Hudson Honors President Tsai, China's Influence in Latin America, and the EU-China Strategic Rivalry

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TRANSCRIPT

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Wilson Shirley:

Hello and welcome back to the China Insider, a podcast from the China Center at Hudson Institute. It's Tuesday, April 4th, and we have three topics to talk about today. The first is Taiwanese President Tsai Ing-wen's visit to New York last week where Hudson Institute honored her with our Global Leadership Award. Miles was there. We'll talk about what the event was like and its broader significance. Then we'll talk about China's growing influence in Latin America and how the US should respond. And we'll finish up with a conversation on European Commission President Ursula von der Leyen's speech last week on China and how it might mark a turning point in EU-China relations. All right, Miles, how are you doing?

Miles Yu:

Very good, Wilson. Hope you're doing well.

Wilson Shirley:

Thanks. I am. I've been wanting to talk to you because last week you went to a very special, important event and that was a Hudson Institute event to honor Taiwanese President Tsai Ing-wen with its Global Leadership Award that was in New York last Thursday. So, tell us a little bit about that event. You were in the room, what happened?

Miles Yu:

Well, that event actually is very, very interesting, it is a great event. This is the event that's been in the planning for a number of years. I think we plan to give her a couple years ago, but then she couldn't make it because of COVID, and it was a very interesting award because she joined the ranks of former President Reagan and great politicians like McCain, Cotton, and diplomats, like Nikki Haley. So, she totally deserves it. I mean, she's the leader, democratically elected leader of a very major ally. And so, if you ask me, there are four people in the world that could decide war and peace in the next few years. That will be Vladimir Putin, Xi Jinping on one side, and then another one will be Zelensky and Tsai Ing-wen on our side. So, she's a person of importance. She's a person of great contribution and she's a person of incredible courage and a great person. She's also a very popular speaker. She spoke of deep thoughts, convictions with humility and also with humor. So, she wowed the audience in New York City, and I don't know.

Wilson Shirley:

That's great to hear.

Miles Yu:

I don't think New York City, New York, New York crowd is not easy to be wowed. And she did that.

Wilson Shirley:

Yeah, that's great. So, let's talk about her remarks a little bit. A quote that stood out to me and excerpts of her remarks are on the Hudson website, but a quote that stood out to me is “we will continue to work with the United States and other like-minded democracies to demonstrate that democracy can deliver
and that Taiwan is committed to safeguarding our way of life.” So that was my sort of highlight from the remarks. Did you have any that really stood out to you that impressed the New York audience?

Miles Yu:

I think in the entire event that evening, last Thursday, was just focused on Taiwan democracy share values between US and Taiwan. We tried to minimize the US-China context because if you focus on that and you were going to talk about geopolitics and you would diminish the role, a great contribution of Taiwan has made to world democracy. What she tried to say I think is the factor that the Taiwan issue, in a global sense, is not really as much as the issue of sovereignty who should own Taiwan, but the issue of a great struggle between freedom and tyranny and Taiwan is on the side of freedom. And so, that's what actually the world, how the world thinks about Taiwan. You can see Taiwan is pretty popular now. Virtually every day, you have some kind of global leaders visiting Taiwan from Europe and from other Asian countries and obviously from the United States, particularly from the Capitol Hill.

Wilson Shirley:

So, let's talk a little bit about reactions to this visit in China and in Taiwan. There are a couple of things that have stood out to me in reading news coverage. One is a statement from the PRC Taiwan Affairs Office that said, “the DPP authorities out of their political self-interest in scheming for independence have manufactured various excuses and taken advantage of various opportunities to engage in independence activity.” So, they're saying that this, that's what this trip is about. And then simultaneously, while this is happening, Taiwan's ex-president, so one of President Tsai’s predecessors in this case, President Ma [Ying-jeou] is visiting mainland China. He is the first former Taiwanese leader to visit mainland China since the communist revolution in 1949. So, on the other side of the world in the Indo-Pacific, how is this visit playing out?

Miles Yu:

I think one of the greatest dangers of our policy circle is we do not see a pattern. We do not see what’s cliche and what's the real value of Chinese government's statements. I mean, if you read the Chinese government, government's statements like the one you just read, it's pretty consistent with what they've been saying for decades. So, there's really nothing new there. They accuse a group, a small group clique of independence activists in Taiwan. The fact is there is no pro-independent movement as a political force, overwhelming majority of people in Taiwan are for status quo, no independence, no unification with China. And because Taiwan has developed a unique nationhood, a unique self-awareness that is just as sovereign as anybody in the world. I think that China is looking for easy excuses to provoke and to basically gain attention. You mentioned about former president of Taiwan, President Ma Ying-jeou’s visit to the United States, you call it translator or not, it is very significant. It's much more important than the symbolic visit of Ma Ying-jeou to mainland China.
Wilson Shirley:

And yeah, I was impressed going through coverage. Again, this is her seventh visit to the United States as president of Taiwan. I think the first visit was in 1994 since we switched recognition to the PRC. But Taiwanese leaders, as you say, transit through the United States all the time. The final question that I wanted to ask you on this was a major talking point out of the PRC has been that the US is being hypocritical right now in its stance on Taiwan, talking about things like sovereignty as you alluded to earlier, and they're comparing it to Ukraine. So, China is saying we are all on board for sovereignty and territorial integrity in Ukraine. And the PRC stance is that the US is being hypocritical by undermining its own sovereignty and territorial integrity when it comes to support for Taiwan. So, if you were in a room with a PRC diplomat who brought that up, what would you say to them?

Miles Yu:

China is a country that respected other people’s sovereignty the least. Look at how many territorial demands China has made against other countries, you know. China has sovereignty issues over some territories inside Japan, Vietnam, India, Philippines, Malaysia, Borneo, and of course Taiwan. So, you name it. China is a country that has the least amount of respect for other people’s sovereignty. So, to say other people is a hypocrite, I mean, it is really, really the irony of the century. So, China knows this. That's why China does not have credibility when they accuse others with their index finger, they forget that three fingers actually point at themselves. So, this is the problem China has. It lacks total self-awareness.

Wilson Shirley:

That's a good point. So, continuing on to our next topic, President Tsai, after her visit in New York is going on to Guatemala and Belize. So that brings up the role of Latin America in this great power competition that we’re seeing. And last week you hosted a really timely event at Hudson Institute called “China's Growing Influence in Latin America.” And I want to go through some numbers with you really quickly because it's pretty astounding. The PRC is now the number one or number two partner, trading partner with every country south of Costa Rica. The other one sometimes is Brazil at $330 billion in 2021. Chinese companies have invested more than $171 billion in Latin America since 2017. 21 Latin American and Caribbean states have joined the Belt and Road initiative, and Lula from Brazil is going to China soon. And there are rumors that he may or may not sign up to BRI then. So, with all of this activity, what is the PRC’s strategy in Latin America? What do they plan and why does it matter?

Miles Yu:

PRC's Latin American strategy is a part of the PRC's global strategy. PRC's global strategy has a very sharp focus, that is the United States. PRC is obsessed at diminishing US global leadership to replace it with the CCP-style of a model of governance. Having said that, and you have to go through the specific things, obviously first thing that the PRC is doing is to create the economic trade and the technological dependency on China in Latin America. And China, basically, as you said, poured in enormous capital investments and infrastructure projects in Latin America so that it could diminish America’s role and also American influence in global institutions such as the World Bank and IMF. So, China basically is loan, lending a lot of money to Latin American countries with some very scary terms. So, to create a
dependency on China. Some countries basically were sort of totally intoxicated with the easy money from China like a Venezuela for example.

In return, of course, China also is not altruistic in all of this. China also get the enormous resources extraction from Latin American countries, but most importantly China also use Latin America to develop counterstrike capabilities against the United States in some of the very important areas. First of all, Latin America has served as China's primary venue to ventilate its anti-American sentimentality and propaganda. Every time there was a crisis between United States and China, the Chinese communist leader would always go to some countries, particularly Cuba and Venezuela, to vent its anti-American sentiment. I mentioned in the broadcast, that you mentioned earlier, from Hudson a couple weeks ago, at the height of the EP3 incident in 2001, the president of United States tried to resolve this problem peacefully and nicely. But Chinese Communist Party general secretary at the time was Jiang Zemin. He just refused to pick up the phone. Instead, he flew to Cuba, Havana, and citing Charmain Mao’s quotations and making anti-American remarks.

So, to them, Cuba represented the frontline of anti-American struggle. This is part of the Marxist-Leninist epic struggle. So, this is basically, it’s, it’s a political usage for the Chinese Communist Party propaganda machine. You mentioned about Venezuela. China basically is a friend. The closest friends in Latin America are some of the rogue states. They're mostly extremely anti-American government, particularly Cuba and Venezuela. I also mentioned that Xi Jinping’s most anti-American statements were made when he was visiting Mexico several times, several years ago. This is very similar to like the German strategy during World War One, the Zimmerman Telegram, and play Mexico against the United States. So, China is doing the same kind of practice there. Chinese government also has developing, you mentioned about economic investment. China also has, has been developing pretty like robust military cooperations in Latin America to balance out Americans’ military influence in the Western Hemisphere.

For example, Cuba, Venezuela, China sold fighter jets, missiles to Venezuela and has conducted joint trainings with the Venezuela militaries. And China has also a lot of weapons, some of the high-end weapons to Chile, Brazil, Argentina, and Peru. Of course, Brazil is part of the BRICS, China-dominated regional alliance. And China also has conducted a lot of intelligence and military intelligence operations in Central America, particularly some of the strategic choke points, at Panama Canal, for example. China also were very active against the remaining countries that have friendly relations with Taiwan in Central America. About law enforcement, China’s game was to hollow out America's self-defense in two areas, drugs and voter control. China play a very important role in Mexican cartels’ operations in fentanyl smuggling to the United States, not only in providing raw materials to make fentanyl in Mexico to be exported to the United States but also they're involving some kind of financing and distribution. This is pretty alarming to the United States law enforcement. Border control, of course, our borders were pretty porous in southern area, and I think increasingly a lot of Chinese nationals were pouring over the border from the definitely undefended border in most part of the US-Mexican border. Some of the people were pretty suspicious of being Chinese agents. You know, China's strategy in Latin America is aimed at diminishing US influence in its backyard.

Wilson Shirley:

So, Miles, you just highlighted a lot of really concerning trends in Latin America about growing PRC influence. But in another part of the world, there was actually a really encouraging sign, and that was in the European Union. So last Thursday, European Commission President Ursula von der Leyen gave a
speech on China that I thought was pretty, pretty hawkish, and I want to go through some quotes from the speech and just get your impressions of it. She said, “China is becoming more repressive at home and more aggressive abroad.” Another quote, “China has now turned the page on the era of reform and opening and is moving into a new era of security and control.” And finally, “the imperative for security and control now trumps the logic of free markets and open trade.” In his report to the recent Party Congress, President Xi told the Chinese people to “prepare for struggle.” So, this is a speech that you really couldn’t imagine someone in Ursula von der Leyen’s position giving even a couple of years ago. So, what did you make of this speech, and did you think that it was important that she emphasized this concept of struggle?

Miles Yu:

It's a good speech, but I think it's very strong on pointing out the problems with China and also that speech basically is very good at the diagnosis. I think it's weak on prescriptions. I mean, what is to be done, but this is actually overall, it's not bad in my view, because pointing out the problems that Europe faced from China is actually a great accomplishment. I mean, several years ago, when we tried to point out the existence of threat from China, I mean some of the European countries wouldn't even buy that argument, but now they woke up and their definition of the relationship between EU and China actually is much better than United States’ one, at least rhetorically. We define the US-China relationship as one of competition, right? So, President Biden, in order to emphasize the seriousness of this competition, he has some words like “extreme competition.”

I don't know exactly what that is but sounds a little bit emphatic. European's definition of real relationship with China is one called “systemic rivalry.” Rivalry is much stronger than competition. So of course, China does not define all this relationship in that way. China's definition is a struggle of life and death, right? So, it's a much more serious, a much more Marxist-Leninist. I mean, it is nothing new. It's been there for over a hundred years. But I'm trying to say here is, this speech was made before her upcoming visit to China with the French President Macron. So, she cannot really sound weak before going. I think that's probably part of the strategy. But going to China, what is the goal to go to China? I don't know exactly what it is. So, you find a solution, but then if that's the aim, then what she should have done in the speech was to lay out all the proposals she might want to put forth in order to solve this threat from China.

So, Europeans have a very important role to play, but I think that Europeans also have this very deep, deep ambivalence that is, on one hand, they believe China is an existential threat, but also China is also very tempting because China has a huge market, so, and China is a country that is in sort of a big fight with the United States. So, to many Europeans, this opportunity, if I may sound a little bit too extreme, but I couldn't find a better analogy here, that is China to many Europeans like cocaine. It's self-destructive, everybody realize that. But also, it's hard, it's a habit hard to kick to many companies and many some other countries. So, it's addiction, China's addiction and how to deal with this. Historically it's been a problem.

Wilson Shirley:

You just brought up the addiction, and I think that most of the addiction to China for European countries is economic. And that was a question that I had in reading through the speech was how much it actually matters. I thought, to your point, rhetorically good, she emphasized her approach to de-risk over
decoupling. She talked about things like export controls on high-tech equipment, things like that. But at the same time, nation-states within Europe are very, very dependent on China, particularly some of the biggest ones. You just talked about France, how she's going with Macron next week. France always talks about strategic autonomy, which is music to Beijing's ears all the time. Germany has not really been great on China. Recently, China took a 25% stake in the port of Hamburg. It expanded its role in Germany's 5G networks. The president of Spain last week was just in China at a big economic conference. So, how much does a speech like this from the head of the European Commission matter when you have some of the biggest economies in Europe continuing to act as they do?

**Miles Yu:**

I think European's dependency, economic dependence on China has been grossly exaggerated. It's the temptation. It's the idea that if I don't go there to grab a much, much larger market share, other countries might do it. I mean, this is the same ethos in the late 19th century when it comes to global competition for overseas positions in places like Africa and Asia. So, it's the same ethos. I think Europeans should really, this is where EU should come in and play much big, a bigger role that is to sort of minimize and mitigate the intrastate competition for market share in China and to act as a collective voice. EU should play a much larger role in a strategic perspective to protect the best interest of the EU countries as a whole. Do not let those small countries to sort of break up this kind of alliance. You mentioned Germany. Germany has always been odd man out for many years and many other countries were sort of very strong and very much aware of China threat. Germany has been sort of the lone wolf is goes, going after China's market and breaking the collective agreement, if you will. And that has been very harmful to the alliance. I think hopefully that you could transcend those kind of narrow national urge to break the pattern. So, deal with China as a collective entity.

**Wilson Shirley:**

And to your point, there are a few countries within Europe that are making really positive steps when it comes to China, they're not as big as Germany are. I'm thinking of countries like the Czech Republic, like Lithuania, the UK obviously through AUKUS. So, who do you think the real leaders within Europe are on this issue?

**Miles Yu:**

You know, you mentioned about Lithuania, and you brought up the Czech Republic. Those countries were small, but they were very, very realistic about China. I mean, I was shocked many times a few months ago when I interacted with several ambassadors from the major countries of Western Europe. They look at the Lithuania as troublemaker. They look at Lithuania as some kind of pariah breaking up their good relationship with China. This is ridiculous.

**Wilson Shirley:**

And we should give some background here. What was it about Lithuania? What did Lithuania do that pissed off the PRC show?

**Miles Yu:**
Lithuania simply allowed Taiwan to hand a plate in the capital of Vilnius to say, this is representative office of Taiwan, something like that. So, Chinese government went berserk, so they sanctioned Lithuania and to prevent Lithuania from having any kind of, you know, good relationship with Taiwan. So, the government stood up and never retreated. And this is the kind of a country that needs European’s collective support rather than chastising them for making trouble. So, this is something that I think, you know, the EU should have a very clear stand, not just rhetorically sounding tough, but also take a specific action. If China tried to break one member of the EU, no matter how small that country is, EU should act collectively, particularly in this case of Czech Republic and Lithuania. Those countries are vulnerable to Chinese economic retaliation. And the EU also is a big market itself. So, EU should come in, come forward, and support these countries because the threat against one is a threat against all.

**Wilson Shirley:**

So, you just said threat against one is a threat against all. People have been talking about something like an economic NATO where if the PRC is economically aggressive towards one country like Lithuania, or we saw Australia a couple of years ago, there's this idea that allies should help those countries find new markets, maybe backstop gaps that happen economically if they're cut off from trade with the PRC. What do you make of that idea of sort of a broader concert of democratic countries working together through an economic version of NATO?

**Miles Yu:**

When China retaliated against Taiwan by banning its pineapple, I mean the Japanese government, the Japanese businesses, they just know, you know, take over, they buy a lot of Taiwanese pineapples. So, that's basically the kind of action that we like to see. When China retaliated against Australia for simply suggesting the Chinese government should allow international team to investigate true origin of the COVID. And the Chinese reacted by stopping import of Australian wine and Australian coal, and I think Australian wine actually become very popular all of a sudden in many parts of the United States. I became sort of not a connoisseur, but a pretty frequent consumer of Australian wine. So, this is something I think EU should take a collective action to stop China's economic bullying, if you will.

**Wilson Shirley:**

And it's also something that individuals can do as well. You can buy more Taiwanese pineapples, you can buy more Australian wine. Both are delicious. I think that's all that we have time for this week. Thank you so much for another episode, Miles. Looking forward to talking to you again next week.

**Miles Yu:**

Okay, looking forward to it as well.

**Wilson Shirley:**

Thanks for tuning in to this episode of the China Insider, a podcast from the China Center at Hudson Institute. We appreciate Hudson for making this podcast possible follow Miles and all of the additional great work we do at hudson.org. Please remember to rate and review this podcast and we'll see you next time on the China Insider.