

Comments

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Let me begin by apologizing for my absence. I had been looking forward to the Peace Forum, but since I suddenly contracted the flu, I think it is best for everyone's health that I stay away. I hope everyone will have a stimulating and fruitful day of discussions.

I also want to thank Professor Kim for providing the Forum with such a thought-provoking presentation. Please allow me to give a couple of comments.

Rather than dealing with the details of the presentation, I want to question and problematize some of its underlying assumptions. This might force me to assume a more China-friendly position than I otherwise would, but for the sake of feedback, I think it is useful to sometimes play the devil's advocate. But I should also say that I genuinely feel that China is too often demonized in academic and general discourse, so questioning our assumptions about that country can be a fruitful exercise.

The first underlying assumption in the presentation that I want to challenge is the notion that China is engaging in economic coercion.

Can we actually take it as an established fact that China is engaging in economic coercion?

If China's economic diplomacy is so coercive, why have 80% of the countries of the world joined the Belt and Road Initiative? Ten years after Xi Jinping launched the initiative in 2013, there are now 154 countries that have joined the BRI. No one forced them to do so. If these countries had been worried about economic coercion, it seems highly unlikely that they would have joined and voluntarily exposed themselves to China's economic coercion. Most of the countries that have not joined the BRI are the rich, Western democracies. These are also the countries that tend to criticize China of economic coercion. I think it is important to keep in mind that this criticism is mainly a Western phenomenon that might find far less resonance in the global south.

At this point, many listeners would perhaps object and point to China's so-called "debt-trap diplomacy" – the notion that poor countries that trade with China get caught in debt traps deliberately planted by China. However, this claim has been heavily scrutinized, if not debunked by various research in recent years. The most commonly cited victims of debt-trap diplomacy are Sri Lanka and Malaysia. However, a 2020 study by Chatham House called "Debunking the myth of 'debt-trap diplomacy'", found that the debt problems of these countries had little to do with China, but rather stemmed from, quote, "the misconduct of local elites and western-dominated

financial markets". The study concludes that there is limited evidence for Chinese debt-trap diplomacy. More recent studies have come to similar conclusions. In other words, the idea of Chinese economic coercion should be problematized and not taken for granted.

I would think that, to many countries in the global south, Western criticisms of Chinese debt-trap diplomacy sound hollow given that Western countries have imposed real debt-traps on developing countries for 40 years through the IMF and its Structural Adjustment Programs.

That brings me to another underlying assumption in the presentation that I want to problematize. This assumption is the idea that an alliance of democracies to resist Chinese economic coercion can or should be led by the US.

Given the US' own inclination for economic coercion, I wonder whether a US-led democratic alliance against China can achieve the necessary credibility to be effective and attractive. For such an alliance to be credible, it should naturally not be engaging in the same coercive policies as Beijing is accused of. However, virtually all of the examples of economic coercion that you attribute to China can also be attributed to the US, be it tariffs, export and import stops and nontariff barriers.

Japan, despite being an ally of the US, is very familiar with US coercive measures. When Japan was emerging as a serious economic competitor to the US in the 1980s, the US forced Japan to limit exports to the US and to strengthen the yen against the dollar. Both measures were aimed at reducing American trade deficits and Japan was left with little choice but to comply, something that indirectly led to Japan's disastrous bubble economy.

But such coercive measures by the US are not limited to the distant past. More recently, the US has, for example, paralyzed the WTO for many years by refusing to nominate judges to the institution's Appellate Body. It has routinely ignored WTO rulings against Washington's protectionist measures.

The US has also increasingly come to weaponize the US dollar through economic sanctions against geopolitical rivals. The US is currently sanctioning some 40 countries, affecting billions of people. Some of these sanctions are strongly opposed by nearly the whole global community, such as the long-standing trade embargo against Cuba. Because of this growing American inclination to weaponize the dollar, we are now hearing calls for de-dollarization, particularly in the expanded BRICS camp where many are frustrated with US coercive management of the world's reserve currency.

In short, the US has a long history of economic coercion, which often seems to be of a more aggressive nature than that of China.

My question is therefore, how can a democratic alliance of countries against Chinese economic bullying be seen as legitimate when it is led by the US, which itself often acts as the biggest economic bully?

My personal concern is that there is a risk that such an alliance would be seen as

hypocritical and perhaps even illegitimate in the eyes of countries which do not belong to the US' immediate circle of allies. That could make such an alliance fairly isolated on the global stage.

All this is not to deny that China is sometimes engaging in economic coercion. As a Norwegian, I remember very well the several years of unofficial economic sanctions against Norway after the Norwegian Nobel Peace Prize Committee awarded the 2010 Nobel Peace Prize to a Chinese dissident. What I seek to problematize is simply the notion that China is particularly prone to use economic coercion compared to other economic great powers, especially the US.

In conclusion, let me summarize my two critical points regarding the underlying assumptions of the presentation.

The first assumption is that China is unusually prone to engage in economic coercion. Can we really say that this is an established fact?

The second assumption is that a counter-China alliance of democratic countries can and should be led by the US. How can such an alliance achieve credibility when its leader often engages in the same coercive measures that China is being accused of?

Finally, I should point out that I have only seen the presentation slides and not heard the actual presentation, so I want to apologize if I have misunderstood some of the presentation's arguments. Thank you again for providing the Forum with such a thought-provoking presentation.

Dr. Lenz, Hartmut

Professor, Soka University

Good morning, everyone, I am here in Professor Hanssen's stead today, as he is currently under the weather. Before we begin, I'd like to share a brief overview of the notes and insights he provided to me last evening.

Firstly, Professor Hanssen discusses the concept of economic coercion and China's economic relations with other actors. He raises the question of whether the perception of China's actions is biased, particularly by other democracies in the region and global North countries, and whether the global South has a different attitude towards Chinese development. He suggests that the acceptance of initiatives like the Belt and Road and AIIB by a wide range of countries could indicate that the perception of economic coercion may be skewed.

Moreover, Professor Hanssen examines the possibility of the United States using economic coercion, drawing parallels with past policies towards Japan in the 1980s. He asks whether strong interdependence with the US, considering its potential use of coercion, is wise, given that they might employ similar tactics to the countries they wish to contain.

Additionally, I would like to add a couple of my own points, which highlight a slightly

different perspective: Firstly, the relationship between Japan, China, South Korea, and the US serves as an example of how cooperation, despite substantial differences and competition, can exist among democracies. However, I question the reliability of this cooperation, particularly when there are costs involved. If these costs are unequally allocated, maintaining cooperation may be challenging.

Secondly, domestic acceptance of such cooperation is crucial. My German experience during a recent Russian invasion of Ukraine highlights the difficulties in changing interdependence-driven policies. When countries need to make changes, competition and differing opinions can hinder comprehensive strategies.

Regarding democracies, while they are brought together by their democratic nature, they are also particularly sensitive to domestic costs. This sensitivity to costs, given that they are accountable to their voters, can make it challenging for democracies to bear high costs.

Lastly, the importance of certainty in deterrence, both in military and economic terms, cannot be overstated. In economic deterrence, uncertainty is heightened, making it challenging to predict how countries will react. This uncertainty can burden foreign alliances.

I look forward to discussing these points further.