "world's largest democracy," to monarchies in the Middle East. BRICS does not draw lines along ideological divisions; it focuses squarely on economic cooperation and inclusiveness. Even India and Pakistan can sit at the same table. This model emphasizes shared economic benefits and development, offering a new paradigm for international cooperation.

China also plays a proactive and leading role in multilateral engagement. It is part of the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement. It has also expressed interest in joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Regionally, China has promoted the China-ASEAN Business and Investment Summit and invited Gulf states into the ASEAN-GCC-China dialogue framework. Beyond Asia, China has created cooperation forums with Latin America, Africa, Central Asia, and the Arab world, covering nearly all major international cooperation networks.

Taken together, these initiatives highlight how quickly China's strength has grown in promoting economic globalization, infrastructure development, and global development.

Chosun Ilbo: Looking ahead, what do you think China will focus on in terms of soft power?

Henry Huiyao Wang: The next step for China is to continue safeguarding and advancing economic globalization, to build what can be called "Globalization 2.0." The post-World War II international order, anchored in the United Nations system over the past 80 years, represents what we might call "Globalization 1.0." What China is now promoting represents a transition toward an upgraded "2.0" version.

"Globalization 2.0" means building on the existing foundations of international cooperation while placing greater emphasis on deepening and expanding economic globalization, as well as strengthening cultural and people-to-people exchanges. The goal is to foster broader interaction and integration among nations in economic, cultural, and other spheres. As Deng Xiaoping emphasized, "development is the hard truth." For all developing countries, development remains the most fundamental and urgent task. In this process, China is set to play a pivotal role, serving as a backbone, a center, and a driving force for the wider developing world.

I believe China is not only setting an example in advancing economic globalization but also leading a new round of it. By stimulating development in surrounding countries and across wider regions and by becoming the leading trading partner for more than 140 countries and regions, China has ample space and opportunities to continue shaping the next stage of global integration.

Chosun Ilbo: The United States seeks to maintain global hegemony. Do you agree with the view that there is now a vacuum in global leadership?

Henry Huiyao Wang: I do not believe there is a vacuum in global leadership. In fact, the world is undergoing a transition from a “unipolar” to a “multipolar” system. What we are witnessing today is the historical process of multipolarization.

In this multipolar world, beyond the United States, there are also China, the European Union, India, and other major regional powers or regional integration organizations, as well as important economies like the BRICS countries. Together, they are exploring and shaping new systems of global governance. In this transformation, China has demonstrated unique advantages. In promoting economic globalization and international cooperation, China has often acted ahead of the United States and other nations. At the same time, the United States in recent years has scaled back its support for developing countries, even shutting down USAID programs, whereas China has continued to expand its investment and engagement.

From the perspective of global governance and economic cooperation, therefore, China enjoys a notable competitive edge in today’s multipolar landscape.

Part II How China Views South Korea

Chosun Ilbo: Let’s turn to some questions about South Korea. Since our newspaper is preparing a special feature on the 80th anniversary of the post-war era, how would you assess South Korea’s development path over the past 80 years? From your perspective as a Chinese expert on global affairs, what is your view?

Henry Huiyao Wang: I would say South Korea’s development has been highly successful. It is one of the most representative success stories of the “Globalization 1.0” era. After World War II, Western Europe achieved rapid growth under the Marshall Plan. Following the Korean War, both South Korea and Japan began their fast development, while after the Vietnam War, the Asian “Four Tigers” quickly rose. In this context, South Korea benefited greatly from the new post-war order and the early opportunities of globalization.

Part of South Korea’s success came from not having to shoulder excessive defense costs, since it benefited from the US security umbrella. Another decisive factor was its establishment of diplomatic relations with China in 1992. At that time, South Korea’s leadership showed considerable creativity in foreign policy, including its handling of the Taiwan question. This diplomatic strategy allowed South Korea to tap into China’s vast market on one side, while also drawing on advanced technology and resources from Europe and the United States. As a result, South Korea found itself in a highly advantageous position for growth.

Thanks to this, South Korea's economy advanced rapidly, becoming one of the few Asian countries to join the ranks of developed nations and a member of the OECD. Its path of development is often cited as a model success story in Asia.

Of course, South Korea now faces a number of challenges: demographic aging, geopolitical tensions, the North-South conflict, and the delicate task of managing relations with China. These factors place the country at a critical crossroads, where it must carefully balance ties with its neighbors, particularly economic and diplomatic relations with its largest trading partner.

Culturally and historically, South Korea belongs to the Confucian cultural sphere and is part of the East Asian civilization, sharing deep-rooted ties and similarities with China. Looking ahead, South Korea's future development will remain closely linked to China's vast market and stable relations. This connection will be vital both for South Korea's economic prospects and for maintaining regional stability.

Chosun Ilbo: Since 2018, as US-China relations have grown more strained, how has South Korea's international position and role changed from China's perspective?

Henry Huiyao Wang: The situation can be described this way: from South Korea's standpoint, the deployment of the THAAD system some years ago triggered deep dissatisfaction and protests from China. South Korea must carefully navigate the geopolitical realities of dealing with major powers. On the one hand, it hosts US troops on its soil; on the other, it faces the nuclear threat from North Korea. Against this backdrop, maintaining a stable and constructive relationship with China is of critical importance. In a sense, South Korea would be well served by pursuing a balanced and pragmatic foreign policy.

In recent years, China-South Korea relations have gone through ups and downs. A relatively positive example came when President Yoon Suk Yeol declined to meet with Nancy Pelosi during her controversial visit to Taiwan. Since taking office, President Lee Jae Myun has also reiterated the importance of pursuing "pragmatic diplomacy" toward China, which is another encouraging sign. South Korea needs to remain clear-eyed about where its largest market lies: China is its biggest trading partner. For the sake of national interest and economic growth, preserving stable ties with China is indispensable.

On the North Korean issue, South Korea should take further steps to promote reconciliation on the peninsula. The new administration has floated some fresh policy ideas, which are positive signals. First and foremost, all provocative military actions should be halted, while efforts should be made to build a more durable peace mechanism. Since the Korean Peninsula is still technically in a state of armistice, it would be worth considering a formal peace agreement under the original Panmunjom framework, signed by the United States, China, South Korea, and North Korea, to ensure denuclearization and advance peace.

Overall, South Korea plays a pivotal role in maintaining regional stability, promoting North-South reconciliation, and managing China-US relations. With an active and steady diplomatic approach, the country can reduce risks and secure both its development and the security of the region.

Chosun Ilbo: What role do you think China can play in advancing peace on the Korean Peninsula?

Henry Huiyao Wang: I think China can play a very important role. As a neighbor of North Korea, China accounts for the majority of Pyongyang's trade and economic exchanges. Historically, too, ties run deep—during the Korean War, China sent hundreds of thousands of volunteers to support North Korea. This legacy underpins the enduring traditional bond between the two sides.

Today, South Korea is also economically intertwined with China, and Beijing has significant leverage when it comes to mediation. Recent examples show China's effectiveness in conflict resolution: brokering reconciliation between Iran and Saudi Arabia, easing tensions between Cambodia and Thailand, and helping mend relations between Pakistan and Afghanistan. These precedents demonstrate that China is fully capable of facilitating peace talks within a Panmunjom-based four-party framework, opening the way toward a new peace arrangement for the Korean Peninsula.

This is especially relevant now, as the US president has expressed interest in advancing regional peace and meeting both South Korean and North Korean leaders. China has successfully chaired the Six-Party Talks in the past and helped achieve UN Security Council resolutions. It is entirely feasible for China to help relaunch four-party negotiations under UN auspices to push the peace process forward.

Chosun Ilbo: Why reduce the Six-Party Talks to a Four-Party framework?

Henry Huiyao Wang: By “four parties,” I mean the original signatories of the Panmunjom Agreement. That framework is still valid today and could be used again.

Chosun Ilbo: Recently, South Korea's new foreign minister, Cho Hyun, said in an interview with the Washington Post that China is “becoming somewhat problematic with its neighbors.” What is your view of this remark? And given that it came after the new South Korean administration took office, what does such a sensitive statement suggest for China?

Henry Huiyao Wang: That remark reflects a clear misunderstanding and a lack of nuanced knowledge about China. In fact, it contains many misreadings and misjudgments. China today is one of the most important forces for peace globally. Whether in mediating regional conflicts or in other areas, China has consistently acted as a stabilizing “ballast stone.” It has become an essential anchor for global and regional economic stability, while also maintaining close ties with other nations and serving as many countries' largest trading partner.

As for the issues Cho Hyun alluded to, these likely involve the South China Sea or Taiwan Strait. On such matters, China has its own positions and reasons rooted in defending national sovereignty. To conflate these disputes with China's overall neighborhood policy is inaccurate. From a South Korean perspective, such statements lack responsibility and do little to support the stability or healthy development of China-South Korea relations.

Chosun Ilbo: Understood. In terms of economics, technology, and security, what do you see as China's strategic priorities toward South Korea? Not only economically, but also from a security perspective.

Henry Huiyao Wang: China's foreign policy has been consistent and coherent. As early as the Bandung Conference several decades ago, China articulated the Five Principles of Peaceful Coexistence, and that concept remains a cornerstone of Chinese diplomacy today. As a close neighbor with deep historical ties and cultural affinities, including what might be called a shared "chopstick culture," South Korea has a natural foundation for mutual trust and cooperation with China.

South Korea's strengths in high technology, particularly semiconductors and advanced manufacturing, complement China's vast market. Healthy China-South Korea relations not only ensure steady long-term economic growth for both sides but also foster people-to-people exchange and contribute to peace and stability on the Korean Peninsula. Good China-South Korea relations also create conditions for further progress in inter-Korean relations, which could bring more lasting peace to the peninsula.

From a geopolitical perspective, China is the peninsula's largest neighbor and principal economic partner. South Korea, therefore, needs to manage relations with China with particular care. At the same time, because US troops remain stationed in South Korea, the country must maintain strategic neutrality, focusing on developing economic and social exchanges rather than aligning too closely with any specific military bloc. During the Biden administration, South Korea joined the so-called Camp David Summit with the United States and Japan, forming a small-circle security alliance. Such moves are unfavorable for China-South Korea relations and deserve attention.

Overall, as China's influence, capacity for economic cooperation, and soft power continue to expand, South Korea, while keeping normal relations with other major powers, should attach great importance to friendly cooperation with China. This is a matter that requires special attention and careful handling.

Chosun Ilbo: In the past, China-South Korea economic cooperation was particularly close, largely because of market complementarities. But now, in areas like science and technology, especially high-tech industries, the two countries are also competitors, and in some sectors, China is even seen as having pulled ahead. In this context, how can South Korea continue to benefit from cooperation with China and maintain a mutually beneficial relationship?

Henry Huiyao Wang: I think there is still a great deal South Korea can do to strengthen cooperation with China. First, South Korea has historically had a very large number of students studying in China—at its peak, tens of thousands, more than from any other country. This is an area where the two sides can deepen cooperation. Korean and Chinese companies could also work together to expand into third-country markets, including Latin America, Africa, ASEAN, Central Asia, and the Middle East. South Korea's capabilities in these regions can complement China's outreach.

Second, South Korea's tourism industry remains very strong, and it is one of the most popular destinations for Chinese tourists. The inflow of Chinese visitors brings significant services trade revenue, which carries important economic value for South Korea.

Third, maintaining positive relations with China will also bring political and security dividends for South Korea. In the past, South Korea benefited economically from cooperation with China; in the future, it will also benefit from China's role in ensuring peace and stability on the Korean Peninsula, helping to prevent potential conflict. China's coordinating role in inter-Korean peace matters is crucial to South Korea's security.

From a historical perspective, China was a signatory to the Panmunjom Armistice Agreement, and good relations with China have never been to South Korea's detriment. On the contrary, they have delivered long-term benefits. South Korea should not measure cooperation with China purely in terms of trade volumes, but rather in a comprehensive way, including cultural exchange, student programs, and joint ventures in third-country markets. In regional trade cooperation, South Korea has expressed interest in joining the CPTPP, while China has also shown willingness. Under the RCEP framework, both countries can further advance the building of a China-Japan-South Korea free trade zone, where South Korea could play a significant role.

In addition, South Korea has already demonstrated leadership in promoting regional cooperation through the China-Japan-South Korea trilateral mechanism. It can continue to play that positive role in the future. The scope for cooperation is wide-ranging: maintaining good relations with China will not only generate economic benefits but will also support political stability, security, and regional peace. This is an effort worth pursuing further.

Chosun Ilbo: You just mentioned the North Korea issue and the Six-Party Talks. After the signing of the September 19 Joint Statement, there was a more concrete articulation of the goal of denuclearization of North Korea, as well as commitments to dismantle nuclear facilities. However, those promises were never carried out, and the process eventually stalled. At this point, North Korea has effectively become a de facto nuclear-armed state. In your view, what were the main problems with the Six-Party Talks model?

Henry Huiyao Wang: The Six-Party Talks were actually quite successful at the time. They laid the groundwork for subsequent UN Security Council resolutions, as all parties agreed that the Korean Peninsula should remain denuclearized. Both China and the United States voted in favor, which directly led to sanctions on North Korea. The process also paved the way for later high-level meetings between US President Donald Trump and the North Korean leader. In this sense, the Six-Party Talks played a critical role in building consensus.

The problem was that the talks did not continue. Because of regional tensions, changes of administration in the United States, and political shifts in South Korea and Japan, there was no continuous mechanism to ensure implementation. China, however, maintained a consistent and stable policy throughout.

Given that the current US president is actively promoting regional peace, China could work with the United States to push forward reconciliation and eventual reunification on the Korean Peninsula. With South Korea's new president, Lee Jae-myung, also signaling a willingness to adopt a more proactive diplomacy, favorable conditions exist for peace. China could serve as a key player in fostering reconciliation.

It is therefore entirely possible to build on the original four-party Panmunjom framework, revisit the armistice, and transform it into a peace treaty, thereby launching a new peace process on the Korean Peninsula, with China, the United States, and the two Koreas all participating. If such a process were to succeed, the benefits for South Korea would be considerable: the peninsula could emerge as a unified market of 70 to 80 million people, generating economic, political, and social dividends. Without question, this would represent a major strategic opportunity for South Korea's future development.

Part III Commemorating the Victory in World War II and Shared Historical Memory

Chosun Ilbo: In China, commemorations take place on September 3. South Korea is among the very few countries that mark this anniversary alongside China. Do you believe it would be significant for China if South Korea's new president, Lee Jae-myung, were to attend this year's commemoration?

Henry Huiyao Wang: I think it would be very important, and China would welcome such participation. Ten years ago, former South Korean President Park Geun-hye also came to Beijing for China's military parade. The symbolism is strong, as China and South Korea share the historical memory of the 80th anniversary of victory in the anti-fascist war. These commemorations attract many world leaders, and as a close neighbor, South Korea has every reason to take part.

Indian Prime Minister Narendra Modi is also expected to attend the Shanghai Cooperation Organization summit on the eve of the parade in China, even if he does not take part in the parade itself. His participation underscores an effort to demonstrate strategic autonomy from the United States and pursue greater independence in foreign policy.

For President Lee Jae-myung, personally attending China's commemoration would not only underscore South Korea's renewed reflection on Japan's wartime history but also help advance peace in Asia, particularly in Northeast Asia, by fostering a more unified regional voice. In my view, the South Korean president must participate, and such a gesture would certainly be warmly received by China.

Chosun Ilbo: The concern, however, is that leaders such as President Lee Jae-myung may weigh historical experience. A decade ago, after President Park Geun-hye visited China, the United States reacted to Seoul's growing closeness with Beijing, triggering a series of follow-up events. This time, when deciding whether to participate, President Lee may also take into account Washington's attitude and the potential consequences. In this context, South Korea's choice and situation appear quite complex. How do you assess this situation?

Henry Huiyao Wang: I don't think it should be a major concern. Today, every country should exercise a certain degree of strategic autonomy. India, for example, maintains good relations with the United States but still chooses to visit China. By the same logic, South Korea, as China's close neighbor, has every reason to take part in Chinese activities or visit China. Such exchanges represent reconciliation and interaction between nations. They should not be confined to visits to Washington alone, nor to Beijing alone. As a middle power, South Korea ought to maintain its own independence.

Moreover, these events also reflect history and shared memory. During World War II, China and South Korea fought together against Japanese fascism. That is a shared historical legacy, and participation in such commemorations carries significant meaning.

I would add that this has little to do with whether Trump might be petty-minded. Compared with Biden, Trump places greater emphasis on economic cooperation rather than geopolitical alliances. His reassessment of arrangements such as the AUKUS shows that he is less inclined to push multinational alliances than his predecessor, focusing instead on economic gains. If Trump returns to an economy-centered policy track, it may not necessarily be a bad thing for China. This would mean countries could engage in rational, healthy economic competition and cooperation, learning from each other's management and development experiences, and contributing more to the world. From this perspective, South Korea stands to gain significantly by maintaining a balanced approach to both China and the United States.

Chosun Ilbo: You mentioned a process of "reconciliation and cooperation." Could you elaborate?

Henry Huiyao Wang: Yes. What I mean is that South Korea needs to be more engaged in the process of managing US-China relations. The commemoration of the victory in the War of Resistance against Japan is also an important moment for reflection—"remembering the past to guide the future." China and South Korea share many experiences and understandings here, with plenty of common ground. These can be harnessed to better manage both China-South Korea relations and, at the same time, China-US relations. South Korea can act as a bridge, a go-between, and help improve and advance relations between Beijing and Washington. That role is entirely possible.

Chosun Ilbo: You just mentioned that South Korea may play a role in improving US-China relations. But what signal would it send to China if Seoul were instead to draw closer to Japan?

Henry Huiyao Wang: I believe China, South Korea, and Japan should all move closer together and deepen cooperation. After all, the three countries are in Northeast Asia, part of the East Asian cultural sphere, sharing a "chopstick culture" as well as deep roots in Buddhism, literature, language, and historical tradition. The three should forge tighter bonds and eventually extend regional cooperation to include ASEAN, perhaps even exploring the creation of an Asian currency and forming an "Asian

Union” akin to the EU. Within this framework, China, Japan, and South Korea could take on a leadership role, with ASEAN countries also participating.

This would be a highly promising direction. Asia's weight in the global economy is set to keep rising—today Asia accounts for about 50 percent of global GDP, and this may reach 60 to 70 percent in the future. Against that backdrop, major Asian economies such as China, Japan, South Korea, and eventually India can work together. At this stage, efforts should focus on building a Northeast Asia Free Trade Zone and integrating a Northeast Asia-Southeast Asia economic bloc, gradually shaping an open and free regional trade and cooperation mechanism—what could be called an “Asian Union.”

Such an approach would foster good-neighborliness and strengthen regional cooperation, which is vital for future peace and development. It is also noteworthy that in recent decades, Asia has seen few large-scale wars (apart from smaller clashes such as the recent Cambodia-Thailand dispute), giving both a historical and practical foundation for integration. China, Japan, and South Korea should be thinking seriously about how to better collaborate within the region and jointly lead the next stage of Asia's economic integration.

Chosun Ilbo: You just mentioned the idea of an Asian currency. Are you referring to something like a unified monetary system similar to the euro, or do you have other designs in mind?

Henry Huiyao Wang: Yes, why not consider an Asian currency? I believe this is entirely possible. If Asia's economy develops to a sufficient level, the region could certainly have its own currency—a unified Asian monetary system. Both in theory and in practice, such a system is feasible.

Chosun Ilbo: Looking ahead, in the context of China-South Korea cooperation, what would you identify as China's non-negotiable red lines in foreign policy? Could you give some concrete examples?

Henry Huiyao Wang: There are several points worth noting. First and foremost is the Taiwan question. Taiwan is an inseparable part of China, a fact that is widely recognized. Second, South Korea should avoid adopting a one-sided diplomatic strategy. Given its geographic position, deep economic interdependence with China, and its unique relationship with North Korea, Seoul cannot afford to take a unilateral stance—it must strike a balance among all parties.

Maintaining this balance is crucial, whether in managing relations with the United States, with China, or with Japan. South Korea should avoid being locked into a trilateral US-Japan-Korea military alliance or engaging in overly one-sided joint military exercises.

It is also important to remember that China remains South Korea's largest trading partner. Bilateral relations should be further deepened. Recently, South Korea's decision to grant temporary visa-free entry to Chinese tour groups was a positive step. Looking forward, Seoul could also consider easing visa restrictions for individual Chinese travelers and expanding opportunities for Chinese students to study in South

Korea, while also encouraging more South Koreans to study in China. Such measures would foster greater practical cooperation between the two countries.

In summary, the fundamental red line in diplomacy is not to infringe on each other's core interests. That, I believe, is the most important principle.

Part IV Leadership Dynamics and Future Outlook

Chosun Ilbo: Understood. You also mentioned that the APEC Leaders' Informal Dialogue will soon be held in Gyeongju, South Korea. This will be an important opportunity for Chinese and Korean leaders to meet. What issues do you expect the two sides to focus on in such a face-to-face meeting? What impact might these discussions have on the future of China-South Korea relations?

Henry Huiyao Wang: I think this is indeed very significant. With South Korea hosting this year's APEC Leaders' Informal Dialogue, the event itself provides an excellent opportunity. Looking back at last year's APEC meeting in Lima, there was even a US-China leaders' summit. This year, Seoul may play an important role in facilitating another such meeting. As host, the South Korean leader's engagement with the Chinese leader would also highlight Korea's diplomatic strengths—its neutrality, fairness, and ability to maintain balance—and could help foster more constructive regional relations.

Historically, APEC has achieved remarkable results, advancing many forms of cooperation among member economies. As the forum has grown into a central platform for Asia-Pacific economic cooperation, its leaders' meetings remain highly influential in driving integration. Notably, APEC includes China, Chinese Taipei, and Hong Kong, which demonstrates its unique value in bridging differences and fostering regional cooperation. I would even suggest that South Korea could consider inviting North Korea to participate, using APEC as a breakthrough to promote reconciliation on the peninsula, and potentially convening a four-party meeting involving China, the US, South Korea, and North Korea on the sidelines.

On the economic agenda, advancing Asia-Pacific integration remains a key objective. While frameworks such as RCEP and CPTPP are already in place, APEC proposed the idea of a Free Trade Area of the Asia-Pacific (FTAAP) many years ago. In my view, building a comprehensive pan-Asia-Pacific free trade area should be a central topic at this year's APEC meeting. Such an initiative would not only help counter the challenges of unilateralism and protectionism but also serve the shared interests of South Korea, China, Japan, the EU, and others in pursuing deeper trade integration. Upholding Asia-Pacific integration and advancing free trade will, I believe, be defining themes of this year's APEC discussions.

Chosun Ilbo: South Korea has long expressed some concerns about Asian economic integration, mainly regarding the influence of Chinese standards. As a major power in Asia, China carries significant weight in standard-setting, and its supply chains dominate many sectors—factors that naturally draw South Korea's attention. In addition, Seoul's security and geopolitical ties with Western countries have, to some extent, constrained its participation in regional integration. Taken together, these factors shape Korea's hesitation toward deeper integration in Asia. Given these concerns,

what persuasive arguments should China put forward to help South Korea better understand and feel willing to participate in this integration process?

Henry Huiyao Wang: If South Korea wishes to demonstrate leadership, APEC is an excellent opportunity, since the role of host comes only once in many years. In this regard, I don't think South Korea needs to be overly worried. The United States has created many globally accepted standards; Europe has also set important international standards. Now, with China's development, new standards have naturally emerged. For instance, in green energy, clean energy vehicles, solar power, and photovoltaics, China has introduced new benchmarks, and in the future, it may also set standards in fields such as 5G and 6G. As long as these standards are open and globally friendly, they can be adopted. Standards should not be rejected simply because they originate in China, nor should they be divided along ideological lines. This is precisely the direction that should be further encouraged.

At the same time, my emphasis on the Free Trade Area of the Asia-Pacific stems from the fact that its creation would necessarily be consensus-driven. The process would involve the United States, Japan, South Korea, China, and others—no single country could dominate. Through negotiation, it is possible to establish new standards that all sides can accept, thereby advancing Asia-Pacific integration. There are already precedents for this. RCEP, for instance, was concluded after many years of negotiations and includes ASEAN, China, Japan, Korea, Australia, and New Zealand. There is also CPTPP, a higher-standard agreement covering investment and other areas, which the EU, China, and Korea could also join in the future to drive regional cooperation.

From this perspective, the APEC summit offers South Korea an excellent platform to showcase its ability to shape the agenda and exercise summit leadership. This is a highly valuable opportunity.

Chosun Ilbo: On a related note, if China's top leader were to visit Korea during this summit, it would be the first visit in 11 years. For South Korea, such a visit would carry enormous significance and is already generating high expectations. Beyond the topics related to international multilateral organizations and mechanisms that you just mentioned, what other issues do you think the two leaders might discuss during a bilateral meeting? And what major impact could these discussions have on the future of China-South Korea relations, given that this would be a direct leader-to-leader exchange?

Henry Huiyao Wang: The significance of such a visit cannot be overstated. As you mentioned, it could be the first visit by China's top leader to Korea in more than a decade—that is one important aspect. Another is that South Korea has just gone through a political transition and now has a pragmatic new president. This creates a clear need for a new narrative in China-South Korea relations.

At present, many countries are improving their relations with China. Leaders from India and various European states have recently visited, as have those from Latin America, ASEAN, and neighboring countries such as Vietnam. Against this backdrop, China and South Korea need to construct a new narrative: as close neighbors

with deep historical ties and long-standing cultural traditions, they share the heritage of East Asian civilization, are both part of the Confucian cultural sphere, and even reflect common traits such as the “chopstick culture.” A leaders’ summit provides a valuable opportunity to dispel mutual suspicion, rebuild trust, and strengthen confidence in the bilateral relationship.

For example, the release of a photo of the two leaders shaking hands, or the issuance of a new joint communiqué, could reaffirm both sides’ positions, advancing denuclearization on the Korean Peninsula and promoting regional peace. China can play an active role in mediation and dialogue. At the same time, in terms of economic cooperation, China and South Korea could further strengthen cooperation on issues such as the CPTPP and broader Asia-Pacific economic integration.

China and South Korea could also expand people-to-people and cultural exchanges in the context of third-party cooperation. Korean dramas, for instance, once enjoyed immense popularity in China, and this kind of cultural resonance could be reactivated and elevated to new heights. A high-level summit provides an opportunity to realize these goals, which could generate tangible and positive outcomes.

Chosun Ilbo: My second-to-last question is about the book *The Clash of Civilizations*. In it, the author identifies China as the core of the Sinic world. Do you think the present era validates some of the book’s arguments? For example, could US-China competition be understood as a structural struggle between Western civilization and the Sinosphere? From this perspective, which parts do you agree with, and which do you reject?

Henry Huiyao Wang: I believe that while differences between civilizations certainly exist, they do not inevitably lead to war. Chinese civilization is an extensive and profound tradition with an unbroken history of more than 5,000 years. It originated in the agrarian societies of the Yangtze and Yellow River basins, where stability, careful cultivation, and orderly management of land shaped values emphasizing order and harmony.

This cultural foundation nurtured a philosophy of peace, expressed in the idea that “harmony is most precious.” Historically, when Admiral Zheng He sailed to the Western Seas—long before Columbus reached the Americas—he did not pursue colonial expansion. China’s rise has never implied a quest for hegemony; the Western notion that “a strong nation must dominate” does not apply to the Chinese cultural tradition. Today, China promotes economic globalization and initiatives such as the Belt and Road Initiative, encouraging mutual interdependence. The concept of “you are in me, and I am in you” makes a full-scale China-US trade confrontation unworkable, reflecting instead the value of cooperation and inclusiveness among civilizations.

From this perspective, the breadth of East Asian and Chinese civilization should be celebrated, while also recognizing the strengths and values of Western civilization. The world has entered an era of peaceful competition, where differences among civilizations are no longer addressed through conquest or force. In the context of nuclear

deterrence, the destructiveness of war makes direct conflict almost unthinkable, so competition must be constructive, primarily in economic and cultural spheres.

China has demonstrated clear strengths in this competition. At the same time, the broader East Asian region, including South Korea, Japan, and Southeast Asian countries, also form part of the East Asian civilizational sphere. The positive elements of this shared heritage should be leveraged to prevent conflict and war and to foster regional cooperation. At the heart of Chinese civilization lies a culture of peace, and it is on this foundation that the present era should be understood and peaceful competition between civilizations and nations achieved.

From a military perspective, even China's parade reflects this principle. They are not intended merely as displays of force but as demonstrations of self-defense and resilience, signaling that China does not seek conflict but is prepared to respond to potential threats. This underpins the sustainability of peaceful competition. In the current era, competition should be understood as peaceful competition, civilizational competition, and economic competition. East Asian countries should work together for shared development.

Chosun Ilbo: Finally, do you have a message for South Korea about its next 80 years, or is there anything you would like to add that we haven't yet discussed? Please feel free to share your thoughts.

Henry Huiyao Wang: Yes. I believe South Korea is a highly meaningful example for Asia. Since World War II, it has been one of the fastest-growing countries in the region and among the few to enter the ranks of developed nations, second only to Japan. It also possesses a rich culture and a long history. Historically, relations between China and South Korea have been generally positive, and as close neighbors, the two should continue to deepen cultural exchange and cooperation.

At present, South Korea faces the critical challenge of peace on the Korean Peninsula. Looking ahead, it should work more closely with both China and the United States to resolve the North Korean nuclear issue and achieve peace and eventual reunification on the peninsula. I see this as the most important direction for China-South Korea cooperation and the most vital task for South Korea's future. My message to South Korea is therefore this: I hope that four-party talks can proceed smoothly, laying the groundwork for a sustainable peace framework on the Korean Peninsula and ensuring long-term regional stability and prosperity.

Chosun Ilbo: Thank you! This interview lasted exactly one hour. I truly appreciate your time and cooperation.

Henry Huiyao Wang: Thank you very much.

Chosun Ilbo: I look forward to seeing you again at the next event.

Modi's China Visit and Putin's Attendance Highlight SCO'S Role²

CCG President Henry Huiyao Wang tells Hong Kong's Television Broadcasts Limited that China, India, and others could take the lead in responses to trade wars, Ukraine, and the Middle East.

The 25th Meeting of the Council of Heads of State of the Shanghai Cooperation Organization (SCO) was held in Tianjin from August 31 to September 1, 2025. This is the fifth time China has hosted the SCO summit and the largest since the organization's founding.

Before the summit, on August 19, Henry Huiyao Wang gave an interview to Hong Kong's Television Broadcasts Limited (TVB), one of the world's largest commercial producers of Chinese language programmes. He analyzed the key issues likely to be discussed at the upcoming Tianjin summit, including global security, trade frictions, economic cooperation, and major regional relations.

SCO Tianjin Summit: Get Ready for Big Moments

TVB: What do you consider the key areas that deserve particular attention at this year's SCO summit?

Henry Huiyao Wang: The SCO has become an important driver in promoting regional and global harmony. In the face of global trade frictions, the question has arisen of how to respond effectively to issues such as the Russia-Ukraine war, the Israel-Palestine conflict, and persistent instability worldwide, especially the recent escalation in the Middle East. The SCO should articulate its views and positions, which is why the statements and positions to be presented at this year's summit on these major international issues warrant particular attention.

Meanwhile, the attendance of both Chinese and Indian leaders at the SCO summit has drawn significant attention, particularly as Indian Prime Minister Narendra Modi is visiting China for the first time in seven years. This development alone underscores the importance of the event. Additionally, given the ongoing tensions between India and Pakistan, the simultaneous presence of both countries' leaders on this international platform is also worthy of close observation.

This summit will also witness the participation of leaders from an even greater number of countries. It is particularly noteworthy that a significant portion of these leaders will remain in China after the meeting to attend a military parade on September 3rd commemorating the 80th anniversary of the victory in the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War. This series of events highlights the importance of the SCO and its increasingly prominent role in a multipolar world.

TVB: Given that economic and trade wars, as you've mentioned, are likely to be major topics of discussion at this summit, what potential consensus do you believe

² This is a translation based on a transcript of the original Chinese interview, which is available on CCG's official WeChat blog.

participating countries will reach on this issue, especially against the backdrop of the US employing tariff threats and hegemonic practices?

Henry Huiyao Wang: Since taking office, Trump has abandoned multilateralism in favor of unilateral measures. He has demanded tariff revisions from more than 100 countries and imposed substantial increases on many of them. Tariffs have risen sharply on imports from the European Union, Japan, South Korea, and several ASEAN member states. Relations with China remain in a state of repeated suspension, with both sides again postponing the imposition of 24% tariffs for another 90 days. After the recent talks in Stockholm, this uncertainty continues.

I believe the future course will depend on how different nations choose to respond. China's approach has been to refuse intimidation, to stand firm in resistance, and to counter US unilateral sanctions with corresponding measures. This approach has, to some extent, set an important example for the world. In this regard, if countries of the Global South, such as Brazil, South Africa, and India (which itself remains in a stalemate with the United States), can draw lessons from China's experience, it could significantly strengthen collective efforts to resist unilateralism and trade coercion.

China has played a leading role in responding to the tariff war. At the same time, the future world requires greater efforts to uphold multilateralism. Although the World Trade Organization (WTO) has not yet been able to fully perform its functions, China can play an even more significant role in promoting regional multilateralism, such as in the Regional Comprehensive Economic Partnership (RCEP).

SCO's Success Code: Unity Despite Divergence

TVB: Focusing on the SCO as a mechanism, in which areas must it strengthen unity to address challenges from the US?

Henry Huiyao Wang: First and foremost, the Shanghai Cooperation Organization (SCO) is a highly significant platform. Unlike US-led organizations such as NATO, the SCO is marked by strong inclusiveness, bringing together members such as India, Central Asian states, Russia, and China. Although these countries differ in their social systems and models of governance, the SCO does not create divisions along ideological lines. This contrasts sharply with the Group of Seven (G7), which frequently frames its agenda around the narrative of "democracy versus autocracy." By comparison, the SCO emphasizes security, shared prosperity, and common development, with economic globalization at the core of its mission. The greatest strength of this coalition of states lies in its vast economic potential and broad prospects for future growth.

The SCO is not just an economic community but rather a new platform for multilateral collaboration. As the organization continues to evolve, its member states are actively exploring innovative models of cooperation. Last year's "Shanghai Cooperation Organisation Plus" meeting in Astana, Kazakhstan, for instance, yielded many constructive proposals aimed at enhancing regional cooperation. These efforts have collectively charted a clear course for the organization's future development.

Therefore, I believe the SCO can progressively evolve into a more multilateral platform for regional economic and trade cooperation. This would not only help

deepen economic ties among member states but also provide an effective means to collectively address the unilateralism and trade protectionism currently championed by the United States. From this perspective, the SCO carries a significant mission in its future development.

TVB: However, if, as you just mentioned, SCO member states have differences in ideology and systems, wouldn't reaching consensus on areas like trade and tariffs face significant difficulties? Is there a possibility that each country might pursue its own agenda, leading to fragmented positions?

Henry Huiyao Wang: Indeed, such a scenario cannot be ruled out. Despite considerable differences in national values, the key advantage is that countries generally follow the principle of seeking benefit and avoiding conflict, and all are in pursuit of common interests. In this sense, whether between China and Russia, China and India, China and the Central Asian states, or even China and Iran, there are substantial shared interests. By aligning these interests, member states can forge closer bonds.

In fact, the WTO is an international organization that encompasses countries with diverse ideologies, and the SCO possesses similar potential. In the future, the SCO could potentially not only expand its membership but also enhance its economic appeal by promoting the establishment of development zones and economic cooperation areas among member states. Meanwhile, as Chinese companies accelerate their "going global" strategies, they have been widely welcomed across SCO nations, laying a solid foundation for deeper collaboration within the organization.

Even with ideological differences, economic integration can help reduce mutual distrust and thereby enhance bilateral and multilateral cooperation. This approach, in turn, helps bridge divides and strengthen mutual trust. For example, the economies of China and India are highly complementary. While India rivals China in terms of population, it still has vast development potential in areas such as infrastructure, rural development, the digital economy, environmental protection, and green energy, all fields where China possesses significant advantages. There is also substantial potential for collaboration in sectors like real estate.

If the SCO can reach consensus in these areas, it will not only help stabilize relations among member states but also deepen China's cooperation with member countries. More importantly, it could align with the Belt and Road Initiative, thereby playing a critically important role.

TVB: Is it possible for the member states to unite and form an alliance to counterbalance the United States?

Henry Huiyao Wang: At present, it appears that countries such as India and some other member states do not necessarily endorse the idea of uniting the SCO into an anti-US alliance. In fact, China has never advanced such a proposal. China has consistently stressed that the SCO should adhere to principles of "non-alignment, non-confrontation with other countries, and openness." This has been the guiding philosophy of the organization since its founding and throughout its development.

However, SCO member states do share common security needs. In areas such as counterterrorism, combating extremism, addressing cyberattacks, and preventing

threats to space security, the SCO is well-positioned to facilitate connectivity and the sharing of resources and intelligence. When necessary, if a member state faces external threats, the organization can also respond through information exchange, mutual support, and even joint actions, provided that such efforts align with just and legitimate causes.

From this perspective, the SCO already possesses a solid foundation and institutional capacity for cooperation. It has the potential to evolve not only into a more multilateral platform for economic collaboration but also into a framework for security cooperation and may even expand into a comprehensive multilateral mechanism in the future. In my view, the SCO is not necessarily oriented against any third party or designed to confront any specific nation. Instead, it is more likely to grow into a significant platform guided by principles of self-defense and win-win cooperation.

TVB: Member states can deepen their cooperation in finance and trade.

Henry Huiyao Wang: Absolutely, I believe this is entirely feasible. For instance, various new financial experiments could be explored, including the possibility of using currencies other than the US dollar for trade settlements among SCO member states. Additionally, the SCO could consider establishing its own economic development zones. In this process, the role of a “leading engine” is crucial. As the largest economy within the organization, China is undoubtedly positioned to take on significant responsibility in guiding these efforts.

This encapsulates the significance of the SCO as I understand it. It should aim to expand the “pie” through economic cooperation and, by closely interlinking interests, promote not only a shared future but also a community of common interests among member states. On this foundation, it is possible to gradually bridge differences in ideology and values, thereby safeguarding common security, development, and prosperity.

Putin's and Modi's Attendance Highlight China's Key Role

TVB: A major highlight this year is President Putin's attendance at the SCO summit. In your opinion, how can China and Russia further enhance their cooperation following this meeting?

Henry Huiyao Wang: The Russia-Ukraine war has now dragged on for three and a half years, and President Putin has come to realize this is a protracted war of attrition. Russia is not only confronting Ukraine but is effectively locked in a standoff with the whole of Europe and even the Western world. Russia is experiencing growing fatigue and faces increasing difficulty in sustaining the confrontation indefinitely.

In a sense, it is the maintenance of normal trade relations by SCO countries such as China and India with Russia that has prevented the Russian economy from collapsing swiftly under Western sanctions. I believe Putin must be profoundly grateful for this.

Recently, I published an article in *Foreign Policy* noting that the US president currently seeks to promote peace talks and mediation regarding the Ukraine issue. He has already invited Zelenskyy and several European Union leaders to meet with

Putin in Washington. If negotiations indeed move forward and lead to an agreement, the discussion would likely extend to the deployment of peacekeeping forces after a potential border freeze. Clearly, these peacekeeping forces cannot be entirely provided by the EU. The United States has also explicitly stated that it will not deploy troops, meaning the mission would require a joint force comprising both EU and non-EU contributors. The question then arises: where would these non-EU forces come from? They would most likely be drawn from SCO member states, such as China, India, and Pakistan.

When Putin eventually enters genuine negotiations with the US president, the Ukrainian President, and European Union leaders, a critical question will emerge: While Ukraine would be backed by numerous EU countries in potential peacekeeping operations, who would stand behind Russia? After three and a half years of war, Putin is well aware that the root of this war lies in NATO's eastward expansion. Hence, he is unlikely to accept the redeployment of NATO or European troops near the contested border. A more realistic solution would be a United Nations-led peacekeeping force, composed of troops from both EU and SCO member states, working together to maintain a new ceasefire line between Russia and Ukraine. In my view, this may be exactly what Putin will urgently need moving forward.

TVB: Two weeks after the recent US-Russia summit, the leaders of China and Russia are also scheduled to meet. Do you believe China can play a greater role in facilitating a ceasefire between Russia and Ukraine?

Henry Huiyao Wang: I believe China is indeed well-positioned to play a greater role at this stage. As a permanent member of the UN Security Council, China carries no historical burden in this conflict. At the same time, it is a major trading partner of both Russia and Ukraine and maintains constructive relations with each. This places China in a particularly important position, especially with regard to offering potential security guarantees.

Even if Russia and Ukraine eventually reach an agreement, the question of who can provide credible guarantees remains central. While the United States, the European Union, or NATO could theoretically offer such guarantees, it is uncertain whether Putin would fully accept or trust them. However, if the Shanghai Cooperation Organisation, particularly China and India, were to play a role in the guarantee mechanism, it would carry substantial weight and would be far more likely to be accepted by Putin.

Therefore, I am convinced that SCO countries, particularly China and India, can play crucial roles in ultimately achieving a peaceful resolution to the Russia-Ukraine war.

TVB: The outcome could potentially be more significant than what a standalone meeting between Trump and Putin might achieve.

Henry Huiyao Wang: That is entirely possible. In my article for *Foreign Policy*, I proposed the idea of convening a seven-party talk, which could be held in Beijing. The five permanent members of the UN Security Council, along with the European Union, Ukraine, and even India, could even form an eight-party dialogue hosted in

China. This initiative would aim to promote a resolution to the Russia-Ukraine war while also addressing future reconstruction efforts in Ukraine.

China possesses significant advantages in global infrastructure development and could provide loans to Ukraine through the Asian Infrastructure Investment Bank (AIIB). While the United States has already signed major mineral agreements with Ukraine, I believe China's participation in promoting Ukraine's reconstruction would hold highly positive implications for Sino-American cooperation in jointly advancing a resolution to the Ukraine issue.

TVB: Another focal point of this summit is Indian Prime Minister Narendra Modi, who is visiting China after a seven-year interval. What do you believe this signifies?

Henry Huiyao Wang: I believe the international situation has changed significantly. India, a nation with deep pride in its history and culture, has consistently upheld a policy of "strategic autonomy." Recently, however, the United States imposed restrictions on India, levying additional tariffs on Indian exports on the grounds that it had "directly or indirectly imported Russian oil." Such measures are, in essence, unfair, as normal trade should not be subject to sanctions. This episode serves as a clear warning to India: even in the context of friendly relations with the United States, countries must still strive to maintain balance in their dealings with major powers.

As a close neighbor and the world's second-largest economy, maintaining positive relations with China offers numerous benefits for India. At the same time, India is not a country that places excessive emphasis on ideology. In my view, India has ample reason to advance its relationship with China. I recently attended the Indian Embassy's Independence Day reception, where the Indian Ambassador noted that in 1950, India was the first non-socialist country to establish diplomatic relations with the newly founded People's Republic of China. This year marks the 75th anniversary of diplomatic ties between India and China, which carries profound historical significance.

The combined population of China and India amounts to approximately 2.8 billion people, accounting for over one-third of the global total. Should the two countries pursue collaboration in the future, it would carry significant strategic implications, contributing to a more stable and substantive multipolar world.

TVB: Is this also because they have come to realize that the United States, the "big brother," is not entirely reliable, prompting them to seek stronger ties with China?

Henry Huiyao Wang: India has clearly adopted a pragmatic approach. There was once a perception that if China-US relations grew tense, India could maneuver between the two sides and gain certain advantages. In reality, however, the United States has continued to prioritize its own interests at critical moments, regardless of partnerships or alliances. This has led India to recognize that "a close neighbor is more valuable than a distant relative," highlighting the importance of strengthening its relationship with China.

The current timing is highly significant. Foreign Minister Wang Yi's recent visit to India has provided an opportunity for enhanced cooperation between these two major

countries. Should China and India join hands, they could play a much greater role in international affairs. Furthermore, China's strengths in market capacity, infrastructure development, green energy, digital economy, and various products, particularly new energy vehicles (NEVs), hold substantial potential in India. With NEV penetration in India standing at only around 1%, compared to over 45% in China, there is clearly vast room for collaboration.

If China and India, each with a population of 1.4 billion, can join hands and set aside their disputes, they would achieve remarkable outcomes in promoting regional and global peace.

TVB: In which areas could breakthroughs be achieved between China and India, and how can cooperation be further strengthened?

Henry Huiyao Wang: There are many areas where China and India could make breakthroughs. First, if conditions permit, the meeting of the leaders of China and India could produce a joint statement. For example, both sides could explore ways to expand bilateral trade, advance negotiations on a possible free trade agreement, or even consider India's accession to the RCEP. Another step would be to increase flights between the two countries. While services are reportedly set to resume in September, it would be desirable to see more routes opened.

Furthermore, the two countries could promote greater openness in bilateral tourism, ease visa policies, and expand opportunities for Indian students to study in China. Before the pandemic, a large number of Indian students pursued education in China, though that number has since declined. China could also grant India broader access to its educational and other competitive resources. In addition, cooperation in new energy, environmental protection, and other sectors holds considerable promise.

Moreover, China and India can collaborate more closely on the global stage, such as within the WTO, the United Nations, and other multilateral platforms. India has now become the world's fourth-largest economy and is expected to overtake Germany to rank third within the next two to three years. Combined, the economic scale of China and India would surpass that of the United States. Cooperation between the "Dragon and the Elephant" may well serve as a stabilizer, an anchor, and a ballast for the future world order. In the long run, China-India relations carry profoundly important strategic significance.

TVB: Following this event, do you believe India will move closer to China in the long run, or will it continue to prioritize its own strategic calculations?

Henry Huiyao Wang: In a sense, India is a relatively independent and "non-aligned" nation. It cannot be expected to act entirely in line with China, but it is likely to maintain a relatively neutral stance. Nor would it serve China's interests for India to lean wholly to one side in relations among major powers. That said, it would be highly beneficial if India were to sustain positive relations with China, especially through deeper bilateral cooperation.

At the same time, China can play a balancing role in the tensions between India and Pakistan. Having previously mediated between Saudi Arabia and Iran, as well as in issues involving Afghanistan and Pakistan, China is also well-positioned to

help resolve differences between Pakistan and India. In this sense, China can take on a more significant role in promoting peace, encouraging dialogue, and facilitating reconciliation. Improving and fostering India-Pakistan relations would also serve as a crucial measure for China to enhance regional security.

TVB: This summit also marks the first meeting between the leaders of India and Pakistan since the outbreak of conflict between the two countries.

Henry Huiyao Wang: Indeed, both the Indian and Pakistani leaders will visit China on this occasion, marking their first trips to the country since the outbreak of conflict between the two nations. The platform provided by China holds considerable appeal for them and may facilitate new breakthroughs. I am confident that Chinese leadership will play a greater role in mediating dialogue and promoting reconciliation between India and Pakistan, thereby advancing regional peace. Should both countries gain more support from China throughout this process, it would further improve Sino-Indian and Sino-Pakistani relations. Such progress would contribute to peace and stability in the South Asian subcontinent and generate positive ripple effects for Northeast Asia.

TVB: Another point to note is that the Iranian president will also be visiting Tianjin. In light of the recent US strikes on Iranian nuclear facilities, do you think this will prompt Iran to pursue closer cooperation with China, particularly as it looks to acquire Chinese military equipment after observing the India-Pakistan conflict?

Henry Huiyao Wang: I believe this is entirely possible. The Iranian president's visit highlights the stable and positive relationship Iran has maintained with China's leadership, as well as China's role as the largest importer of Iranian oil. Having recently faced considerable external pressure, Iran now needs more international support to uphold justice and legitimacy, whether in the United Nations, the International Atomic Energy Agency, or on issues such as the Israeli-Palestinian conflict in the Middle East. In these arenas, China is well-positioned to serve as an important voice and source of support.

Amid broader conflicts in the Middle East, the SCO also has the potential to play a constructive role. I expect Iran to benefit significantly from participating in this summit and to feel both understood and supported by China. Tehran may well come to recognize that with China's involvement, the international order can be made more secure. In my view, in a multipolar world, the SCO can play a bigger role in advancing peace, promoting development, and fostering integration. I therefore have high expectations for the upcoming SCO Tianjin summit.

Modi and Xi Jinping Will Resist Any Trump Tariff Pressure³

As top diplomats from China and India met in New Delhi ahead of the potential first visit to China made by Indian Prime Minister Narendra Modi in seven years, the Center for China and Globalization (CCG) presents an interview with its president, Henry Huiyao Wang, on Republic TV, a leading English-language news channel in India. The interview, uploaded to YouTube on August 14, 2025, featured Wang in conversation with Republic TV's executive editor. Wang said India and China "should really stand up and work together to safeguard the multilateral system" and emphasized that Modi's long-overdue trip to China could "generate some positive results."

Republic TV: It's been a while since India and China sat across the table and had a genuine conversation, one that's not hostile and one that's not cold. And with the recent tariff issue vis-à-vis Trump and America, the BRICS nations have come closer than ever before.

I have someone very interesting with me on Republicworld.com today. His name is Dr. Henry Huiyao Wang. He's joining me live from Beijing. Dr. Wang is the founder and the president of the Center for China and Globalization (CCG), and he's also the former counsellor to China's State Council, so he knows a thing or two about Chinese foreign affairs and what this moment means for India, China, and the Global South. Thank you, Dr. Wang, for speaking to Republic TV.

Henry Huiyao Wang: Thank you, moderator. Absolutely. I think we are getting into a turbulent time. China often says we are seeing changes unseen in a century because the world has been greatly disrupted. This year marks 80 years of the establishment of the UN. The world we are familiar with has lifted so many billions of people out of poverty, but the system we have gotten used to is really in danger now. We see unilateralism being practiced by the United States, and President Trump actually wants to upend, or maybe reboot, the global system in a different direction.

So, I think we have a lot of challenges. India, of course, feels that, China feels the same. The EU, Japan, South Korea—you name it. A wide range of countries in the world all have this kind of disruption. But I think you're right. It's time that big countries like China, India, and the Global South, including the European Union, should really stand up and work together to safeguard the multilateral system. Even though it's not perfect, we should practice more free trade and also resist the pressure that is unilaterally put upon all of us.

I think it is high time that we get together, meet each other, compare notes, and say: let's really do things that are good for our world, and let's really make things happen. So I think this is an absolutely crucial time, a crucial moment, and we are really expecting Prime Minister Modi's visit to China, which has been overdue for a long time. But I'm very glad to see the world's two most populous countries now getting together, and I'm sure this meeting will generate some positive results.

³ This is the full transcript of the interview. Neither of the speakers has reviewed the transcript.

Republic TV: I'm going to go straight into it, Dr. Wang, to the elephant in the room. I'll be very honest with you. Here in India, we've had a war with Pakistan. It's called Operation Sindoor. It's a short war, but a lot of things have happened from the Pakistan end. There was a terrorist attack, and we know where those terrorists came from. There was an investigation.

Now, there is a feeling in India, and some of our generals also have gone on record, that China perhaps gave some support to Pakistan in this war. Now, when it comes to China and India relations, there is Pakistan, which has suddenly become a thorn, if I can say that, in relations between India and China. How do you see China tackling this Pakistan issue?

Henry Huiyao Wang: Well, China, as we all know, wants to maintain friendly and peaceful relations with all its neighbors. That's for sure. China and Pakistan have had good relations for decades, and unfortunately, we have seen some ups and downs in China-India relations. But I'm sure China wants to get along with India as well. India is a much larger and much more influential country and one of the biggest neighbors to the south of China. I don't see a reason why China can't get along with India, or India can't get along with China.

Once we have this South Asia relationship going, for example, let's resolve differences in the framework of the Shanghai Cooperation Organization or in BRICS. We are all members of those, and I'm sure China could play a mediating role between India and Pakistan, like China did with Cambodia and Thailand recently, and with Saudi Arabia and Iran a few years ago. I'm sure China has the best interest in maintaining good relations with both India and Pakistan. Things have happened in the past, there have been ups and downs, but we should all look at this with new perspectives and new solutions.

Republic TV: You've been close to the establishment in China. Do you think that it's possible? Is that the mood also in Beijing, that hopefully, when the Prime Minister of India, Narendra Modi, goes there in the next few months, there is a possible reset? Is a reset really possible vis-à-vis China and India?

Henry Huiyao Wang: I think it's totally possible. Why not? We used to enjoy good relations. We established diplomatic ties when China was established in 1949. We have 75 years of good diplomatic relations. And we share a long history between the two countries. I remember the first Chinese student who went abroad was Xuanzang, who went to India to bring Buddhism back to China. We learned a lot from India. So I see no reason.

There are so many similarities. We face the same environmental challenges, infrastructure challenges, and telecom and manufacturing opportunities. There is so much complementarity. China doesn't have to look very far—just look to the southern border with India. We could do a lot of good things together. I see this as high time that we reset. We should keep the interests of our 2.8 billion people in mind. That's a huge chunk out of the 8 billion in the world. It's so important, so powerful. If China and India can join hands—of course, not at the expense of other countries, but for our own interests—we can do much better than what we are doing now.

Republic TV: Okay, let me ask you a question. Now, I'm asking you this question as someone who heads a think tank in China. Because it's current, it's just happened. You have the Pakistani army chief, who is now a field marshal, who is in America right now. And he makes a comment in America saying that if things go very far with India, if there's a war, we can wipe out half of the world. When he makes a comment like that, when he means "half of the world," China would be affected, because you're on this half of the world with India. So, how does China look at a comment like that from a very, very senior field marshal, to say the least?

Henry Huiyao Wang: I haven't heard that myself, just from you. But what I see President Trump doing is also being in the mood of making deals, brokering peace, like he just did with Armenia and Azerbaijan, and also with Cambodia and Thailand. I think China and the United States can work together to broker peace for India and Pakistan, and even for Russia and Ukraine, and even for the Middle East to some extent.

The United States invited Indian Prime Minister Narendra Modi there in February, and they are talking to all parties. That should also be the policy with China: talk to all parties. For the first time in six years, Prime Minister Modi is personally coming to China for the Shanghai Cooperation Organization summit, and also for a state visit. We are really looking forward to that. I think there is much room to talk, and we can really work things out with much better understanding, dialogue, and face-to-face meetings, rather than through outer space.

Republic TV: Of course, there have been several sticking points over the last decade, I would say. You've had the faceoff in Doklam and in Galwan between India and China. There have been skirmishes at the Line of Actual Control. Is it possible that both countries leave all of that behind? And looking ahead, Dr. Wang, what would be the areas of cooperation that you see as possible to take the India-China story forward?

Henry Huiyao Wang: Absolutely. This is so crucial. Since 1962, for the last 56 years, we haven't had any big events except for the last few years when we saw some trouble in those icy, unlivable, very remote areas. Why should we be so fussy about those unproductive areas? Let's maintain the status quo and conduct consultations through the current dialogue channels.

I think it's more important, with the challenges of war and nuclear proliferation in Europe and Gaza, and now possibly in our neighborhood, that we focus on cooperation to maintain peace. We should use our efforts to generate more economic cooperation.

China and India have so much in common. We have a lot to learn from each other. China can help India in many ways. China has developed the best infrastructure in the world. India is the largest recipient of loans from AIIB, which was founded in China. We also used to have many Indian students studying in China. During COVID, there were 20,000–30,000 Indian students in China. Now they have all gone back, but we hope they come back again.

We should do more on rural development, digital development, AI, environmental preservation, sustainable development, and green power. These are all areas we can collaborate on. I see a much bigger pie, much bigger interests compared with the little disputes we have. We should really put those disputes aside, focus on our major interests, and improve the livelihoods of both peoples. We must also resist this kind of pressure, like trade sanctions, trade wars, and tariffs. We have so much in common to work together on.

Republic TV: Look at the recent headlines. For example, I'm reading a headline from the Chinese envoys, a diplomat who said, "Give the bully an inch, he will take a mile." Beijing was trying to directly send a message while referring to India and what Donald Trump had tried to do with India vis-à-vis tariffs. How is China looking at someone like Donald Trump, and what has your response been? Do you feel BRICS, as a bloc, can unite now to finally send the United States a message?

Henry Huiyao Wang: Exactly. What the United States does is use tactics that break through every country individually. They have set tariffs for 100 countries and solved them one by one, because we are not a bloc, we are not united. I mean, we should be united—absolutely.

China is probably the only one that stood up and escalated tariffs with the US. Now they've come down in a more reasonable fashion, but China does have the strength. Like former US Secretary Blinken said, the United States always talks from a point of strength. China is probably doing that too. China is the only country that really stood up to this kind of pressure. But I think countries like India, the EU, Japan, Korea, Indonesia, and ASEAN—we should do the same. I do see huge potential in BRICS. The BRICS countries now have a GDP larger than the G7. We make up 40% of the global GDP and a much larger population. It's high time. India has been one of the leaders of the Global South, and China is the same.

We should work together, lead the BRICS countries, and make it more economically viable to resist unilateralism, trade wars, tariff wars, and all those unfair practices. It's time that big countries like China and India work together.

Republic TV: You did mention that you come from a point of strength, and that's why America had to pipe down vis-à-vis the tariffs and the big talk on China, especially. I want to tell you, India is also not yielding to America. We're also pushing back. You may have heard different comments coming from our own prime minister, who said that he will continue to fight for our farmers, and irrespective of the costs involved, he will take them head-on. We are ready for challenges. India's message has also been that we are not going to take the bullying from Donald Trump.

But there's another view in America now that perhaps Trump stands to lose by giving India this kind of treatment. Many are blaming him already for bringing India and China closer together, and we've seen noises from Delhi and Beijing. Do you think he's done that successfully?

Henry Huiyao Wang: Well, I think willingly or unwillingly, Trump is doing part of that. But I do see India as a very proud nation. You have a very long history, a very strong character, and a lot of talent. Just look at the United States—lots of big

companies, business schools, and financial institutions have many professors and leaders of Indian origin.

To some extent, I think pushing India away from the United States may be counterproductive. But it's also a timely wake-up call for India to think: why agonize over relations with China, why stay in a bad relationship? Why can't we stick together for the benefit of the Global South? We are two close neighbors and we should support each other. And of course, why should we be dictated to by just one country in the world that has been unfair many times? I think now people are starting to think twice. That's why we are paying a lot of attention to the current situation, and it's very interesting to see Prime Minister Modi coming to China to exchange views, compare notes, and see how we can strengthen cooperation for the benefit of the people of both countries, the Global South, and the world.

Republic TV: Okay, my final set of questions for you. You made a very interesting comment—you said maintain the status quo, and then take it forward from here. So, what's a good point to start with for China and India?

Henry Huiyao Wang: There have already been several rounds of talks, military to military, MFA to MFA, and so on. But this time, we should really grasp the opportunity of Prime Minister Modi's visit to China. Let's hammer out a joint statement saying, let's look forward, let's work in many ways, let's come up with ten areas of cooperation—environment, infrastructure, finance, people-to-people exchanges, and tourism. Let's open visas, get student exchanges going, and much more. Let's create a good mood and a good narrative. Let's study the history of both countries and revive common ground like Buddhism, which is popular in both countries. Let's work out a joint statement and look beyond. If we could maintain the status quo from 1962 until a few years ago, why can't we continue to maintain another 50 or 60 years? There's no reason we should fight over such silly, unnecessary things.

I think we should create a good atmosphere, a good narrative, improve understanding, and let those who want to say good things speak up. Diplomacy between heads of state like Prime Minister Modi and President Xi is so important. Let's revive the Wuhan spirit. I'm sure we could at least get back to normal relations, and that's what I hope.

Republic TV: Okay, great. Dr. Wang, thank you for speaking to Republic TV. We look forward to speaking to you again, because we feel it's a start. Let's see where this goes, because I think this time both countries are going in with a very honest intention, or at least that's the noise coming from China. And I see that the Indian side is also very keen to see where this goes from here.

Thank you for speaking to us and thank you for your time, Dr. Wang.

China Responded to US Bullying, but the Door to Dialogue Is Wide Open⁴

During the Antalya Diplomacy Forum, held from April 11 to 13, 2025, Henry Huiyao Wang, Founder and President of the Center for China and Globalization (CCG) was interviewed by TRT World, the English-language news service of Türkiye’s national public broadcaster, the Turkish Radio and Television Corporation. The Forum is held under the patronage of Turkish President Recep Tayyip Erdogan and hosted by Foreign Minister Hakan Fidan, bringing together heads of state and government, foreign ministers, leaders of international organizations, and representatives of civil society.

“China responded to US bullying, but the door to dialogue wide open”

Beijing has announced retaliatory tariffs of 125 percent on American goods in response to US President Donald Trump hiking tax on Chinese imports to a staggering 145 percent—marking the third hike since the “Liberation Day” announcement.

While the economic standoff between the world’s two largest economies has raised fears of a prolonged trade war, a veteran Chinese policy advisor emphasized that Beijing is simply standing its ground with measured restraint.

“As the second-largest economy, China had no choice but to respond to Trump’s tariffs—Beijing doesn’t like to be bullied,” said Henry Huiyao Wang, founder and president of the Center for China and Globalization (CCG) and former Counselor to China’s State Council—the country’s highest administrative authority, overseeing various ministries and agencies to implement national policies and manage government affairs.

“But we still hope that dialogue, discussion, and sincere consultation can help resolve the differences—just like we managed to do during Trump’s first term,” he told TRT World on the sidelines of the Antalya Diplomacy Forum 2025 on Friday.

However, Wang also appeared convinced that the current escalation has likely peaked.

“I think the tariff escalation has ended now,” he said, citing a recent announcement by China’s Ministry of Commerce that Beijing would not retaliate further, even if Washington were to push its tariffs higher.

“China already announced they’re not going to increase tariffs again... they will not follow that again.”

“The successive imposition of excessively high tariffs on China by the United States has become nothing more than a numbers game, with no real economic significance,” a spokesperson for China’s Commerce Ministry said in a statement on Friday.

“It merely further exposes the US practice of weaponizing tariffs as a tool for bullying and coercion, turning itself into a joke,” the spokesperson added.

⁴ This featured report was published by TRT World.

Wang denounced the tit-for-tat approach as “counterproductive” and misaligned with the needs of a globalized world.

“Trade is beneficial to both the United States and China, and to the world. This is not just a bilateral issue—it has global ramifications,” he said, pointing to similar US trade actions against other partners, including Mexico, Canada, and the European Union.

“China, as one of the largest economies and a permanent member of the United Nations, has a responsibility to stand up for fair trade and multilateralism,” Wang said, adding that Beijing had already lodged a complaint with the World Trade Organization (WTO) dispute settlement mechanism.

Despite the optics of confrontation, Wang believes the situation has not yet crossed the point of no return. “This [tariff increase] almost means decoupling on trade. But even the Trump administration has said again and again—they don’t want to decouple from China or stop China’s development,” he said. “So now the question is: how do we get out of this escalation?.”

The answer, Wang argued, lies in diplomacy—and a dose of pragmatism.

Negotiations Still on the Table

While Beijing has had to respond to what it views as “bullying” tactics, Wang emphasized that China remains open to negotiations.

“China’s door for dialogue is wide open,” he said, stressing that high-level diplomacy is essential.

He pointed to the Trump administration’s Phase One trade deal as an example of what’s possible through talks. “Even during the first Trump term, after a period of tariff escalation, both sides came to the table and signed agreements.”

Wang suggested a revival of such exchanges, including visits by the US secretary of commerce or the US trade representative to China, or invitations to Chinese counterparts to Washington. “This is the time for communication and consultation—not confrontation,” he said.

Late Friday, the White House announced that Trump remained optimistic about securing a trade deal with China. “The president has made it very clear that he’s open to reaching an agreement with China,” White House Press Secretary Karoline Leavitt said during a press briefing. “But if China continues to retaliate, it won’t be in their best interest,” she added.

Wang suggested that the intention behind Trump’s tariffs, in the first place, were to use it as a bargaining chip for negotiations.

“Trump is a pragmatic businessman. He has said good things about China in the past, that he admires Chinese leadership and emphasised that if China and the US work together, nothing in the world is unsolvable.”

Wang also noted Trump’s early efforts to build ties with China, including inviting President Xi Jinping to his inauguration which was attended by Chinese Vice President Han Zheng. “But now, of course, he has a domestic political audience. He doesn’t want to lose face.”

He added that Washington's need for Beijing's cooperation on broader international issues—such as the Ukraine war, Middle East tensions, and North Korean denuclearization—could provide additional leverage for renewed dialogue.

Wang is hopeful. “Trump wants deals—on TikTok, on fentanyl, maybe even on peace. He once called himself the president of peace. So there's room to talk.”

Will China Sell US Sovereign Bonds?

Among the more dramatic scenarios floated by some analysts is the possibility of China retaliating by dumping US Treasury holdings, which would put pressure on the US dollar and global markets.

Wang, however, dismissed this as unlikely and unnecessary. “China is still quite reserved. It's not escalating further,” he said. While acknowledging that Beijing holds about \$800 billion in US Treasuries, Wang pointed out that these holdings are mutually beneficial.

“China is basically financing the US deficit. That's doing a lot of good for the US,” he said.

In his view, Washington's trade war misses the bigger picture: “It's short-sighted to focus only on manufacturing. The United States moved out of heavy industries years ago for reasons like pollution, labour cost, and environmental concerns. To now wage a trade war to bring that back doesn't make economic sense.”

He emphasized that “trade wars benefit nobody.”

“We need to come back to the negotiating table, because the costs of not doing so are just too high — not only for the US and China, but for the entire world economy.”

The China Alternative in Peacemaking and Mediation⁵

Henry Huiyao Wang, Founder and President of the Center for China and Globalization (CCG), was interviewed by Al Jazeera's "The Bottom Line" program in June, 2024. The title of the program was: "Israel's war on Gaza: The view from China," highlighting China's growing role in the Middle East, but wondering whether it can truly be a peacemaker between the Palestinians and Israelis.

The Bottom Line: Hi, I'm from The Bottom Line, and I have a question. China is playing a bigger role in the Middle East than ever, but can it compete with the United States to be a peacemaker between the Palestinians and Israelis? Let's get to the bottom line.

Last year, after years of hostility between Iran and Saudi Arabia, China was able to get both sides to agree in a day on something that the United States was either unable or unwilling to do. Now, with the war on Gaza in its 9th month, China has presented itself as a major power that's less biased toward Israel than the West. Beijing has criticized Israel for going well beyond self-defense and argued before the world court that the Palestinian use of force to resist oppression is their right and cannot be equated with terrorism.

For years, China has been expanding its economic footprint and criticizing the world order run by Washington, but will that translate to a bigger diplomatic and military role for Beijing in the Palestine-Israel conflict?

Today, we're talking with Wang Huiyao, president of the non-governmental think tank, the Center for China and Globalization, and he's a former adviser to the China State Council, which is China's cabinet. Dr. Wang, thank you so much for joining us today.

I know this is going to be an unusual show because typically we're talking about what Washington thinks about the world. Now, I'm really interested in what Beijing is thinking about the Israel-Gaza conflict, other conflicts, and really China's role in the world. So, I'd love to get your take on the Israel-Gaza conflict. How is Xi Jinping and Chinese leadership and Chinese population is looking at this conflict right now from your point of view?

Henry Huiyao Wang: Thank you, Steve. This war has been dragged on for quite some time now. It's more than half a year and it's really devastating to see people suffer there. The whole world is watching this on a daily basis, yet we cannot solve this crisis.

I think the Chinese government's position is very clear. China, condemns all kinds of violence or attacks on civilians. But China doesn't want to see this go beyond human security because we see a large number of civilian casualties and a humanitarian crisis unfolding. There have been international efforts and UN resolutions calling for a ceasefire, yet we still have not seen that happen.

It's really disappointing to many Chinese and really dismaying to the world to see this war still continuing on. We hope that we can see a ceasefire and real peacemaking.

⁵ This transcript is produced based on the video and hasn't been reviewed by the two speakers.

We'd like to see the international community, and of course, including China, working together to really stop this crisis, which has been going on for too long and on an unimaginable scale.

The Bottom Line: I was interested in various Chinese leaders' statements that from their perspective, Israel's actions right now in Gaza have gone beyond the rationale of self-defense, and I think that's a pretty bold statement from China compared to others that have been made. To be honest, I think there are Americans that may rightly or wrongly think they are fair to both sides, wanting to be fair to and protect Palestinians, but they have this relationship with Israel that seems to have no boundaries.

I'm interested in how you see this and whether you see America in sort of a hypocritical moment and whether or not China is willing to weigh in more greatly to basically say to Israel, back off.

Henry Huiyao Wang: That's quite possible and I think that's exactly what's happening. The United States used to be the world's policeman; they are trying to maintain a certain post-World War order, but they really look very incompetent now, particularly in terms of this crisis. We're seeing a double standard applied in this situation. Certainly, Israel has considerable influence in the United States, but we even see that influence diminishing.

Prime Minister Netanyahu, who still hangs on to power, has taken the war beyond what is necessary in terms of retaliation. I think it's over 10 times more, which is beyond imagination—the suffering of the people, 1.5 million Palestinians have been relocated in the Gaza Strip, and particularly the hunger, the casualties, the children, the women, and all the suffering we see on a daily basis in our living rooms.

So, China has stepped up its efforts and has been talking to all involved, including a ministerial summit with Arab nations. I think China is really hopeful that we can really solve this with a two-state solution, stop the fighting, have a ceasefire, get a UN resolution in place, and really put this to an end.

It's really alarming and unbearable to see such a crisis going on with such a large number of civilians in danger. It's totally beyond control, very unfortunate and very tragic. The Chinese government and Chinese people are really paying more and more attention to this crisis now and want to get involved.

There is a great desire on the Chinese side to see peacemaking move forward. Recently, the Chinese government announced they are going to donate 500 million RMB for humanitarian aid to the people in Gaza and they're calling to reopen all the channels and rescue efforts so we can see the situation improve and see the crisis stop.

The Bottom Line: We all woke up in Washington DC one day to the news that China had played this key role in normalizing relations between Saudi Arabia and Iran, and I tell you, it was a whiplash effect. People said, "My goodness, that was sort of America's terrain, that's sort of what we did." And China, in a way, jumped into a role that we hadn't seen before. I'd love to get your insights, not only on Israel-Gaza, but also China's surprising new diplomatic mission around the region. What is driving that right now?

Henry Huiyao Wang: Absolutely. I think China now is increasing its soft power, using Joseph Nye's term, but because China has opened up. In the last 45 years, China has grown to become the second-largest economy and the largest trading nation of over 120 countries. Stability and prosperity are vital to China's growth and prosperity.

You mentioned about the peace deal between Saudi Arabia and Iran, which is great because China is the largest trading nation with both countries. China buys around 90% of their energy exports and that's really a big factor. I think that the Arab nations, particularly Saudi Arabia and Iran, don't want to be in such an agonizing position. They want a ladder to come down, but they don't want to do it with the United States or Europe because they've been part of many wars and conflicts in the Middle East. So they need somebody nice and clean, need somebody credible, and somebody that has never invaded or occupied any of their territories, somebody like China, which is also their largest trading partner.

It's very natural for them to come to China, and China is willing to work harder to make peace. It's in the Chinese interest and in the interest of world prosperity. I think this is how this deal between Iran and Saudi Arabia happened, because China really wants to show that they are friendly with both countries.

When China says, "Please don't do it, let's stop. Give me face and stop it," they will probably do it because they respect China as their largest trading partner. So, I see this happening in the partner Middle East, and possibly even for the Gaza conflict. China is the largest trading partner of all the Arab nations and the second-largest trade nation with Israel.

China has maintained good relations with both Arab countries and Israel and the time may come for China to step in and say, "Look, let's really end this and solve this issue." And probably China, particularly now with the Global South, would have more influence.

China recently developed a six-point plan with Brazil for the war between Ukraine and Russia. Someone from the Turkish Foreign Ministry came to CCG a few days ago in Beijing, saying that Türkiye is also willing to work with China to help resolve conflicts in the Middle East and Ukraine. So, I think China can play a more active role in peacemaking and peace-mediating than before. Mainly because China has a vested interest in seeing a more prosperous, more stable, more peaceful world, which benefits both China and the world.

The Bottom Line: Do you think there's a pathway with international institutions to be more effective in these conflicts, because my view is that the Secretary-General wants it, but can't do it. Is there a resolution besides just having constant paralysis when we're trying to deal with these horrible bleeding ulcers in the world that involve real people's lives?

Henry Huiyao Wang: Absolutely. I think that the UN and the Security Council could do much more. The problem I see now is that there are so many problems in the world and so much conflict on top of climate change. Secretary-General Guterres mentioned today that we should stop advertising gasoline among other things.

I think the major powers, should really get their act together and work together. On the issue of Gaza, I don't really see that why can't we send in a UN peacekeeping force and separate the conflict parties, then put a two-state solution in place?

The fundamental challenge is that the major powers sometimes have different views and conflicts among themselves that lead to sanctions and trade wars. This makes it difficult to reach a consensus, but even if the United Nations reaches a consensus, sometimes it doesn't have the power to enforce it. It's really absurd that the Security Council of the UN, which is the rock of world peace that was established after the Second World War, made up of such powerful countries, can't stop a small regional war in Gaza.

I really think the United Nations should strengthen its enforcing power. UN peacekeeping forces should be actively deployed to stop the fighting in Gaza. And the two-state solution, which was proposed by European countries and China—even the United States doesn't object to it—why can't we implement that?

If there's a consensus for a two-state solution, then let's do it. We have to fundamentally solve that problem, otherwise it's detrimental not only for domestic politics but also international politics. We are paralyzed and find out there's some new challenge and new crisis. We have to really get our act together and stop this war and make peace.

The Bottom Line: Such a powerful comment. Let me ask you a question more about a geostrategic picture in economics. You know, Israel, the UAE, India, and the United States have announced a new effort to open a corridor from Asia to Europe, maybe a different form of a Belt and Road Initiative. Japan has announced a new global partnership with the United States. Is China feeling any of that pressure, or are you feeling very comfortable with what you've got?

Henry Huiyao Wang: No, I actually view this positively. Around ten years ago, nobody was thinking about start any global development projects, but China did it. China proposed the Belt and Road Initiative eleven years ago, which is great. Now, it's real and has had an impact. Countries are starting to really look at this global infrastructure deficit.

Later, the United States proposed Build Back Better World (B3W), and the EU proposed the EU Global Gateway, and now we have India, the UAE, and Europe saying, "Okay, let's make an India, Middle East, Europe, Economic Corridor." Great, if these countries want to put out more investment into more projects, it would be very good.

But the problem now is that we see a lot of plans being proposed, but not a lot of action. Over the last decade, the Belt and Road Initiative has invested over 1 trillion US dollars and built 3,000 projects in developing countries. What about other countries? We need concrete results, but that's yet to be seen.

If there's a consensus on the global infrastructure deficit, I'd like to see us work together. Let's combine the efforts of the B3W, the Global Gateway, the India-Middle East-Europe Economic Corridor. But who would do that? Let's use the World Bank, let's use the Asian Infrastructure Investment Bank (AIIB), the Asian Development

Bank, the African Development Bank, or the European Development Bank. These banks share similar charters. And why can't they work together?

But I really see that climate change is one of the big consensus in addition to solving the infrastructure deficit, so let's work together rather than going in different directions, uncoordinated, and creating a lot of redundancy and waste. I would really like to see we can work together. China welcomes that and President Xi has said B3W is welcome, so is the Global Gateway and other similar initiatives. Let's work together. That's the Chinese approach.

The Bottom Line: Henry, let me ask you a question about Russia-China. I'm sorry, Russia-Ukraine, since you mentioned that. Do you suspect there are more things that China can do in terms of playing mediator, nudging its friend without boundaries, Russia, in and Ukraine, into an arrangement that would end the war and conflict?

Henry Huiyao Wang: Absolutely. China feels this has really got out of hand. From the very beginning when the war broke out, China said that territorial integrity should be respected. And when Olaf Scholz came to Beijing, President Xi said, "No nuclear weapons should be used in Ukraine." And then when President Macron came, President Xi called President Zelenskyy right after that.

China is really a substantial player now and Ambassador Le was traveling to those related countries. If the NATO and Western-led coalition is not able to put an end to this war, then the Global South will get really annoyed. Countries like Brazil, Türkiye, India, and South Africa all want to mediate and do something. China is on great terms with countries not party to conflict. Russia is fighting with NATO and the EU, but China and all the other Global South countries are not part of it, so, they are in a good position to be mediators and peacemakers.

China just issued a statement with Brazil and the Turkish foreign ministers came to Beijing and agreed on many of those points. I see China more and more as a peacemaker and mediator in this crisis. Of course, we would love to work with the United States and the EU, but China's position is clear—let's get all parties to the conflict to make peace together rather than it being just one-sided. Let's get both sides to come together to talk about how to end this war through dialogue, through negotiations, through communication. I think that is really the Chinese way.

The Bottom Line: Well, one of the questions is, is BRICS itself paralyzed in its efforts? Are the tensions between India and China within BRICS keeping it from playing this role? Do you take the BRICS notion seriously as an alternative way to think about how power and global problem-solving gets done. This is our last question, but I would love to hear your thoughts.

Henry Huiyao Wang: I think this is a great question. BRICS represents economic globalization and that's the attraction we see now. The number of BRICS countries doubled last year and the purchasing power parity of BRICS is already larger than the G7. There's also another 20-some countries lined up to join BRICS. The Turkish Foreign Minister told me at CCG that he's going to attend the BRICS Plus summit the next week.

It's really important to know that even though we have ideological or administrative differences, BRICS countries all favor economic globalization and favor economic development, and that's the attraction of BRICS. In all the other alliances, security is emphasized with the expansion of NATO, the creation of AUKUS and the Quad, and even Camp David. These alliances don't really produce the bread and butter and really only increase the military budgets of all those countries.

I think we have to keep the prosperity that we've achieved and we can't risk endangering that. So, I think we have to really push continuously for economic globalization and that's exactly what China is doing through the Belt and Road Initiative, the Asian Infrastructure Investment Bank, and by applying to join the CPTPP and being a part of the RCEP, the largest free trade agreement in the world. China wants economic cooperation with African, Latin American, Central Asian and Gulf countries. China is a big country pursuing economic globalization.

This is what BRICS is about. They want to be part of economic globalization. And even though BRICS still has much to improve, it represents the right direction for economic globalization. So with the Global North focusing so much on security issues and increasing their military budgets, BRICS countries and the Global South is getting squeezed. More people are facing hunger and poverty, and that's why I think BRICS represents a new alternative of economic globalization that is becoming more and more attractive.

The Bottom Line: Fascinating, Wang Huiyao, Founder and President of the Center for China and Globalization, I really appreciate you for joining us today. Thank you for your candor.

Henry Huiyao Wang: Thank you, Steve.

The Bottom Line: So, what's the bottom line? Everybody hates the enforcer of the rules, but the hard truth is that the world needs enforcers whether we like it or not. Why? Because some conflicts cut so deep that the warring antagonists just can't find the balance that delivers safety and justice from each other. So, the enforcers make global rules which, of course, tilt in their favor. For almost a century, the United States has believed that it alone was the premier diplomatic, economic, and security force solving global disputes and, of course, resolves things its way. But more recently, other countries are entering the field. China's reasons are clear: geopolitical competition with the United States. I don't think China has deep roots and concerns about either Palestine or Israel, but on the other hand, if it can get some credit with Arab states and Iran by playing a balancing role in the crisis, then all the better. And that's the bottom line.

Small Countries and Major Powers—Partners in a Multilateral World⁶

The annual Bled Strategic Forum international conference took place on 2 and 3 September 2024 in Bled, Slovenia, under the title, “A World of Parallel Realities.” Representatives from the Center for China and Globalization (CCG), the only Chinese think tank invited to the event, included President Henry Huiyao Wang, Secretary-General Mabel Lu Miao, and John Zhao, Director of External Relations and Manager of the Global Young Leaders Dialogue program.

During the forum, Wang was interviewed by RTV Slovenija, the Slovenian national broadcaster, about global challenges, China-US relations, China’s perception in the West, the South China Sea, and Taiwan.

RTV Slovenija: Dr. Wang, it is an honor to have you with us at this strategic forum. The world is getting more and more complicated, and it also seems getting much tougher. How do you see the current situation in the world from the Chinese perspective?

Henry Huiyao Wang: Thank you for having me. Actually, this is my second time at the Bled Strategic Forum. I was quite struck by the forum’s theme as well as the impact and soft power that Slovenia can harness, gathering thought leaders, European leaders, and even United Nations leaders. I think the world is at a crossroads—the world is on fire—and there are not enough people calling for concerted efforts to put it out. That’s why I it’s great to see Slovenia, which is not a big country, playing such a big role in terms of building consensus and calling attention to the crisis we’re having now. Particularly, for example, last night, there was a performance where Palestinians and Israelis got together to sing for peace. That was amazing. I was quite impressed. The world is in deep trouble with climate change, geopolitics, and conflicts including the Russia-Ukraine war and Pakistan-Israel conflict, but we need people who stand up and call for unity so we can face this all together and meet the challenges.

RTV Slovenija: Well, in Slovenia, there’s quite a popular joke that we see ourselves as so small that all Slovenians would fit into a hotel in Beijing. So, you see a possibility for such a small country, now also part of the UN Security Council, to do something good for the world?

Henry Huiyao Wang: Absolutely. Slovenia is a beautiful country. It also has a rich culture and incredible diversity. I saw the performance twice at the Strategic Forum and it was very impressive. The world today is getting so many divisions, conflicts, and crises, we need more people, not only the big powers but also small and beautiful countries like Slovenia, to call attention to issues and to tell the truth.

I think the opening speech by Deputy Prime Minister and Minister of Foreign Affairs, Ms. Tanja, was quite impressive. She was calling for unity, attention, justice,

⁶ This transcript is produced based on the video and hasn’t been reviewed by the two speakers.

and peace. I think those voices, particularly when you gather crowds from around the world, are important to show that Slovenia has this kind of soft power and also the eagerness to express its strong support. I was really impressed.

RTV Slovenija: You're probably a commentator on all sorts of affairs, especially economic affairs. You know China, you know the United States, Canada, and you know Europe. Why is the world like this? Why has it become like this?

Henry Huiyao Wang: That's a good question. Why has the world become this now? I think there are several reasons. First of all, for the last eighty years since the Second World War, the world has been largely at peace, but as globalization encountered setbacks like increasing inequality in some countries between rich and poor. Second, the world is also becoming multipolar and the unipolar world is probably gone, so there's an adjustment period. Third, there's also the rise of China, which has become the world's second-largest economy and China's rise takes some time for many people to get used to. So there's a lot of blame and scapegoating going around, but I think what we should do is really should strengthen the multinational system, specifically the UN system. Major countries and regions like the EU, China, the United States, and the Global South should work together.

Issues linked to information technology, AI, climate change, and of course the wealth gap between countries have all contributed to de-globalization, nationalism, populism, war, and increased numbers of refugees. All of these things have contributed to the crisis we're now facing. I think now we need some leadership and Slovenia is taking some leadership. You're calling attention to all the major countries and the UN system. Slovenia is going to be the Chair of the Security Council in the near future, which is very important for demonstrating more leadership.

RTV Slovenija: Globalization is also one of the main topics you focus on as a phenomenon. You also mentioned de-globalization. How far could de-globalization go? And what would that mean for China, which is a champion of globalization?

Henry Huiyao Wang: We are in a very dangerous period. De-globalization is happening and if wars like the Russian war on Ukraine evolve into a Third World War, we're probably all going to go back to the Stone Age. De-globalization will certainly continue. Even in the Israel-Palestinian conflict, we already see spill over the region, affecting the Red Sea region, impacting global trade, global economics, global investment, and global confidence.

China, as the largest trading nation of 140 countries, attracts foreign investment and invests in other countries despite headwinds. But all that geopolitical tension could really reduce confidence. So, I think this is a crisis that we have to be extremely careful about. My personal view is that we really need the United States, the EU, and China to work together and come up with a consensus instead of fighting among each other or playing at rivals. We should be partners and work together to solve global challenges. That's what I think the solution is. You need all the big players to work together. But we also need countries like Slovenia calling for justice and third-country impartial views on how things should be done to persuade all countries to work together, particularly in the UN.

RTV Slovenija: Right now when you mentioned the United States, the EU, and China, there's something going on that is quite stunning—the tariffs on e-cars from China. The United States and Canada are imposing tariffs. Now also the EU, although not as severe as the United States. Do you see this as a symptom of something which will go away? Or do you see this as an announcement that something bigger is going on, the geopolitical tensions?

Henry Huiyao Wang: It started with the United States when President Trump started the trade war and the tariff war. That pattern was continued by President Biden and Biden even added a 100% tariff on EVs despite China not really exporting many EV cars to the United States. Now Europe is doing it too, but I think Europe did that before the United States, which was followed by Canada. I think it's a bad approach because China was only responding to the trade war and the tariffs. China wasn't the initiator.

We are in a world where climate change and disasters are everywhere. Temperatures are going up and natural disasters are happening all around the world. We need more clean energy. Europe and China now have more renewable energy, which is a great thing, but we should not block green technology or products. China didn't block Airbus or Boeing because it's produced in Western countries. Did China stop buying them and put tariffs on them? No, and vice versa. Germany still exports more diesel engine and gasoline engine cars to China than China exports EV cars to Germany.

There are a lot of double standards and you can't say China should always produce textiles, shoes, or sweaters, and put barriers up and slap tariffs on things if China develops some more sophisticated technology; that's not the right approach. We should all work together. China can produce very cheap solar panels to generate power. If China can do it cheaply, let China subsidize the world, especially developing countries. Let's share that technology. I think the EU and China should work together, and with the United States, to help the Global South develop clean energy.

I think it was a bad move to treat China as a rival and start talking about overcapacity, of which there is none. The International Energy Agency (IEA) forecasted that we need 820 gigawatts of new photovoltaic installations, but we only can provide 20% of that. We need to spend 4.5 trillion US dollars on renewable energy annually, but we only spent 1.8 trillion in 2023. We're far from oversupply. We're actually short of supply. I think we need to work on that.

RTV Slovenija: There's a lot of mistrust in the West toward China because of its political system and human rights. There are also political tensions, especially in the South China Sea. There is, of course, a lot of mistrust also on the Chinese side toward the West, in which point: How do you in China see the West? What is the reason for this distrust, including the colonial past?

Henry Huiyao Wang: Since 1840 when the Opium War was started and the British invaded China, the country experienced a century of humiliations. But I think China has already got out of that. China is now talking about building a shared future for mankind and has invited more than 50 African leaders to Beijing for the China-Africa summit, the largest gathering of state leaders in China in recent years.

China wants to get along with the West. What China is saying is that the West has a very good model that works for the West, which has a long history based in Christianity and a diverse culture. Well, China has its own model as well. China has 5,000 years of civilization which was never interrupted. China has a meritocracy where officials are selected through examinations in a tradition that is thousands of years old. China has a consultative democracy where people gather together to debate and criticize the ruling party, but constructively. This is the model that China has adopted. China also has a long-term vision and long-term plans with one five-year plan after another. One party debating another party and vetoing for the sake of vetoing does not happen in China. There are some problems in China, but overall China has done very well and become the world's second-largest economy, lifting 800 million people out of poverty, 70% of the global total. They must have done something right.

RTV Slovenija: The United States is, let's say, a hard power and a big military power. Europe is considered as a big soft power. China is considered in the West as a monolith and that's why there are some fears, because facing such a big monolith is difficult to imagine. But is China really a monolith?

Henry Huiyao Wang: No, I don't think so. For example, I had a very long dialogue with both Prof. Graham Allison and Prof. Joseph Nye. Both former colleagues of mine from Harvard when I was doing my senior fellowship there. Prof. Joseph Nye was saying, that the United States is big enough, China is big enough. The United States cannot change China. China cannot change the United States. Relations are at the bottom of a 20 year cycle. Eventually, we will probably just have to accept each other.

I recently published a book that documented my dialogue with Graham Allison, the founding Dean of Harvard Kennedy School, called *Escaping Thucydides's Trap*, which is a concept that the world's ruling power and the new rising power are bound to come into conflict. But he says that isn't necessary. We can avoid that.

There's a concern because the United States and China have different systems, different cultures, and different ethnicities. People may not know that well, so people have certain fears in the West. But this year China opened visa-free travel for almost 15 EU countries. I just met a leader from an Italian think tank here at Bled. She just came back from Beijing the day before this conference. She told me she hadn't been there for ten years and she was really surprised that the sky was blue and the smog is gone in Beijing. People are more confident and Beijing has changed enormously with new transportation links and all the green technology. She was very impressed. She spent 10 days in China as a tourist using the visa-free policy. I hope that more people will visit and that their perception of China will improve, because if they go and see it, they will see how we live. We don't have any big differences. We should get together.

RTV Slovenija: Because of the role China is playing now in the modern world, and it is a huge role, some people are actually asking themselves, since we have this war now between Russia and Ukraine, which some consider it as a war between Russia

and the West, could China do more with its subtle diplomacy you're talking a lot about? Could you do more to bring peace to the region?

Henry Huiyao Wang: Absolutely. I think China can do more. For example, I think there's already fatigue on both sides. Also, both presidential candidates in the current US election have said they want to end the war. Trump said he'll end the war in 24 h or even before he's inaugurated. If the United States or the West in general wants to end this war, they need the support of China, because China is the largest trading partner of Russia. And China carries a lot of political clout with Russia.

China said no nuclear weapons should be used in the fight between Russia and Ukraine. Apparently, that warning has played some role there. What I think is that now there is fatigue on both sides, and US public opinion would not support this war continuously like it would for Israel. China could come in as a third neutral party that can bring both sides together because China is the largest trading partner of both Ukraine and Russia. Of course, when China sits at the table it could really make a huge difference in reaching a ceasefire.

RTV Slovenija: But one thing is very interesting when it comes to China. The People's Republic of China hasn't been involved in a war since the 1970s in Vietnam. So it's really fascinating looking at the world right now where there are wars going on. What is concerning perhaps from the European perspective is the situation in the South China Sea. We talk about the Philippines and Vietnam also, but has it to do mainly with the so-called Taiwan problem?

Henry Huiyao Wang: I think there are two separate issues. There's the Taiwan issue, wherein Taiwan is always part of China, like when the United States and P. R. China established diplomatic ties, the US recognized Taiwan as part of China. Similarly, 183 countries all recognize Taiwan as part of China and the Chinese government as the legitimate representative of the whole of China. So that principle is there, that policy is there.

I think there's some tension because China always responds to moves like Nancy Pelosi's visit, which breached the unspoken agreement to have no official ties with Taiwan. China had to do something. When President Tsai Ing-wen visited the United States, again China had to do something. Or when the United States sends military aircraft around Taiwan, China has to do something. China is always responding.

But China wants peaceful reunification. China has said many times that it is the priority and preferred approach. In Fujian Province, just across from Taiwan, the government has said it will give Taiwanese local benefits in schooling, employment, and medical care. There are already 1 or 2 million Taiwanese working in the mainland and there are another half million husbands and wives married across the Taiwan Strait. They share the same language, culture, and traditions. I think in the long run, they're going to be peacefully integrated. Just yesterday, China announced that people from Fujian Province could travel to Taiwan, so we can integrate if there's no foreign interference.

RTV Slovenija: It is an interesting detail. Taiwan, of course, is a very important economic power, the world's biggest producer of semiconductors. Actually, the semiconductor industry in Taiwan is a sort of guarantee for a sort of status quo that all can live with—China and the international community. How do you see this?

Henry Huiyao Wang: China is happy with this status quo, as long as they do not declare independence or become a platform for international anti-China rhetoric. US companies are very smart. Apple doesn't use IBM or Intel; it uses the TSMC from Taiwan to produce semiconductors. And they use Foxconn to produce hardware in the mainland, which is another Taiwanese company. They became the largest company in the world because they tapped into the resources and talent of Greater China. It's so smart because if they used IBM or Intel, they probably would not be the largest company in the world. Now we're seeing that being threatened with this potential conflict. It's not in the US interest to do that, nor is it in the Chinese interest. I think it's important that we maintain this economic freedom.

Now the United States has passed the CHIPS Act, which isn't just the United States not selling to China, they have forbidden Taiwan, Japan, the Netherlands, and South Korea to sell chips to China. That's really too much because it hurts US companies. China buys 30% of the world's chips. If they lose that business, it'll hurt their R&D. I don't know how long they can sustain that. I hope the new president will take a smarter approach rather than this self-defeating approach.

RTV Slovenija: My last question is this. Regarding your optimism from the beginning that small Slovenia could do something and that big players in the world should actually collaborate, because it's only one world with very similar problems, how do you, as an expert, see the foreseeable future?

Henry Huiyao Wang: Before answering your question, I'd like to touch on this South China Sea issue you mentioned. I think China gets along with all ASEAN countries. China gets along with Vietnam and Vietnam's Party Secretary-General just visited Beijing ten days ago. And then Malaysia, Indonesia, all those countries have some issues in the South China Sea, but we don't have any problems. We are getting along very well. China got along with the Philippines also very well when the predecessor of Marcos was in power for two terms. China never had an issue with him. Recently, we have had some issues because the United States has reopened nine military bases in the Philippines and increased their military presence. They keep breaking the status quo. So China has to defend whatever it has claimed. Of course, I think there's a way to do it. We should follow the China-ASEAN summit and the South China Sea Code of Conduct. We're working on the principles of that, but let's work out the details. If Vietnam, Indonesia, Malaysia, Brunei, and all the other ASEAN countries have no problem with China or can coexist peacefully, why can't the Philippines do that? There must be a way to do it, rather than being backed by the nine US military bases and continuing to challenge China on the existing status quo.

So finally, on Slovenia's role, which is very impressive, particularly in terms of the Bled Strategic Forum. Slovenia is not a big country but it can play a big role.

It's a UN Security Council member and the chairman as well and has enormous soft power in setting agendas, leading discussions, creating new narratives, telling new stories, changing people's minds, and injecting new momentum and dynamism into the global discourse. I think a beautiful place like Bled can have an enormous contribution. That's why I think we shouldn't underestimate what Slovenia can do. It is really doing big things.

The Center for China and Globalization, as one of China's most active think tanks, would love to collaborate with Bled Strategic Forum. We have actually hosted Deputy Prime Minister and the Foreign Minister Fajon. She visited our think tank and delivered a great speech in China. We've invited UN ambassadors, including the Japanese ambassador, and the newly appointed Chinese climate envoy, Minister Liu Zhenmin, when your Deputy Prime Minister and Foreign Minister spoke at CCG. This is a good example of how we can work together to amplify Slovenian voices and to hear the Chinese view so we can work together and build a better future.

RTV Slovenija: Dr. Wang, thank you very much for the interview, and enjoy Slovenia.

Henry Huiyao Wang: Thank you.

A More Open China Is a More Secure China⁷

The 15th annual Aspen Security Forum was hosted by the Aspen Strategy Group, in Colorado from July 16–19, 2024. Dr. Henry Huiyao Wang, President of the Center for China and Globalization (CCG), and Dr. Mabel Lu Miao, Secretary-General of CCG were the only Chinese representatives invited to participate. Over the four-day event, they engaged in face-to-face exchanges with many prominent figures from the US government, strategic community, think tanks, diplomatic delegations, NGOs, businesses, and media, promoting China-US people-to-people and think tank exchanges. During the forum, Henry Huiyao Wang gave an exclusive interview with Phoenix News.

Sticking to the “Small Yard, High Fence” Strategy: Anti-China Sentiment as American Political Correctness

Phoenix: At this year’s Aspen Security Forum, you mentioned that China is not just a topic but has become a backdrop—almost every panel touches on China to some extent. What impressed you the most at this forum? How do you think the Aspen Security Forum differs from the Munich Security Conference or other security forums you have attended?

Henry Huiyao Wang: The Aspen Security Forum is probably the highest level forum on international relations in the United States. The attendees include key officials from the US government and military, as well as media, think tanks, and major enterprises. The forum focuses on various aspects of international security, including military, economic, technological, and strategic security. Although there are participants from other countries, the majority are still Americans. The forum involves US policymakers, strategic decision-makers, and think tank experts, giving it a distinctly US stance.

Phoenix: Under the tight schedule, the first session was focused on addressing the “China Challenge.” This session did not mention much traditional international relations theories but emphasized economic security and US-China tech competition. Several speakers mentioned the “small yard, high fence” strategy. It seems that the US political and academic circles are quite satisfied with this strategy as well as its resulting measures, such as sanctions on Huawei and restricting Chinese access to advanced chips. What is your view on their perspectives?

Henry Huiyao Wang: The incumbent US administration views its series of policies against China as effective, including initial moves toward “decoupling” and later “derisking” actions including the CHIPS and Science Act, and the “small yard, high fence” strategy. However, the American business community does not entirely agree with this opinion. Some in the forum questioned whether the United States should focus more on introspection, think more about how to enhance its competitiveness

⁷ This transcript is translated from the Chinese version of the exclusive Phoenix News interview. The original text is accessible online.

rather than shifting the blame onto others; they also mentioned the need for more engagement, communication, and even cooperation between the United States and China.

I believe that while the “small yard, high fence” strategy aligns with the current bipartisan consensus on China, it faces many challenges in implementation. Many businesses are not enthusiastic about it, and it has affected economic and trade exchanges between China and the United States.

Nevertheless, I believe that China needs to further open up, attract more American businesses to China, and “retain” US companies within China to prevent the complete decoupling caused by the “small yard, high fence” strategy. Such decoupling would be detrimental to both the United States and China.

Phoenix: You mentioned the attitudes of businesses. Some companies have said that due to the “small yard, high fence” strategy, they are unable to achieve significant profits in China, which impacts their subsequent technological investments. However, some panelists have argued that this is not the case and that companies operating in China are doing well. As you have had contact with many foreign enterprises in China, what is their true attitude toward this situation?

Henry Huiyao Wang: The primary attitude of foreign, especially American, companies in China, is to focus on “quietly reaping profits.” When it comes to political statements, such as those concerning the strategic consensus of the US Congress and administration toward China, they often avoid taking a stance or do so only superficially. This is because they have to deal with American public opinion, the US stock market, and American media. If they show favor toward China, they may face political pressure.

China somehow shows more openness in this regard. CCG recently hosted a delegation from a private high school in Washington, which included the children of many State Department officials. They found that what they saw in China was quite different from what they had been told.

I think the same applies to the business community. China needs to attract more American companies, as their prospects in China are promising. For example, I just met with a MasterCard executive at the forum who mentioned that MasterCard receives more support in China than in India now. Companies can establish themselves in China, whereas entering the Indian market still poses many challenges. He hopes that China will continue to open its door wider, as attracting American businesses and providing level playing field could indirectly influence American policymakers.

Phoenix: The US government seems to think that it can set clear boundaries to the “small yard, high fence” strategy or US-China trade, and that they believe the “yard” within the boundaries can remain the same size. However, in reality, the “yard” keeps expanding and the “fence” keeps rising. For instance, Chinese private companies collaborating with researchers with military backgrounds will be quickly labeled as military technology by US think tanks, making those companies prone to

be blacklisted. Do you think there are boundaries to the slippery slope of the “small yard, high fence” strategy?

Henry Huiyao Wang: Since the Biden administration took office, it has aligned with bipartisan consensus and has been even more confrontational toward China than the Trump administration. A series of measures including the “small yard, high fence” strategy, the CHIPS and Science Act, and increased tariffs on Chinese electric vehicles have surpassed the measures taken during the Trump administration, causing significant negative impacts on US-China trade relations.

The “small yard, high fence” strategy only consists of a yard and a fence without any boundaries, making it so general that almost any technology could be placed in the “yard.” Therefore, the best way to counteract this is to continually expand China’s openness, making the scope of its open areas broader and the thresholds for access lower, thereby offsetting the so-called “small yard, high fence” approach from the United States. While the United States is building fences and imposing restrictions, China should go against this trend by expanding its openness and removing the barriers of these “fences.”

Phoenix: China should build more bridges and attract others like a stronger magnet.

Henry Huiyao Wang: Exactly. To cater to mainstream American political correctness, those who are at this forum were all spreading unfavorable narratives about China. However, to influence or change their misconceptions about China, we need more openness, as mentioned in the Third Plenum, which calls for building a higher level open economic system.

Addressing Chokepoints in Cutting-Edge Technology and the Relationship Between Openness and Security

Phoenix: The issue of chips is a major concern. The US strategy involves leveraging its alliances; for example, it tries to control China’s access to photolithography machines and raw materials through its close partnerships with Japan, South Korea and the Netherlands, so as to create a chokepoint. How do you assess the effectiveness of this strategy in practice? Can the development of China’s “neck-choking” industries, especially the chip sector, be better promoted through foreign talent recruitment or other methods?

Henry Huiyao Wang: After several days of meetings, I’ve observed a clear trend in the United States: there is a strong desire to avoid direct conflict with China despite a clear intention of restricting China’s development. The aim is not necessarily to plan for a hot war against China but rather to use various indirect methods to contain China’s growth. This has already become a consensus in the United States. The “small yard, high fence” strategy and the CHIPS and Science Act all serve this purpose. The CHIPS and Science Act, in particular, is not a unilateral action by the United States; it involves a coalition with the Netherlands, Japan, South Korea, and Taiwan to jointly contain the Chinese mainland. To address this, China needs to intensify its efforts in independent R&D and production, and it must also maintain international

cooperation. China should strengthen collaboration with other countries and regions to circumvent the so-called “small yard, high fence.”

Given the impending US election, the duration of these measures is still uncertain, so it's all the more important for China to strengthen international cooperation. For American chip companies, the inability to sell more than half of their chips to China represents a significant loss and negatively impacts their R&D, while also providing China with a chance to expand its development further.

Regarding talent, the meeting highlighted that half of the AI talent in the United States comes from China, which is a significant number. Representatives from OpenAI also mentioned a desire to strengthen efforts to attract Chinese talent. I believe the same applies to China; China needs to attract talent from around the world, especially Chinese students studying abroad and IT professionals from countries like the United States, EU, Japan, and India, to enhance China's technological innovation capabilities.

President Xi has emphasized the importance of attracting talent extensively. China can do more in this area. Recently, China has opened up visa-free travel for many EU countries, and I believe it would be beneficial to also open up visa-free travels for US citizens and improve the domestic “green card” system to attract more foreigners to China.

Phoenix: Anja Manuel, the Executive Director of the Aspen Security Forum, said that areas of intense competition between China and the United States, such as high technology, will gradually experience “derisking,” while economic, agricultural, and cultural exchanges will become more “entangled.” Do you think this approach is feasible? Will decoupling in some areas impact mutual trust and cooperation in others?

Henry Huiyao Wang: Anja Manuel's explanation of the “small yard, high fence” strategy is to control America's cutting-edge technology, but to encourage as much cooperation as possible in other areas, such as with companies like Coca-Cola, Starbucks, McDonald's, and Walmart. I think that makes certain sense. The expansion of cooperation in non-security sectors, which is profitable for American companies, can help garner more public support for China-US relations.

The economic losses in high-end industries, already significant despite being in their early stages, have sparked strong opposition from companies in the Netherlands, Japan, and South Korea, and even in Taiwan. As related American companies face increasing losses, opposition to business decoupling is likely to grow. Currently, American companies in China, including Apple and Tesla, are making substantial profits, and these major firms will also voice their concerns. Therefore, the duration of the current government's “small yard, high fence” strategy will depend on its effectiveness.

More importantly, American investments should be able to become deeply embedded in the vast sea of China's economy, making decoupling impossible. If they attempt to decouple, China should strengthen the ties; if they sever connections, China should build bridges. By fostering a community with closely intertwined interests, greater conflicts can be avoided.

Phoenix: As you mentioned, China should build an even more open economic system. If the United States uses measures like “chokepoints” to influence China, will this lead to insecurity on the Chinese part and affect China’s openness to the outside world?

Henry Huiyao Wang: Indeed, the 3rd Plenary Session of the 20th Central Committee of the Communist Party of China emphasized balancing development and security, but it also introduced a new concept—“promoting reform through opening-up.” This means that the more open the country is, the greater the impetus for reform and, consequently, the greater the security. Therefore, the more open China is, the more secure China becomes. The Third Plenum is a real revelation to me as it points out that despite the complex and high-pressure international situation, the country is still emphasizing opening-up, development, and the market economy, not on self-reliance or isolated domestic circulation. This has surpassed my expectations.

Given the complex and adverse external environment, the country should have focused more on self-reliance. However, the current discourse emphasizes increased openness, reform, and market-driven policies. The notion that “the more open China is, the more secure China becomes” highlights how security serves openness. This is crucial. As the Chinese saying goes, one should not give up eating for fear of choking; instead, China should continue opening-up, which is key to addressing various security threats.

What Does People-to-People Exchange Mean for China-US Relations?

Phoenix: There is still some debate in the United States about whether a “Cold War” exists between China and the United States. Some argue that a “Cold War” is already a clear reality, while others believe that interdependence precludes such a situation. Joseph Nye believes that China and the United States are in a state of “cooperative rivalry” rather than a “Cold War.” What is your opinion?

Henry Huiyao Wang: The concept of a new Cold War is subject to differing opinions, and it’s noteworthy that in the United States, there was even a book launch event discussing the Cold War narrative. Some attendees at the event questioned this narrative, noting that today’s era is fundamentally different from the Soviet era. Unlike that time, there are now extensive people-to-people, trade, and investment exchanges between countries, as well as online interactions through the internet, information, and the digital economy. The level of exchange today far surpasses that of the Soviet period.

In my opinion, the notion of a new Cold War is incorrect. While there may be a Cold War mindset and actions reminiscent of the Cold War, achieving a true Cold War state is very difficult in reality. Therefore, it is necessary to oppose the Cold War narrative and strengthen people-to-people exchanges and interactions. For instance, CCG recently hosted students from Sidwell Friends School in Washington, DC. Opening-up tourism and relaxing immigration requirements by giving visa-free travel for US citizens are also necessary. These means can uncover elements to build a community with a shared future for all, identify commonalities among people, and focus on the security of all of humanity rather than just national security.

Phoenix: Some former military personnel and experts in the United States have made many comments on security issues in the Taiwan Strait and the South China Sea. How do you view their perspectives? What are their stereotypes, or are there any positive signals?

Henry Huiyao Wang: That's a great question. This morning, we attended three sessions where Charles Q. Brown Jr., US Chairman of the Joint Chiefs of Staff, Antony Blinken, US Secretary of State, and Jake Sullivan, National Security Advisor of the United States, were present to interpret US policies.

I can sense that there has been some policy shift during this administration over the past three and a half years. When the administration first came into office, US officials, such as those in Alaska, were talking about confronting China if necessary. However, this morning, Sullivan said that conflict across the Taiwan Strait must be avoided at all costs, and that such a conflict would be a disaster for the entire world. This indicates a positive shift in the US stance, as they are now aiming to avoid conflict.

Of course, the United States still hopes to restrict China through policies like the "small yard, high fence" concept and there are many incorrect judgments or statements about China regarding the Ukraine crisis. However, after the San Francisco summit, the frequency of high-level US officials visiting China has increased. For example, this morning, Blinken mentioned that Yellen, Raimondo, and himself have all visited China, and Sullivan also frequently communicates with Chinese officials. Their voices tend to be more rational and objective, reflecting the necessity of high-level dialogue and communication between China and the United States.

This morning, three senators and some officials also mentioned that the United States needs to strengthen cognitive warfare, including support for Voice of America, and so on. Government officials, due to their frequent visits to China, are more cautious about their statements and emphasize the need to avoid conflict. I believe this is an improvement compared to the statements made three years ago in Alaska.

After the meeting between President Xi and President Biden, China and the United States resumed official military-to-military dialogues and strengthened cooperation and communication on issues like climate change, fentanyl, and artificial intelligence. American officials who frequently visit China often provide positive and constructive evaluations. However, those who have not visited China, such as some members of Congress, tend to have more negative views of the country. I believe it's crucial to engage these congresspeople more and encourage more US legislators to visit China personally. After coming and seeing for themselves, I believe they will have different impressions about China.

So, the relationship between China and the United States relies not only on government efforts but also the exchanges and cooperation among Congress, media, think tanks, business, and other sectors. This is very necessary and urgent.

Phoenix: I have heard different viewpoints before, suggesting that cultural exchanges have a very slow impact or are hard to break through existing stereotypes. How do you view the role of people-to-people exchanges?

Henry Huiyao Wang: I think maintaining dialogue and communication is extremely important. For example, at this conference, I didn't see any Russians. There are two Chinese participants, but not many. I believe it's essential to keep communication channels open. I mentioned to Jake Sullivan that we hosted students from Sidwell Friends and he said that it's a very prestigious school attended by the children of many officials. He was quite interested in such exchanges, so it is crucial to continue these interactions. Of course, the process of exchange should aim to achieve the purpose of communication.

Both Trump and J.D. Vance spoke at the Republican National Convention, and I noticed that Vance's remarks about China were very negative. There seems to be political correctness emerging where being anti-China could lead to nominations, more attention, and a perception of being tougher, which is very detrimental. I believe it's crucial to expand exchanges, increase visits, and enhance dialogue and communication at all levels. Maintaining contact is very important.

How Should China Respond to the Many Variables in the US Election?

Phoenix: In light of the numerous uncertainties in this year's US election, including the assassination attempt on Trump, Biden's COVID-19 diagnosis, and Vance's strong nationalist stance, how should China respond to these uncertainties?

Henry Huiyao Wang: The US election reflects its political complexity, and the challenges faced by American democracy. From China's perspective, it does not interfere in the US election, but it should be well-prepared. Regardless of who is in power next, China should stick to its principles, which means adhering to reform and opening-up, following the spirit of the Third Plenum, and maintaining dialogue and communication, thus occupying a moral high ground through external openness.

Moreover, China can also strengthen communication and exchanges, such as increasing interactions with various political parties. Trump said that if he wins the presidential election, he will end the Russia-Ukraine war before taking office, and Vance has also mentioned the need to end the Russia-Ukraine war.

China can be the backbone and a decisive force in resolving the war in Ukraine and the conflict in the Middle East. Regardless of who becomes the next US president, they will face the task of addressing regional conflicts and bringing peace to the world. China can play a significant role in this regard. If the new US president can see China as a balancing force in resolving conflicts such as the war in Ukraine and the Israeli-Palestinian conflict, or the North Korea issue, it would help ease China-US relations and highlight China as a leading force in promoting peace.

China and the United States can enhance mutual trust and cooperation through these methods to dispel the so-called "China threat theory." As a peace-loving country, China can offer new opportunities for global governance and find ways to cooperate in a multipolar world, which is also a problem the United States hopes to address.

Phoenix: Thank you, Dr. Wang. It is indeed a very good perspective to have the United States and China work together.

Understanding China's Unique System Through Dialogue and Exchange⁸

On April 20, 2024, the Center for China and Globalization (CCG) and the Bled Strategic Forum (BSF) co-hosted a roundtable that featured Tanja Fajon, Deputy Prime Minister and Minister for Foreign and European Affairs of Slovenia, discussing China's relations with Slovenia, the US, India, and other nations. During the event, Henry Huiyao Wang, President of CCG, was interviewed by *Delo*, Slovenia's largest newspaper.

A Chinese Perspective on Today's World

Delo: In mid-April, a Slovenian delegation made a final working stop in China at the offices of the Center for China and Globalization (CCG), which included Slovenian Foreign Minister Tanja Fajon as well as several ambassadors and diplomats. The central topic of the roundtable was climate change hosted by Dr. Henry Huiyao Wang, Founder and President of CCG, former counselor of China's State Council and one of the guests of last year's strategic forum in Bled.

So, Dr. Wang, to start off, I'm curious to hear what role you think Slovenia can play in today's world, at least from the Chinese point of view?

Henry Huiyao Wang: It is good that the Slovenian foreign minister visited China and that we're able to talk at such roundtables. Slovenia is a member of the United Nations Security Council, so it is important to seek consensus. This time, the focus was on climate change, which also burdens small countries, as we saw last year with the floods in Slovenia.

Despite its small size, Slovenia can be an important country. As a member of the European Union, it can take the initiative in cooperation with China. It is true that China is a huge country, but now we have many opportunities for cooperation, since both countries are in the UN Security Council. The strategic forum in Bled also has great importance. I've seen with my own eyes how many important people come to Bled, from ministers, prime ministers, and presidents. But we could expand the forum and invite even more Chinese speakers so that your people can also hear who we are.

Delo: Is Slovenia an independent unit for you? Or just a small part that does not differ in any way from the politics of the EU and the collective West?

Henry Huiyao Wang: We know very well that you are in the European Union, but at the same time you are also part of Central and Eastern Europe. I would not classify you as a traditional Western country. Slovenia could have a neutral stance. You could even help to improve China-US relations. Donald Trump will probably be the American President again and his wife is from Slovenia.

If you have the will, you can become a link between China and the European Union, between China and Central Europe, and also between China and the United

⁸ This is the English translation of Henry Huiyao Wang's featured interview in *Delo*.

States. You can also become part of the new Silk Road. You can be China's partner, but still part of Europe. None of this should be excluded.

Delo: Do you feel that we don't respect China enough in Europe and the US?

Henry Huiyao Wang: Partly, for sure. Just look at how few people from Europe come to China. The head of the Bled Strategic Forum, Peter Grk, was in China for the first time, and he saw a China much different than he had imagined.

I think that it is only beneficial for Slovenia if it has good relations with everyone. We already participated together in the 14 + 1 group (cooperation between China and the countries of Central and Eastern Europe). The pandemic and the war in Ukraine put everything on hold, but it would be useful to revive cooperation again. It was a good project, because the focus was on economic integration and not geopolitical bargaining.

Delo: This time at the round table you talked about climate change, but for several years we have been divided by the war in Ukraine and now also with Israel's destruction of Gaza.

Henry Huiyao Wang: In such a divided world, Slovenia has a unique opportunity to become an important country, as you are part of the UN Security Council. You can do a lot to solve the crises in Ukraine and Gaza. You can organize roundtables and conferences, so that as many people as possible are working toward peace.

Delo: But how can we come to concrete solutions, instead of just talking about peace, which in practice never exists?

Henry Huiyao Wang: The Bled Strategic Forum can become a forum for world peace. Invite everyone there: representatives of Ukraine, Russia, Israel, Palestine, USA, and China. No one is talking now, but to end the war, people need to sit down at the table.

China had already proposed holding an emergency summit on peace in Gaza, but the United States vetoed it. Slovenia could make the same proposal. We should have more concrete proposals to end the war in Ukraine and Gaza. I was at the forum in Davos. We talked about Ukraine, but there were no Russian representatives. You need both at the table, otherwise there is no point. The place of negotiations could also be Ljubljana. When we talk about negotiations, we could all do a lot more.

Delo: Is it really not possible to stop Israel's destruction of Gaza with concrete actions? Is the rest of the world completely powerless against the Israel-US alliance?

Henry Huiyao Wang: I have no other answer than to say once again that we need more talks and peace proposals. In the USA they know that they have no moral basis to defend Israel. They can't veto forever, so we need as many peace proposals as possible, because with each new veto, the United States will be more embarrassed. We should put even more pressure on them, which is an opportunity for both Slovenia and China to help end the wars in Gaza and Ukraine by participating in the Security Council.

When the war in Ukraine started, I wrote an open letter to the *New York Times*. I called for an immediate meeting of the seven participants—five permanent members of the Security Council, the European Union, and Ukraine. But nothing happened. Neither meeting nor negotiations.

Delo: Here in China, I have already heard that any war involving USA is only good for China.

Henry Huiyao Wang: It's not true. China is the number one trading partner for more than 120 countries, including Iran, Saudi Arabia, Russia, Ukraine, and is the second most important partner for Israel. When the Houthis started attacking ships in the Red Sea because of Gaza, it was China that lost the most, because Chinese cargo ships pass through that area. China does not want any war. We want more peace and stability. The United States is significantly more obsessed with war than we are. They are involved in the war in Ukraine and Gaza, but they still have time for new sanctions against China. This is not a good sign.

The world is becoming bipolar. Countries are forced to choose who they support. But it is not good for anybody if you are forced to choose between the United States and China, especially since China is a completely different country than people imagine. But you can cooperate with us on different levels. Of course, China is also not perfect and has many problems, but if we talk, we will surely find a way to cooperate.

Delo: What Chinese problems are you referring to?

Henry Huiyao Wang: We had a three-year shutdown due to the pandemic and the economy is recovering more slowly than expected. We also have demographic problems due to the aging of the population. Due to American sanctions, our relationship with the EU is also strained, but part of the blame for bad relations lies also in China, as we are not good at showing the world who we are and what we want. Too few people in China speak English, so we cannot explain to foreigners what is really happening here and how we live.

Our political system is different. One party governs the country, so we have more stability and a five-year plan is based on previous five-year plans. For us, this is a great advantage, but for people from the outside it is a huge mistake. They say we have an autocracy and not a democracy. Instead of having a conversation, we immediately start putting each other into predetermined categories, which doesn't help anyone. So China should definitely do more to portray itself better. More Chinese people should travel the world and more people should come to China. The move to provide visa-free travel for some European countries is a step in the right direction. I don't know what the policy is for Slovenia. Do you still need a visa to visit China?

Delo: Yes, we still need one.

Henry Huiyao Wang: This should be fixed. I don't know why the Chinese prime minister didn't include Slovenia on the list. My proposal is that all EU citizens should have free entry to China, so that they can see what is happening here and who we are. That things here are in order and that the system works. But we can also do more to improve the internet for foreigners, because now you need a VPN.

Delo: You mentioned the aging of the population. Will China need to open its doors to foreign workers to maintain labor efficiency?

Henry Huiyao Wang: We have reached a crucial point where China's population will shrink, but we still have 12 million graduates every year. We are shifting from the most populous society to the most talented. Although China's population is shrinking, the quality of the population is better than ever. In China, we have almost 250 million people with a bachelor's degree. And every year we will have more.

As we have more and more automation and artificial intelligence, we can easily deal with the problem of an aging population. And even though our population is shrinking, it will be a long time before we will be just one billion. But even with a billion people, we will still be a huge country. Japan still has a significantly older population, so they attract foreign workers, which China also can do, but right now we're only focused on attracting foreign talents. We can take care of everything else ourselves.

Delo: In terms of population, you have been overtaken by your neighbor India, with which you do not have very good relations.

Henry Huiyao Wang: The problem is primarily the relationship between the United States and China, so all countries must decide who they support. The US supports India, but China and India should also find a common path. They are the largest countries in the world by population and neighbors, which are the reasons why they should cooperate, especially since they are both members of BRICS.

Looking far back, India and China have always been friends. We also took Buddhism from India. The first Chinese person to "study abroad" was the monk Faxian at the beginning of the fifth century. He went to India and brought many useful things back to China.

We've had ups and downs only for the last fifty or sixty years, but still we've never had a major war. Despite all the disagreements, we can cooperate economically and complement each other. India had a higher GDP than China in the 1980s, but now China has five times the GDP of India, so we have a lot to offer in many areas, from construction, entrepreneurship, and modern technologies. China established the Asian Investment and Infrastructure Bank, and it is India that receives most of its loans, and the bank's vice president is also from India.

There are many opportunities in our relationship. All our problems are political, but also in geopolitical relations we can see that India does not always follow American dictates, for example, in the war in Ukraine.

Delo: But isn't it the case that India needs Russia precisely to balance its relationship with China? Because if it stands up against Russia, India would become significantly more dependent on China. This also raises the question of how much the peace is really a value and how much is just something to trade between great powers.

Henry Huiyao Wang: I will answer a little differently. When it comes to peace, China has a different approach than the US. We are looking for economic cooperation, while the Americans are looking for geopolitical cooperation. The United States has

the Camp David Principles with Japan and South Korea, then there is the Quad association with India, Australia, and Japan, let's not forget the Five Eyes program with Australia, Canada, New Zealand, and Great Britain, and the ever-expanding NATO alliance.

The United States is expanding its political security umbrella, and China is offering economic cooperation to its partners. Such an association is BRICS, and we recently increased the number of members from five to ten. We have invested one trillion US dollars in the New Silk Road for a total of three thousand projects in the Global South. We are also involved in the Regional Comprehensive Economic Partnership with fifteen Pacific countries, including Japan, South Korea, Australia, and New Zealand. We also have the China-Africa summit and cooperation with Latin America and the Gulf countries. These are all economic unions. In the long run, people will see the difference, so more and more countries will look for cooperation with China, which we already see with BRICS, because Türkiye also wants to join.

Because who wants to fight anyway? Well, Russia is fighting in Ukraine, but it always takes two to make a war. If NATO had not encroached on the Russian border, the Russians might not have fought. Of course, the Russian invasion is a completely wrong move, but it did not happen by accident. There were many events that led to today's war. That's why I think the only way to peace is economic cooperation. It was China that intervened in the restoration of relations between Iran and Saudi Arabia. We were able to do this because we are the largest trading partner with both countries. Instead of building military bases around the world, we prefer to build economic integration and investments.

Our strength is in the economy, and I think that's right. If you increase investments for the military, it means that you invest less money in education, health, and care for the elderly. If we increase economic cooperation, we all make progress, and people who have a better life don't want to fight with guns.

Delo: But China is also investing more in its military. And even here in China we can hear more and more possibilities about military intervention in Taiwan, especially in the case of further interference by the USA.

Henry Huiyao Wang: Former Taiwanese President Ma Ying-jeou recently visited Beijing and met with Chinese President Xi Jinping. Taiwan is a completely different case than Ukraine, because Taiwan and mainland China are one people. We are all Han, so we share the same language and culture.

In the last elections, the Kuomintang and the Taiwan People's Party, which are in favor of unification with mainland China, won a majority. It is true that the Democratic Progressive Party, which advocates secession, won with 40 percent, but even in this party they see that there is no future in secession.

The Chinese government has long emphasized that Taiwan's return does not mean China will burden the island with new taxes. In Hong Kong, we can see how the "one country, two systems" principle works. At most, they will lose an independent foreign policy, but even now there are not many countries that have formal diplomatic relations with Taiwan. Therefore, if there is no foreign interference, Taiwan will merge with mainland China completely naturally.

Delo: Would Taiwan then be allowed to keep its system with more freedom?

Henry Huiyao Wang: Yes, because China keeps saying—one country, two systems. What applies to Hong Kong could easily apply to Taiwan as well.

Delo: But it is precisely the case of Hong Kong that confirms that China's dominance is increasing. And probably the relationship between China and Hong Kong is followed most closely in Taiwan.

Henry Huiyao Wang: There is a lot of talk about Hong Kong, but it has been 25 years since unification. They have passed some new laws, but it is still one country, two systems. People in Hong Kong have a lot of freedom. There's also a lot of talk about political freedom, but next to Hong Kong is a huge China with a unified and strong government that doesn't like that people in Hong Kong are encouraged from to rebel against China by people from abroad.

Taiwan could maintain a different system and special benefits. I don't know why Taiwan would want secession and wars. China does not want war, which won't happen if there is no foreign interference and Taiwan doesn't declare independence. We want peace in China. We have only had an economic revival for twenty years, while in Europe and the United States have had it for a hundred years, so the Chinese people do not want to destroy this good life, which we've just started to enjoy.

Delo: Can the current status quo persist?

Henry Huiyao Wang: It's quite possible. If the Americans do not send weapons and if American congressmen do not visit Taiwan, we will most likely continue to maintain the current status quo.

Delo: But wouldn't it be right for the people of Taiwan to have the final say? Because now we're just listening to what China and the United States think about Taiwan.

Henry Huiyao Wang: We are listening to Taiwan. I have already said that in the last elections the two parties that support unification with mainland China won the majority. There are 60 percent of such people. Lai Ching-te, chairman of the Democratic Progressive Party, which supports independence is also talking less and less about secession.

With all the disagreements and competition between the United States and China, we often overlook the fact that there are a huge number of American companies doing business in China, as well as a significant number of Chinese expatriates in the US. So the relationship is not so black and white.

Delo: True. Disagreements are introduced by politicians, especially the American one. The rich in the United States are only getting richer, so social disparities are getting bigger and bigger. Wall Street has record business, and so do American multinationals, but little of that money goes back to the American people to solve social problems. Let's not forget that China also holds a significant portion of the US foreign debt.

Henry Huiyao Wang: China perfectly fits the US profile of an enemy: we are a big country, economically, we will overtake the United States soon and we have a different political system. American opposition to China is therefore primarily political. In the end, it is easiest for American politicians to say that people in the United States are losing their jobs because of China, and we always become an especially big enemy in an American election year.

But China continues to reiterate that it wants cooperation, risk reduction, and win-win integration. Unfortunately, in the United States, there is still a lot of prejudice against China, so it will be difficult to resolve disagreements in the short term, even if they would only benefit China. For example, China invests a lot in the development of solar panels, and electric cars; maybe the United States will realize one day that we are not really the problem. There is nothing wrong with having economic growth and a different political system and it's not the end of the world if it stays that way. Because we can live in peace. But it is also true that there is always friction when a new power begins to approach the main global power.

Delo: How important are the US elections for China? Who would you rather see in the position of American president?

Henry Huiyao Wang: It will be about the same with anyone. Joe Biden is more predictable. He uses the carrot and stick method, so he is sometimes harsh, sometimes kind. Donald Trump has many faces, so you never know what awaits you, but above all, he is a man who always wants to make a deal. And if he wants business, China is the best country. We have a lot to offer, so we can do business with everyone who wants it.

We're not really too worried about who the American president will be. American politics is pretty much the same all the time—only the face changes. I expect that China will continue to be a major US target, regardless of who is president. But as I've said, there are differences. Trump is looking for business, Biden is looking for political stability.

China will also remain the same. We don't colonize anyone, we don't send military troops anywhere, we don't attack anyone. You don't have to worry about us. We may have nuclear weapons, but we will never use them first. We do not threaten like Russia, which says that it will use nuclear weapons if there are problems on the battlefield. We became the largest trading nation because we are interested in business, not warfare.

Delo: How big of a problem is it for the global community that we lack world leaders who are more committed to a just and true peace? Looking at the upcoming US elections, neither Biden nor Trump inspires excessive hope.

Henry Huiyao Wang: Biden is the oldest American presidential candidate in history, only slightly younger is Trump. I think it is not healthy that a country with so many talented people has such candidates in the elections, just look at how weak the debates are in American elections about China as an autocracy and democracy in the West. The United States is not exactly a model of democracy if it cannot offer better and younger presidential candidates.

Delo: What is the situation in China's political hinterland? Do you have fresh candidates for leading the country in the future?

Henry Huiyao Wang: President Xi Jinping is by no means so old that he needs to be replaced.

Delo: But at 70, he's not exactly young.

Henry Huiyao Wang: But he's not old. In Chinese tradition, we believe that leaders should be older people. We have always strived for stability and a strong leader. With such a large nation, stability is of the utmost importance. If we had a new government every few years, we would never have made this kind of progress. We have a five-year plan, which is an upgrade of the previous five-year plan, so the government has to follow the guidelines, and targets.

We should not judge anyone by how long someone has been president, but by how well and stably he leads the country. Singapore's Prime Minister Lee Hsien Loong has led the country since 2004 and Angela Merkel was chancellor for 16 years, Vladimir Putin has been the head of Russia for more than twenty years. Under the leadership of Xi Jinping, China doubled its GDP and lifted hundreds of millions of people out of poverty. In terms of economic achievements, he is an excellent president.

People should come here and see what I'm talking about. Leading a country of 1.4 billion people is not easy. Nevertheless, there are no shooting attacks like in the USA, nor are there terrorist attacks like in Russia. You never hear about 50 getting shot in China. Our streets are very safe. We used to have pickpockets, but now they are gone.

Delo: However, no one is allowed to criticize the Chinese government in public.

Henry Huiyao Wang: Our way of governing is different. We have been a meritocracy for thousands of years and it is no different now. Politicians have to start their careers in the local environment, then they can work their way up to leading positions in the province and only at the end they can think about the national government. No one can come to an important government position with just one or two nice public appearances.

Our arrangement could also be described as a technological democracy. We all use our phones in China and vote with them every day—what we eat, where we travel, what we buy. All these are our elections when we vote with our wallets. The government has a lot of data about people through mobile applications, for example, through WeChat so it knows exactly what they want.

China has always been part of global democracy. Our biggest opposition is the USA, the European Union, and Japan. Everyone criticizes us, so no one can say that China lacks critics. There are also eight non-communist parties in China. They make suggestions and criticisms to the government, but not publicly through the media.

It doesn't matter if cat is white or black as long as it catches mice. With the current government, China has become the world's second-largest economy. We obviously did something right. Why would we copy the United States and the EU when we have our own system based on Chinese traditions and values?

Restoration of the *Gaokao*, Studying Abroad and Cross-Cultural Career Development—Henry Huiyao Wang’s Story of Personal Growth⁹

Living History: Stories from the Opening of China is an ongoing documentary series of video interviews about the period between the opening of China in 1979 and the 2010 Shanghai Expo. The program team has the goal of recording and preserving the personal experiences of academics, diplomats, policymakers, businesspeople, artists, students, athletes, and others who lived through this period, relating the surprises, challenges and memorable experiences people made together. It’s personal stories through which history comes alive.

This period of recent Chinese history is too rarely discussed and runs the danger of being forgotten if we miss the chance to preserve the memories from this time of opening and cooperation. *Living History* aims to create a personal and intriguing record of this critical period in China and produce a thoughtful, well-researched, and accurate long-form documentary interview series that is appealing to curious people around the world. An independent and not-for-profit project, the program is supported by a grant from the United States Consulate in Shanghai. As of May 2024, the team had completed filming more than twenty interviews for this series.

Episode 8 is an interview with Henry Huiyao Wang, Founder and President of the Center for China and Globalization (CCG) and one of the first students from the Chinese mainland to obtain an MBA in North America. This is an interview of his incredible personal journey.

Living History: Today, we’re speaking with Dr. Henry Huiyao Wang, the Founder and President of the Center for China and Globalization (CCG), a top think tank in Beijing. Dr. Wang is a leading expert on topics such as China and globalization, global trade and investment, and international relations, with a focus on the US-China relationship and global migration. That’s something he got early experience with, after pursuing his bachelor’s degree in Guangdong in 1982, he moved first to Canada and then to England for his MBA and PhD studies before becoming a senior fellow at the Harvard Kennedy School and a visiting fellow at the Brookings Institution. Back in China, he taught at Peking University and Tsinghua University, and he was a counselor to the State Council of China—China’s Cabinet. We’re very pleased to speak with him today.

Dr. Henry Huiyao Wang, welcome!

Henry Huiyao Wang: Thank you, I’m very pleased to talk to you.

Living History: I just learned something I didn’t know before: you started learning English by reading books in a little shed with a bare light bulb in Sichuan. It was there that you learned that there was a world outside of China. How did you imagine that world to be before you got to travel abroad?

⁹ This transcript is produced based on the video and hasn’t been reviewed by the two speakers.

Henry Huiyao Wang: When I was a student, we were thirsty for knowledge. There's a saying in Chinese: you have to read 10,000 books and travel 10,000 miles. At that time, if you only read books, for example, you learn English and you read stories of famous people in China and the outside world, you still feel that you are not in touch with them. You really have to see the world.

Very early on, my father went to foreign countries. He worked in Africa on the Tanzania-Zambia Railway. My mother's family was also very strong in terms of supporting education. I remember my mom bought me a very expensive Chinese-English dictionary when I was in elementary school. It was great to see the world, not only from the books, but also when I could go abroad.

I think my family education and reading books sowed the seeds of the idea that someday I would have to go and see the world. That affected my life. I have traveled to almost 100 countries and many regions, and I spent over a decade outside China, which was an enormous opportunity for me and opened the door for me to see the world. Bringing the world closer to China and China closer to the world has become part of my mission and that's why I founded the Center for China and Globalization.

Living History: All of that would have been impossible had Deng Xiaoping not reinstated the "*gaokao*"—China's National College Entrance Examination.

Henry Huiyao Wang: That was a very important part of my life, of course. Without Deng Xiaoping, we don't know!

Living History: Take me back to that day. Describe to me how it started. I believe there was something you heard on the radio.

Henry Huiyao Wang: Yeah, absolutely. After high school—I'd only finished my second year of high school when we were sent down to the countryside. At only 17 or 18 in the countryside, there was no future because the slogan at that time was "With one red heart, settle down in the countryside for life." We felt hopeless at that time, because we didn't know how our lives would end.

In the countryside, we worked very hard. I had to work from 6 o'clock in the morning when the production brigade leader called me to go out to the field, until 11 am before the sun got too hot. Then I came back, cooked my own lunch, which was normally porridge and other very simple food before going back to work at 3 o'clock until 10 o'clock in the evening because it was not as hot. It was very hard. After toiling in the fields the whole day, we made about 20 cents a day in RMB in the 1970s, which was only 70% of what a normal farmer could earn. They got 25 cents a day, and I got 20 cents a day.

That was a very hard life, but I never gave up, which was something very important and I continued to study. But it was a very difficult life. First of all, in the countryside, you were always hungry because there was not enough food to eat. And they only gave you a quarter kilo of lamp oil that you could use for your light, so you couldn't make the lamp too bright. You had to keep the flame very small and it only produced a little light. That's how we had to study.

I never gave up, though. I listened to the radio a lot. And this was already after Nixon visited China, so they resumed English lessons on the radio. I also read the

books I brought from the cities. I also subscribed to a newspaper which I had to walk about two or three miles every day to pick up to read.

That really got me into this studying habit because I believed that the trend around the world was to shrink the rural population and move to cities. I thought, “Why is China doing the opposite, making people go from urban cities to the countryside? It should be the other way around.” This gave me the confidence that this was not going to be forever and that someday things would change. And that day did come—in October 1977. At that time we had no television and the only way to get information was over a loudspeaker in the village. I lived in a very shabby, old, and very cold, small hut on the farm and I heard the news over the loudspeaker announced that China was going to restore the university entrance exams in December of that year.

It was really a big surprise and I was very happy because I knew that all the studying I had been doing would finally pay off. Initially, I wanted to study engineering, but I’d lost all my math knowledge because it had been so long. So I turned to the social sciences and brushed up on my Chinese language, history, culture, and, of course, English, too. And I applied for the English exam and studied.

That was the first year they resumed the entrance exams and there were about 5.6 million Chinese students that hadn’t been able to take the test during the decade-long Cultural Revolution since all the universities were shut down during that decade. This meant that 5.6 million people were eligible to take the exam, but there were only about 200,000 spots, so only about 4%; a very small percentage of people would have the chance to get in. I was one of them. It was the Class of ’77, but we actually began in the spring of 1978, because the exams had been in December and we didn’t get our acceptance letters until February and would start school in March. But that totally changed my life. Without that experience, none of my other stories would have happened.

This was all because of Deng Xiaoping, and I have a story about him. He became Vice Premier in 1977, but he wasn’t the top leader yet. The first thing he did was to restore the university exam, but there were people against him that said, “This is what Mao decided. You cannot change that.” Deng Xiaoping said, “Why not?” Then they said, “OK. But there’s not enough time. We already passed the spring deadline to send out notices. We will miss this year.” Deng Xiaoping said, “No, we’ll still do it, even if it’s in December or the end of the year, we still have to do it in 1977. We cannot postpone this any longer.” Then they said, “Okay, but there’s not enough paper to print so many examination papers.” Deng said, “Let’s use the paper for Chairman Mao’s works to print the examination papers.”

He was a visionary and very decisive. I think he probably saved one or even two generations of Chinese people and he paved the way for China’s opening-up and reform. That happened in 1977, 47 years ago, and a whole generation grew out of that, which has changed China today. That was the first decision he made.

The second decision he made was to allow Chinese students to go abroad, which wasn’t allowed during the Cultural Revolution. Somebody even told him, “look, if you send people overseas, people may not come back.” But then Deng said, “Don’t worry, let’s send them, not just a few hundred, let’s send them in the tens of thousands

or hundreds of thousands. Let's send them. Even if a lot of them don't come back, we're still going to benefit from those that do."

He was very bold in his vision. I think that this can be attributed to his five years in France. I went to the factory where he worked in France. It was very impressive. Deng spent five years outside China studying and working. He was the designer of China's reform and opening-up program, which changed the lives of future generations.

Since then, the number of universities in China has expanded from a few hundred universities to 3,000. The number of Chinese college students has grown from less than a quarter million the year that I got in to 12 million a year. You can see how many times it has grown since then. Deng Xiaoping was visionary and decisive. His reforms began in 1977, only one year after Mao passed away. He had a very liberal way of thinking and he really changed China completely.

Living History: We've spoken with some international students who came to China to study around the same time. I wonder, how was your experience with foreign students? How did you think they adjusted? It must have also been completely new for you as well.

Henry Huiyao Wang: During the early 80's or even late 70's, China was still just getting out of the Cultural Revolution. I mean, people were living a very basic, simple life and things were not modern. At that time, I remember it took me three days to travel from Chengdu, my hometown, to Guangzhou. I had to change trains in Zhengzhou and it was a very long journey. Of course, at that time in China, there were no skyscrapers. I remember the highest building in Guangzhou at that time was one of the hotels that was only 20-some stories. It was already the highest building in the whole city. And there were no taxis or subway. You could only take the bus. And there were no supermarkets. So, the modern life that we are enjoying today was totally missing at that time.

When we went to the university, there was a competition among all the brightest people they recruited during the first two years. At that time, not many foreigners were able to come to China. There were some, but very few. The challenge was that you had to change your way of thinking, from the Cultural Revolution to a new era of reform, liberating your mind and liberalizing your thoughts. That was the movement at that time. We also talked about philosophy and the meaning of life.

We witnessed so many changes in China. In 1979, they opened the special economic zone in Shenzhen and we actually went to Shenzhen. It was a village at that time, but later it became a massive construction site. The Shenzhen International Trade Center was built in three days on one floor, which we started to call "Shenzhen speed." It was very interesting because there were lots of changes and a lot of difficulties, but also a lot of hope. China embarked on opening-up and reform and a lot of people were liberated from the Cultural Revolution. A lot of people were cleared of so-called "crimes" that they were convicted of during that period. Society became quite open at that time. I think that helped China to take off. Then the foreign investment started to come in and the special economic zones were established in 14 coastal cities including Pudong and all over China. That was a very memorable time and a lot of great changes took place. Our generation witnessed all of them.

Living History: I noticed the first sentence in one of your recent books, and it said, “Everything is changing all the time. This is an unavoidable conclusion for anyone who observes the world around them for any length of time.” After Guangzhou, you got to go abroad and compare what you had imagined and learned from books and what it was actually like. Tell me what that was like for you. What your initial impressions were?

Henry Huiyao Wang: After Guangzhou, I was assigned to work in the Ministry of Foreign Trade and Economic Cooperation in Beijing for two and a half years. Before I applied to study overseas, there was a professor I met from NYU who told me there was an MBA major in North America that could be very useful because it taught management, marketing, accounting, and human resources. I was really intrigued by such a multidisciplinary major and I applied for some scholarships. I ended up going to Canada as my first destination.

In 1984, I had to travel from Beijing to Shanghai, Shanghai to Tokyo, Tokyo to San Francisco, and then to New York and then to Toronto. After two and a half years working in the Ministry, it was an absolute culture shock. There was so much traffic and flying over New York you saw an ocean of lights. On the highway there were as many cars as there were bicycles in China and they went so fast. I’d never seen that before. Then you had supermarkets with so much food, which we didn’t have in China at that time. It was a big culture shock to see such an affluent society and how big of a gap there was between China and the outside world, particularly the Western world, and how there was still a lot of room to improve.

The culture shock was one thing, but Western society was also different. You had to be more independent. I had to open a bank account and see the doctor by myself. I had to shop on my own. I had no family or parents to rely on, and I didn’t have much of a social network. Fortunately, when we got to the university, we had very good faculty members and different student clubs, which were very friendly and helpful. There were also students from different countries that were all very friendly, so that was surprising to see. It seemed that there were a lot of volunteers who wanted to help and I was quite impressed with that. We also went to church. We also listened to different speakers and attended many social events. Those were really good experiences.

The only thing we couldn’t get used to was that it took so long to get a letter from China. It took 20 to 25 days, if you wrote a letter today, you wouldn’t get a reply until the next month. If you wanted to get two replies, you had to write two letters in a month so that you could get one in two weeks. And then of course, making a phone call cost you dozens of US dollars, which was an astronomical number at that time for a poor student.

There were many things we had to cope with, but I generally was coping fine. I used to live in an apartment under a bridge, which was very noisy, but I felt it was a good experience to experience local life. Student life was very enriching and changed my life. It also gave me full exposure to local thinking and the minds of different students from different countries. It was a very good experience.

Living History: How did you benefit from studying overseas? Specifically, how was going to a Western university at that time different for you?

Henry Huiyao Wang: I think one of the things I learned when I was studying in Canada and later in the UK, and Harvard, as well as the very open learning environment. In China, everything was about the examination, specifically a written examination. There was very little chance for talking. There was no classroom participation, debate, or presentation. We had to get used to that. That was very common in Western universities. I think now China is starting to adopt those techniques, but at that time, in the 80's, coming from a Chinese university, we were basically just memorizing, taking notes, and doing assignments and examinations, whereas, in Western universities, they gave you big papers that you had to hand in 24h or 48h later. Further your classroom participation and speaking counted for a quarter of your grade. All of that was fairly new.

I think I benefited a lot from the critical thinking too. There's more individualism and you had to thinked loudly and analyze things in different ways. There was no correctness. Basically, you had to prove to yourself that what you said or what you analyzed was correct and logically sound. That was a good exercise and I think I benefited a lot from that.

Going to different countries, seeing different cultures, different ideologies, and different thinking gives you a better perspective on where you originally come from and your original thoughts and upbringing. That gives you a really global mind. I found that studying abroad or working abroad could really give you a global mindset, enabling you to become more objective, not narrow-minded or one-sided. It really helped me become a link between China and the outside world because I'd lived overseas and knew what was going on, but we were also from China.

There are more and more people like that now, but in the early 1980s I was one of the very few students who went both pursue an MBA and a PhD program at that time. I also took quite a lot of doctoral courses in management. Actually, I was also one of the first Chinese graduates to get into a multinational. I worked in a big multinational in Montreal in the late 1980s, after which I became the first student from China to be hired in open recruitment by the Quebec government. That was in the early 1990s. All those firsts show how cross-cultural communication and knowledge on both sides can be very useful. I truly benefited a lot from my overseas study experience.

Living History: You previously mentioned that in the 1980s, you also worked for the Chinese government. What was that like?

Henry Huiyao Wang: It was a very memorable experience when I first joined the Chinese government. I was one of the few as they picked the brightest from the university. Two of us were assigned to the Ministry of Commerce, which was then known as the Ministry of Foreign Trade and Economic Cooperation. The other one, my classmate, later became a Vice Minister of Commerce and Vice Minister of Foreign Affairs. We were assigned to the Ministry at the same time.

What I found very interesting was that when I got into the Ministry there were so many talented people. Everybody was a college graduate and knew a foreign

language. But in the beginning we were definitely underutilized. People were saying, “You’re young, you’ve just come, you don’t have experience.” They didn’t give us a lot of important work to do. But even those things could be an opportunity sometimes.

I remember during the early 1980s, China joined the World Bank, which sent experts to Beijing to give seminars on international competitive bidding, international procurement guidelines, and other concepts. But I had already studied them in my spare time because I knew it was useful knowledge, so I already knew a lot of the things they taught when I joined the ministry. I was single and I had lots of time.

It was a week-long seminar and the first day was given to a senior interpreter, but on the second day they said, “Okay, you try.” So I tried it because I thought that was how communication could work: you had to have a lot of background knowledge, know a lot of history, all the technical jargon, and the latest terms, so I applied that to that interpretation process. Immediately, the instructor from the World Bank felt that there was chemistry between him and the audience, because they could now ask the right questions because of my interpretation.

After that, I did all the interpretation for the next five days, which gave me experience and confidence. If you are really prepared, willing to study the other side, have enough knowledge, and understand their language and their culture, then you can communicate. Understanding each other is not just understanding language itself. It requires a lot of background knowledge and a lot of technical knowledge.

In the 80’s, it wasn’t just the World Bank. We talked with many other visiting government officials, which was great, but I realized there was a lack of understanding on both sides. The challenge was really that we could not put ourselves into each other’s shoes. We were just talking from our own position, and that sometimes could be difficult.

The best way is really to think from the other side and vice versa. It helps a lot. But you have to have the people who have knowledge of the other side or who have spent time in foreign countries and spent time in China, especially if they know the language and have the technical background behind it. Otherwise, it will be very difficult to communicate. That’s my experience.

Living History: You wrote, “In 1984, to pursue an MBA when few at the time in China even knew what an MBA was...” What an extraordinary decision! What did your parents say?

Henry Huiyao Wang: It was really a big decision for me, but that was always what I wanted because I learned a foreign language, about foreign trade, and all those things. Also, after two and a half years of working in the Ministry, I found myself needing to have an upgrade. At that time, there were opportunities to be assigned to work in the different embassies of China, but I preferred to study. So I applied a few times and then finally took an exam and got a scholarship. I jumped on the opportunity because I thought some vision could help. I knew that my parents, my father actually, worked overseas and he told me it was important to go overseas.

Of course, at that time, China just opened up, and you had to learn everything from overseas. So even though going overseas was unknown, it was important that

you go and experience it. You know, you have to read 10,000 books and travel 10,000 miles. And that's my motto.

When I studied all those historical figures, Deng Xiaoping, Zhou Enlai, or the scientists or social scholars, a lot of them who made a great contribution to China were overseas students. That was a good example for me. That really encouraged me to go and I never hesitated. I applied, I knew I could miss the opportunity at that time to work in the Ministry, but I thought probably it was more important for me to get this more advanced knowledge and advanced preparation for my future work and jobs. That was why I made that decision and it also was the right decision.

I would still advise people to go and study. My think tank has been publishing reports on Chinese students studying abroad for the last fifteen years. Since the 1980s, there have been about 10 million Chinese students studying abroad, including Hong Kong, Macau, and everybody. That's a huge chunk of talent. Of course, a lot stayed overseas, but then the global talent circulation and the talent return greatly changed China. So I think this study abroad movement initiated by Deng Xiaoping has really made huge changes in China and also benefited millions of people who did that. Of course, I'm one of them.

Living History: And then you eventually decided to come back to China and start your own business. And I have heard from other people that it was a very challenging time, but that there was also this atmosphere of optimism. How do you remember these times?

Henry Huiyao Wang: After my stay in Hong Kong as a chief trade representative of the Quebec government for Hong Kong, China at that time, when I finished that job, Deng Xiaoping was inspecting Shenzhen, his famous 1992 tour. And he said, "If you want to make a greater contribution, it's better to come back to the mainland." So that was a great inspiration for me. After my duties in Hong Kong, I didn't return to Quebec because I felt I was already in Hong Kong and I would like to come back to China.

So at the beginning of 1993, I started to come back. But what to do? That's the thing. I didn't have a second job, but I thought maybe it was time to utilize my experience in business, academics, government, and the public; it was time to start my own company to be an entrepreneur. That was what got me into establishing my company at that time. Of course, there was no office tower in China, in Beijing, so we rented a hotel room where you could sleep and where you could work, but it was also a hard life. For example, because there was a time difference, during the daytime, you were busy. During the evening, there were phone calls coming back from North America, from Europe, from different places because we were doing international business consulting.

I remember it took me half a year to register a foreign representative office in Beijing. I got all the approvals, and I got all the sponsors. You had to talk to different bureaucratic organizations. And finally, we got that. And then I remember it was very expensive to install a telephone. A fixed line cost you 5,000 RMB at that time. Even, to have a fax machine, you needed a Ministry of Post and Telecommunications approval. Also, I bought a computer when I finished my job in Hong Kong. That computer had

been left in customs for several months before I could redeem it because you had to [determine] whether it was going to be tax-exempt or not, or how a computer was classified and what kind of tariffs should apply, all those things—they never had a good example. And then we had to wait for the final decision. Finally, I got it done.

So it was really challenging to establish a business in China in 1993. I remember at that time there was no taxis in China. There was only a very small minivan. You paid 10 yuan and you could travel across Beijing completely. Even that was very expensive. So it was a good experience. But then I think the most important part was really to build the business.

Living History: China joining the WTO must have helped a lot.

Henry Huiyao Wang: China joining the WTO was a monumental landmark for the Chinese opening-up. It took a long time. You know, China spent 15 or 16 years[to join the WTO]. Initially, it was the GATT [General Agreement on Tariffs and Trade], and then later on they changed the name to the WTO and China still wanted to apply for that.

But I would reclassify the Chinese movement of joining the WTO as a mini-revolution in China because you had to abolish so many outdated clauses, you had to change the minds of the people, you had to get people on top of that. I would say it was really a big battle. People were so used to the old style. For example, before China joined the WTO, foreign trade was managed by a few dozen Chinese state-owned companies who monopolized the space. So everybody had to go through the foreign trade company to do foreign trade. There was a license required, there was a quota required. It was such a big headache and bureaucratic tape to go through. But then, since China joined the WTO, they liberalized all those areas, and I just read the news there are about 6 million companies that can do foreign trade. Basically, everybody is an individual. If you want to do it, you're allowed to do it, all the companies. It was incredible. And that's why China became the largest trading nation in the world. And then China's GDP since joining the WTO has gone up twelve or thirteen times already, enormously.

So I think the challenge at that time was really to break through the psychological barrier because people were worried about joining the WTO. For example, people talked about joining the WTO as if the wolf was coming. One of the arguments was that China's automobiles were in the infant stage. If China joined the WTO, they would be wiped out by foreign companies. Foreign automobiles would flood China. China would no longer have a domestic industry of automobiles. And that turned out to be not true because even though more foreign companies were coming, you've got Volkswagen, you've got BMW, Mercedes, everybody, before joining the WTO, there was only one model of a Chinese foreign company, which was Santana. 20 years, one model, never changed. But since China joined the WTO, there has been competition. There were a lot of foreign companies coming and that's also elevated the Chinese auto industry. And then you can see that after 20 years since China joined the WTO, China has now become the largest automobile maker in the world. And last year, China became the largest exporter of automobiles in the world.

So joining the WTO has not only greatly benefited Chinese companies but also enabled China make more contributions to the world. I think the WTO has many advantages: it liberated people's minds and made people more open. It also gave them more experience in testing the waters and being more competitive. Thirdly, it cultivated a lot of Chinese international companies, too.

Furthermore, it is really important that you have all the multinationals come to China, and for the Chinese to go to interact with them. There's not much domestic interaction. China needs to improve as well, like its payment system. Travel assistance in China should be more convenient and maybe China should even open the internet up so you can access Google, Facebook, Twitter, and all those things. I think China should do that as well.

My thinking is that the people-to-people exchange is crucial. It's very important to enhance understanding and it's the bond between the two countries and also the rest of the world. That's why I was encouraged by President Xi. He spoke at the San Francisco summit when he visited the United States and he was saying China would be interested in inviting 50,000 youth from the United States to come to China. So this means each year, 10,000. I hope that the target can be realized and then more people can come.

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About the Center for China and Globalization

Founded in 2008 and headquartered in Beijing, the Center for China and Globalization (CCG) is China's leading global non-governmental think tank. CCG maintains multiple domestic branches and overseas representatives, supported by a seasoned team of full-time researchers and professionals engaged in research on globalization, global governance, the international economy and trade, international relations, and global migration.

CCG is the first and sole non-governmental Chinese think tank to be granted special consultative status with the Economic and Social Council of the United Nations (ECOSOC). In the "2020 Global Go To Think Tank Index" by the University of Pennsylvania Think Tank and Civil Society Program (TTCSP), CCG ranked 64th among top think tanks worldwide and in the top 50 of global independent think tanks. CCG has also been recognized as a "4A non-governmental organization" by Beijing Municipal Government Civil Affairs Department. CCG is also a national Postdoctoral Programme Research Center certified by the Chinese Ministry of Human Resources and Social Security.

CCG has built a research network of leading experts both domestic and abroad and engages in ongoing research on China and globalization. CCG publishes more than 10 books every year in English and Chinese in addition to its research reports. It shares its research findings with the public and has thousands of books and reports, which collectively receive hundreds of thousands visits each year.

CCG is deeply involved in contributing to public policy. It regularly submits policy recommendations to relevant state agencies and ministries, many of which have been incorporated into discussions within China's central leadership organs and have shaped major policy decisions across relevant departments, contributing to ongoing government policymaking and institutional innovation.

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Author: Huiyao Wang

Publisher: Springer (August 2, 2022)

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Editors: Henry Huiyao Wang and Mabel Lu Miao

Publisher: Springer (April, 2025)

This open access book draws on the insights and wisdom of representatives from a wide range of international organizations with a presence in China, leveraging their rich experience in their respective fields as well as their unique understanding of China's development and its role in the world. In a world of increased tension between governments and a rise in regionalism, globally positioned non-governmental international organizations are key to keeping the lines of communication open. In addition to the United Nations and its affiliate organizations, a host of international organizations are ensuring that the world's most pressing issues, in areas ranging from economics to education, are being discussed.

This new book focuses on the latest trends in four major areas—global governance, trade and economics, science and technology, and culture and exchange—providing the readers with the latest developments in these areas with a special focus on China and its relevant contributions. It is hoped that this book will inspire deeper discussion and consideration of the issues we face as a global community and how non-governmental entities can play a stabilizing role in global communication and in exploring solutions to common challenges.

Free ebook: <https://link.springer.com/book/10.1007/978-981-96-2452-2>***Enhancing Global Governance in a Fragmented World: Prospects, Issues, and the Role of China***

Editors: Henry Huiyao Wang and Mabel Lu Miao

Publisher: Springer (June, 2024)

This open access book explores the 'polycrisis' currently affecting nearly all nations by exploring key themes such as multilateralism and globalization from the perspective of think tanks from nearly every continent, searching for various solutions to the ills that currently plague the world and a way to create a future in which everyone benefits.

As China's preeminent non-governmental think tank, the Center for China and Globalization (CCG) has invited 30 leading figures from the global think tank community to sift through the myriad layers of multilateralism and global governance and provide a contextual analysis of major themes both from a theoretical and practical perspective, focusing on China in detail, but also examining the world as a whole.

Think tanks are essential in analyzing current trends and providing potential solutions that aid governments, international organizations, and business in finding solutions beneficial to all. As a key source of innovative ideas, they have become even more valuable today as the pace of change accelerates, geopolitical complexity increases, and the world has to deal with global crises that no country can address on its own.

A common, central theme through all of the 25 essays in this book is the need for a more universal, inclusive, and multilateral approach to reforming global governance. It is our hope that the views of the experts from think tanks and other non-governmental organizations in this compilation will provide valuable insights to help heal the gaps in our fragmented world.

Free ebook: <https://link.springer.com/book/10.1007/978-981-97-2558-8>

The Future of China's Development and Globalization

Editors: Henry Huiyao Wang and Mabel Lu Miao

Publisher: Springer (January 1, 2024)

As the world continues to recover from the fear and uncertainty of the COVID-19 pandemic, a new set of challenges like increased geopolitical tensions and climate change have become increasingly prominent. This open access book, which contains the views of ambassadors to Beijing on topics ranging from bilateral relations to potential cooperation, global development and even more of the most immediate issues, aims to help readers make sense of our changing world and China's role in it.

Building on the success of our previous volume *China and the World in a Changing Context: Perspectives from Ambassadors to China*, the Center for China and Globalization (CCG) has invited 27 ambassadors to examine China's role in this context of constant flux, focusing specifically on China's perspective, including its trade and investment ties with other countries, as well as its role in multilateral regional relations and global governance.

These diplomatic envoys from countries around the world serve as pivotal contact points between nations across a wide range of fields, from economics and culture to health and the environment. Their perspectives, representing both developing and industrialized countries, are both invaluable and illuminating—not only in conveying the views and experiences of their own countries, but also for their insights into global affairs and China's development.

It is our hope that the views expressed in this volume will inspire even more discussion on the next best step to take in finding solutions to the problems we face, and in particular how China can use its own experience and wisdom to better contribute and engage with the world in finding solutions together. This book provides a wealth of perspective and insight that we hope will benefit not only academics and policy-makers, but also the private sector and individuals.

Free ebook: <https://link.springer.com/book/10.1007/978-981-99-7512-9>

Soft Power and Great-Power Competition: Shifting Sands in the Balance of Power Between the United States and China

Author: Joseph S. Nye, Jr.

Publisher: Springer (April 26, 2023)

This open access book consists of essays selected from Joseph S. Nye, Jr.'s last three decades of writing and illustrates a variety of perspectives on the nature of power, the role of the United States in the world, and US-China relations. Through this

collection, it is hoped that readers will gain a better understanding of today's global environment and find that while great power competition may be inevitable in a world as centers of power shift, cooperating to address transnational challenges can be a positive sum game.

The contents of this book are divided into four main parts. Part One discusses the origins and political progress of the concept of "Soft Power." Part Two explores soft power in the American experience, its sources and interaction with US foreign policy, as well as its ebb and flow in the age of Obama, Trump, and Biden. Part Three examines the rise of and the opportunities and difficulties for Chinese soft power, focusing on China's investment in soft power and how this demonstrates its commitment to a peaceful rise. However, it also addresses the question of how China can get "smart" in how it uses soft power. Part Four provides a bird's-eye view of power shifts in the 21st century and the interactions between the US as an established power and China as a rising power, while also reassuring readers that Thucydidean fears are unnecessary and a Cold War is avoidable. Both countries have to realize that some forms of power must be exercised with others, not over others, and that the development of soft power need not be a zero-sum game. Ultimately, the US-China relationship is a "cooperative rivalry" where a successful strategy of "smart competition" is necessary, and cooperation on transnational challenges like climate change, pandemics, cyberterrorism, and nuclear proliferation will serve to benefit not only China and the US, but the world as a whole.

Free ebook: <https://link.springer.com/book/10.1007/978-981-99-0714-4>

China and the World in a Changing Context: Perspectives from Ambassadors to China

Editors: Huiyao Wang and Lu Miao

Publisher: Springer (March 5, 2022)

Ambassadors are diplomatic envoys serving as pivotal contact points between nations across a wide range of fields, from economics and culture to health and the environment. The special group of ambassadors in this book—those based in Beijing—are at the forefront of what for many countries is one of their most important bilateral relationships, as well one of the most striking and consequential aspects of global affairs in the 21st century: the rise of China on the world stage.

This book aims to present an overview of China and the world from diverse angles. It brings together essays by ambassadors to China on a range of bilateral and multilateral issues, including trade and investment, regional economic cooperation, sustainable development, technology and innovation, and entrepreneurship. Given their familiarity with China and extensive international experience, the insights of these ambassadors are useful for policymakers, academics, entrepreneurs, students, and anyone trying to make sense of our rapidly changing world.

Free ebook: <https://link.springer.com/book/10.1007/978-981-16-8086-1>

Transition and Opportunity: Strategies from Business Leaders on Making the Most of China's Future

Editors: Huiyao Wang and Lu Miao

Publisher: Springer (February 17, 2022)

Multinational corporations (MNCs) have long played a crucial role in the Chinese economy. This role is one that is set to continue in the post-pandemic era as China works to transition to a high-quality growth model that is more sustainable and innovation-driven. With global experience and front-line involvement in some of the most pressing economic, technological, and environmental issues of our day, leading figures in MNCs and chambers of commerce are well placed to share insights that could potentially contribute to policymaking and development strategies so that everyone can “make the most” of China’s future.

This collection of essays aims to share these invaluable insights with a wider audience, offering balanced and diverse perspectives from companies and advocacy groups working on a range of issues related to China’s domestic development, international economic cooperation, and China-US competition. These insights are useful not only for the wider business community, but also for academics, policymakers, students, and anyone trying to deepen their understanding of this exciting period of “transition and opportunity,” to make the most of China’s bright future.

Free ebook: <https://link.springer.com/book/10.1007/978-981-16-8603-0>

The Asian 21st Century

Author: Kishore Mahbubani

Publisher: Springer (January 1, 2022)

This open access book consists of essays written by Kishore Mahbubani to explore the challenges and dilemmas faced by the West and Asia in an increasingly interdependent world village beset by intensifying geopolitical competition.

The contents cover four parts. Part one discusses the end of the era of Western domination. The major strategic error that the West is now making is to refuse to accept this reality. The West needs to learn how to act strategically in a world where it is no longer the number one. Part two discusses the return of Asia. From the years 1 to 1820, the largest economies in the world were Asian. After the spectacular rise of the West in the 19th and 20th centuries, even great Asian civilizations like China and India were dominated and humiliated. The twenty-first century will see the return of Asia to the center of the world stage. Part three discusses the peaceful rise of China. The shift in the balance of power to the East has been most pronounced in the rise of China. While this rise has been peaceful, many in the West have responded with considerable concern over the influence China will have on the world order. Part four discusses the challenges of globalization, multilateralism, and global cooperation. Many of the world’s pressing issues, such as COVID-19 and climate change, are global issues and will require global cooperation to deal with. In short, human beings now live in a global village. States must work with each other, and we need a world order that enables and facilitates cooperation in our global village.

Free ebook: <https://link.springer.com/book/10.1007/978-981-16-6811-1>

Consensus or Conflict? China and Globalization in the 21st Century

Editors: Huiyao Wang and Alistair Michie

Publisher: Springer (September 28, 2021)

This open access book brings together leading international scholars and policy-makers to explore the challenges and dilemmas of globalization and governance in an era increasingly defined by economic crises, widespread populism, retreating internationalism, and a looming cold war between the United States and China. It provides the diversity of views on those widely debated topics such as global governance, climate change, global health, migration, S&T revolution, financial market, and sustainable development.

Free ebook: <https://link.springer.com/book/10.1007/978-981-16-5391-9>

The Chinese Enterprises Globalization Series

This series contributes to the field of globalization and Chinese enterprises studies. It publishes completely up-to-date monographs dedicated to this topic. It also provides a wealth of the latest information regarding Chinese ODI. In addition to this information, the series stands head and shoulders above other work in this area due to its in-depth case studies on Chinese companies going global, all of which are based on thorough primary research.

Get more information at: <https://link.springer.com/series/16146>

The Challenge of “Going Out”

Editors: Huiyao Wang and Lu Miao

Publisher: Springer (November 2, 2023)

In an attempt to make sense of the complex process of adaptation that Chinese enterprises must go through in the course of “going out,” this book provides a multi-dimensional analysis of the driving forces, legal and systemic hurdles, as well as the risks and opportunities that Chinese enterprises must consider as they seek greater fortunes beyond their own borders.

Comprehensive surveys conducted on a range of enterprises provide the foundation for an overview of the current state of Chinese companies operating overseas and developing trends in their overseas investment. Specific topics include key challenges that companies face, their strategies and ultimate goals, as well as their practical experience in investing abroad, especially in Belt and Road countries. Also included are the insightful views of experts, scholars, and entrepreneurs with a wealth of experience in transnational investment in areas related to the globalization of Chinese enterprises, including regional investment risk, overseas talent strategies, legal and

compliance issues, and even the role of technology and the Internet in cross-border e-commerce, just to name a few.

It is our hope that this book will help readers better understand the current state of Chinese enterprises expanding globally, but even more importantly, we hope to provide valuable information for individual enterprises looking to "go out," helping them clarify their investment strategies, make the most of opportunities, manage challenges, and take their business to the next level.

More info: <https://link.springer.com/book/10.1007/978-981-99-3326-6>

Strategies for Chinese Enterprises Going Global

Editors: Huiyao Wang and Lu Miao

Publisher: Springer (April 5, 2023)

This book carries out comprehensive research on the underlying problems regarding the globalization of Chinese enterprises. It also proposes practical solutions for dealing with difficulties in the legal sphere, legislation, international talent development, and financing solutions for Chinese firms going global. In light of the great opportunities and space for outbound investment, this book also provides insights on how to push forward the Belt and Road Initiative.

The insights herein help readers understand the basic state of Chinese enterprises in overseas development and have important reference value for enterprises looking to gain a better understanding of foreign investment strategies, make the most of opportunities and challenges, and promote their development at a higher level.

More info: <https://link.springer.com/book/10.1007/978-981-19-6120-5>

The Globalization of Chinese Enterprises: Trends and Characteristics

Editors: Huiyao Wang and Lu Miao

Publisher: Springer (May 22, 2020)

The internationalization of Chinese enterprises is one of the most notable aspects of economic globalization in the 21st century. Despite the 2008 financial crisis and weak global outbound investment, under the "go global" initiative, Chinese outbound investment has gone from strength to strength, while also diversifying in terms of investment modalities, destinations, and industries. However, growing anti-globalization sentiment in some countries has also created new challenges for Chinese firms expanding internationally.

Drawing on nearly 3,000 data samples, using both quantitative and qualitative research methods, this book presents unique insights into the features and patterns of Chinese enterprises' globalization. The analysis provides a useful reference for enterprises that have already gone global and those that plan to. In particular, this book investigates challenges confronted by Chinese companies when doing business in foreign countries. It summarizes research covering three angles, namely: the current situation, causation analysis and corresponding solutions, and recommendations for firms, government agencies, and other institutions.

This book provides a comprehensive overview to help readers to grasp the broad picture of the international expansion of Chinese enterprises. It has important reference value for enterprises to help devise foreign investment strategy, seize opportunities, and navigate challenges in the course of globalization.

More info: <https://link.springer.com/book/10.1007/978-981-15-4646-4>

International Talent Development in China Series

International talent is a leading force in China's economic globalization. This series features the latest research on international talent development in China, a country that, in recent years, has become the largest source of international education as well as immigration in the world. Topics covered by the series include but are not limited to: international education in China, China's overseas student returnees, China's international population migration, and regional international talent competitiveness in China.

Get more information at: <https://link.springer.com/series/16119>

China's Domestic and International Migration Development

Editors: Huiyao Wang and Lu Miao

Publisher: Springer (March 9, 2019)

This book offers the most comprehensive, up-to-date assessment of China's domestic and international migration. Restructuring economic development requires large numbers of educated and skilled talents, but this effort comes at a time when the size of China's domestic workforce is shrinking. In response, both national and regional governments in China have been keen to encourage overseas Chinese talents and professionals to return to the country. Meanwhile, the Chinese government has initiated a number of policies to attract international highly skilled talent and enhance the country's competitiveness, and some Chinese policies have started attracting foreign talents, who are coming to the country to work, and even to stay. Since Chinese policies, mechanisms, and administration efforts to attract and retain skilled domestic or overseas talents are helping to reshape China's economy and are significantly affecting the cooperation on migration and talent mobility, these aspects, in addition to being of scholarly and research interest, hold considerable commercial potential.

More info: <https://link.springer.com/book/10.1007/978-981-13-6256-9>

International Migration of China: Status, Policy and Social Responses to the Globalization of Migration

Authors: Lu Miao and Huiyao Wang

Publisher: Springer (August 8, 2017)

This book provides a systemic and detailed monographic study of Chinese outbound migration. It not only breaks down the basic trends of this migration with respect to destinations and the like, but also analyzes its unique features, which include the

largely middle- and upper-class makeup of emigrants and their investment activities overseas, particularly when it comes to buying property. The Chinese are the largest foreign buyers of real estate in the US, Canada, and Australia. By explaining this and other special aspects of Chinese emigration and their impact on China and receiving countries, this book provides a fresh and interesting look at this important phenomenon.

More info: <https://link.springer.com/book/10.1007/978-981-10-6074-8>

Reverse Migration in Contemporary China: Returnees, Entrepreneurship and the Chinese Economy

Authors: Huiyao Wang and Yue Bao

Publisher: Palgrave Macmillan (October 8, 2015)

The authors investigate the phenomenon of highly skilled Chinese returnees and their impact on the development of the Chinese economy and society, and on the transformation of China into a key player on the global stage. They analyze the reasons why Chinese entrepreneurs choose to return to their native country and how their overseas experience shapes their attitudes and behaviors. This study is solidly grounded on fresh data from online and offline surveys and on evidence collected in over 200 interviews of successful returnee entrepreneurs. These global Chinese returnees have contributed to the rise of the Chinese economy into a global powerhouse and this continuing brain movement and circulation will have much more future implications and impact for China's exchange with the outside world.

More info: <https://link.springer.com/book/10.1057/9781137450609>

Other Publications

Escaping Thucydides's Trap: Dialogue with Graham Allison on China-US Relations

Editor & Author: Henry Huiyao Wang

Publisher: Palgrave Macmillan (November 3, 2023)

The book raises questions of how relations between the US and China will unfold, one of the most consequential of the 21st century. In the past decade, perhaps no thinker has had a greater influence on how this question is understood in both the US and China than eminent Harvard scholar Graham Allison, who developed the idea of the Thucydides's Trap to warn of the risk of war erupting between a rising power and a ruling power in the power transition process.

This book presents a comprehensive collection of Allison's views and writings on US-China relations from 2017 to 2022, covering a range of topics including the balance of power between the two sides, where the relationship is headed, and lessons from history on how conflict can be avoided.

The book is presented in an accessible Q&A format and draws on interviews, articles, and reports, as well as dialogues between Professor Allison and Dr. Huiyao

Wang from the Center for China and Globalization (CCG), a non-governmental think tank based in Beijing. The book also includes an introduction and afterword by Dr. Huiyao Wang, CCG president and editor of this volume.

More info: <https://link.springer.com/book/10.1007/978-981-99-2236-9>

CCG Global Dialogues: Understanding Globalization, Global Gaps, and Power Shifts in the 21st Century

Editors: Huiyao Wang and Lu Miao

Publisher: Palgrave Macmillan (November 24, 2022)

This open access book aims to help readers make sense of our changing world by sharing the views of global thought leaders on some of the most important issues of our time, from US-China relations and global governance to climate change and the COVID-19 pandemic.

The ten dialogues in this book were part of the “China and the World” series of online discussions hosted by the Center for China and Globalization (CCG). The series features CCG President Huiyao Wang in conversation with experts from a range of fields, from renowned scholars of international relations, economics, and history, to journalists, policymakers, and business leaders.

The speakers featured in this book are Graham Allison, David Blair, Kerry Brown, Anne Case, Li Chen, Wendy Cutler, Angus Deaton, Thomas L. Friedman, Valerie Hansen, Pascal Lamy, Kishore Mahbubani, Joseph S. Nye Jr., Adam Posen, J. Stapleton Roy, John L. Thornton, Huiyao Wang, Martin Wolf, and Zhu Guangyao.

These wide-ranging discussions offer unique insights and perspectives on key trends shaping our world in the 21st century. These include the rise of China and shifts in geopolitics, as well as the evolving nature of globalization, transnational threats, and multilateralism.

Free ebook: <https://link.springer.com/book/10.1007/978-981-19-3846-7>

China Goes Global: The Impact of Chinese Overseas Investment on its Business Enterprises

Authors: Huiyao Wang and Lu Miao

Publisher: Palgrave Macmillan (March 8, 2016)

Mainland China businesses are going global, transforming the country from a manufacturing export platform into an overseas investment powerhouse. China Goes Global is the most thorough and up-to-date empirical analysis of the accelerating effort of Chinese companies to go global by investing overseas. It details the overall trends of this activity with respect to its sectors, channels, overseas targets, and particular firms, along with the role of Chinese government policy in facilitating business enterprise globalization. The book offers readers an enterprise level view of outward expansion by Chinese firms that is focused not only on the big names, but also on the less well-known, but equally important trailblazing enterprises. In doing so it offers practical suggestions on how firms can tackle the challenges encountered when expanding outward.

More info: <https://link.springer.com/book/10.1007/978-1-137-57813-6>

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