



**Harry Kreisler:** Welcome to a “Conversation With History.” I’m Harry Kreisler of the Institute of International Studies. Our guest today is Susan Shirk who is Director of the University of California system wide Institute of Global Conflict and Cooperation and professor of political science at UC San Diego. During 1997 to 2000 Professor Shirk served as Deputy Assistant Secretary of State in the Bureau of East Asian Pacific Affairs with responsibility for China, Taiwan, Hong Kong and Mongolia. She first traveled to China in 1971 and has been doing research there ever since. Her new book is [China: Fragile Superpower](#). Susan, welcome back to Berkeley.

**Susan Shirk:** Thanks. It’s a pleasure to be here.

HK: What was your goal in writing this book?

SS: Well, my goal was to open up the black box of Chinese domestic politics, Chinese domestic situations, so that people could understand better how Americans should think about China and handle the rise of China.

HK: How long did it take you to write the book?

SS: Well, I came back from Washington in 2000 and started doing research, and then it took about two years to actually write it.

HK: You are a prominent China scholar who did service in Washington, so I’m curious about how your perspective has changed, first as a scholar, traveling regularly China, but then on the other hand, as a policy person who could have an impact on China. Were these different perspectives you were blessed to have, or...?

SS: Sure. I feel very fortunate. I mean, not that many scholars have this rare opportunity to actually participate and maybe even, a little bit, influence history, not just study it. And I really enjoyed the action oriented role as a policy maker. Being a scholar, as you know, especially the research and writing, is kind of a lonely monk enterprise. You have to do a lot of it by yourself. And it was very exciting to be engaged with Madeleine Albright and President Clinton, and other

people, who were really trying to make progress in laying a foundation for better relations with China during that period. And remember, this is right after 1996 which was a time that we actually came into an eyeball-to-eyeball confrontation with China, and so, when I came to Washington I and other members of the administration were really worried about the possibility of a military conflict with China. So, it was very exciting.

HK: And I'm curious, was there – because in the literature there's always this discussion of theory and practice, so I'm curious as to what surprised you most when you switched tasks from scholar to policy maker, in a general way. Did anything surprise you, or...?

SS: Well, it didn't intellectually surprise me. I didn't learn a whole lot more about China, I have to say. One reason I went into government is I thought, “[gasps] I could have access to all this intelligence. I'm actually really gonna understand how it works there.” You know? And it was pretty disappointing, I have to tell you. I didn't feel I learned that much more from the intelligence that I'd learned as an academic, interviewing and visiting China all that time. And then of course, what you get a very heavy dose of is the politics in Washington, and this is the Clinton administration, so there was a lot of talk about the Clinton administration campaign contributions from Chinese, and you know, giving away nuclear secrets to China, all sorts of mostly partisan attacks that actually had no foundation.

HK: A little later we'll talk about US/China relations, but now I want to just sort of focus on how things have changed in China, because your first trips were in the early '70s and China was rural, undeveloped, but in our first interview we discussed that you had this rare opportunity to meet with Zhou Enlai the first time you were there. So, give us a sense of how you've watched China change over the years that you've been doing research there.

SS: Well, when I first went to China in 1971 it was still the Cultural Revolution, everybody was in baggy navy and khaki clothing, wearing Mao badges, almost no automobiles, people just riding bicycles, and things were decrepit, rusting railings in parks, and nobody mowed the lawn, and there was nothing to buy in the stores at all, you know, and I'm a big shopper. All I could get was a khaki bag saying “**wei renmen fu wu**,” “serve the people.” You know, it was – I mean, it was fascinating and very exciting but it was really decrepit. And the contrast between Hong Kong and the mainland was very vivid, because Hong Kong was a dynamic, modern place. You know, now I go to North Korea sometimes, and it's interesting because when I go to Beijing to North Korea it's a little bit like '71, going from Hong Kong to mainland China, to Beijing. Although then the gap was even bigger than the gap to North Korea now. So, of course, China has become a very dynamic market economy, very modern, all the western stores are basically there, fancy, wealthy people with Mercedes and – you know, so it's really like night and day. And I feel very fortunate to have seen this dramatic transformation, but behind all that development is sort of the political China. Sometimes when I give a talk I talk about the economic China and the political China. Political China is still not that changed.

HK: And let's talk about that in a second, but I'm going to lift out from your book a wealth of statistics to give our audience kind of a sense of the impact of these economic changes, which your book does a wonderful job of doing. The volume of trade has increased twenty-five times from 1978 to 2001. During 1978 to 2004 China's GDP grew at an average annual rate of 9.5. China's per capita income grew at eight percent. Of people over 60, you say 128 million people in 2000, but in 2030 there will be 350 million. Twenty more years of rapid growth with quadruple the size of the economy with per capita income at \$3000. And then when you're talking about that last statistic you quote Huntington who warns us that the change from a thousand dollars to three thousand is potentially a very revolutionary, violent period for any society.

SS: Well, what's interesting is the Chinese have read Huntington, too.

HK: [laughs] The leaders, yeah.

SS: Yeah! And I mean, they quote that all the time. So, they see this as a dangerous strait to cross, as well.

HK: And you focus in your book, as you get into the black box, you really get into the politics of China which you were just touching upon. Let's talk a little about that, because I think your book really points to a number of contradictions in Chinese society. It's really about the Party not wanting to change. Is that correct?

SS: Well, the Party wants to stay in power. I think the Party would be willing to change, would be willing to do anything to stay in power. They've got very clear focus there, and that's because in 1989 the Tiananmen protests, pro-democracy protests in more than 130 cities – the leadership split, the regime only survived by the skin of their teeth. Same year the Berlin wall falls and communism starts to topple in the Soviet Union and Eastern Europe. So, of course, China's leaders feel that their own days are numbered, and so, they're struggling to prolong their lifespan. And then they look around them, they just – all they have to do is look out the window and see what we were just talking about, how China has changed. And so, how do they maintain control, how do they maintain power in a vibrant market economy that's so open to the world, in which people are moving all over China, they don't have the same control over the population they used to, people don't work in state enterprises, so they're very worried and insecure.

HK: Just about that movement of people, you cite in your book this number, 130 million rural dwellers have emigrated to the cities. That's half of the US population. So, these numbers and the changes potentially they could lead to are just quite extraordinary.

SS: Yeah, this is really a historic exodus of people from the rural areas to the cities, and you know, it's a very dramatic modernization and transformation of society.

HK: And the Chinese always are embedded not just in their recent history, so when you're talking about volatile situations they know that some of the most important moments in modern Chinese history have brought governments down, really, the May 4<sup>th</sup> movement, and so on.

SS: Right. And this brings us to the question of nationalism, because they're very aware that the previous two dynasties, the Ching dynasty which fell in 1911 to the Republic of China, and the Republic of China which was defeated by the Communists in 1949. Both of those dynasties were toppled by these national movements in which the specific discontents of different groups within the population rural/urban were fused together by this powerful force of nationalism. So, they are very concerned the same thing could happen to the Communist dynasty.

HK: And as you describe nationalism in the book it's as if it's a fire that they have lit themselves in the past, and in this era they're in now it's not clear that they can actually control it. Is that their situation, that it will rage out of control on a particular international issue?

SS: Well, they're particularly concerned about Japan and Taiwan issues, but you're right – you know, I don't want to imply that the nationalism is intensifying in China, and anti-foreign nationalism is intensifying in China because the Chinese people are all brainwashed. Some of this is just the spontaneous result of the revival of Chinese power after what they call the 150 years of humiliation.

HK: That is, the foreigners occupying the country, making war on...

SS: Being weak and divided, and internationally sidelined, and pressured by external power. So, nationalism was going to rise, no matter what. But then former president, Jiang Zemin, who came into office right after Tiananmen, this close call – he was desperate to find a way to mobilize popular support for the Communist Party after Tiananmen. Nobody believes in Communism anymore, so he turned to nationalism as the basis for legitimacy, and he launched this patriotic education campaign and did through textbooks and movies, and other propaganda, kind of stir up nationalism. So, he reinforced this spontaneous increase in nationalism and now it's come back to bite them.

HK: And I guess that as we're now seeing – another factor that they have to deal with is the availability of technology, things like cell phones, the Web, which are being censored but there's a limit to how much censoring you can do, they actually become part of this dynamic and at the same time you're building a middle class that is reading more, and so on. So, the information is something they're losing control of in a way that they're having to deal with in a very serious way. Talk a little about that.

SS: Yea. I mean, I think it's very important, this information revolution in China, and in fact, I devote a whole chapter to the growth of the commercial media and the Internet. I think it's important because people do have access to so much more information than they ever did before, and as a result the leaders can't keep secret from, and hidden from the people what the politicians in

Japan, or Taiwan, or Washington are saying, even though it might stimulate nationalist response, it might make people angry. They can't keep it hidden from people, nor can they keep hidden some protest or disaster that occurs in one part of the country from people learning about it in another part of the country. And you're right, there is censorship. The coming of the Internet has not caused the end of the Communist regime. There were some Internet optimists who thought this was the magic bullet that was going to change everything. Censorship is actually pretty effective still, but it's not a hundred percent airtight. So, there is definitely more information, that people are learning more news about what's going on in their own country and outside.

HK: And the control of information in the old days was just one of the central pillars of power. I mean...

SS: That's right.

HK: ...you could essentially say something and that was the word – because the country was insulated from the outside in a way that...

SS: It's like North Korea, although even in the north of North Korea they're getting information now. But in the past it was – you know, China was more like North Korea is today.

HK: Now the other element of control has been the military, really, and military capabilities, as you point out, are increasing. With wealth comes the ability to acquire more sophisticated weaponry and then to have a strategy to use it. How does that pillar of power come to become a double edged sword, or does it?

SS: Well, you know, the military has received double digit annual increases in their budget since Tiananmen, and Americans look at this and we think China's getting ready to make war on us. Of course, the gap between our capabilities and China's capabilities remains huge. America is really the world's military superpower. But China doesn't have to be our military equal in order to present problems for us. So, why is China modernizing the military this way, and I argue it's domestic politics, as well as, or more than international threats that can explain why China is developing its military this way, because China's insecure leaders have to keep the military loyal. They learned from Tiananmen, from 1989, that if you have massive social protest and the leadership splits over what to do about it, the last backstop of power is the military, and the military has to remain loyal. So, these double digit increases in the military budget are an effort to basically buy the support of the military, and Hu Jintao spends a lot of time cultivating relations with the generals, making sure they remain loyal, not just to the Party but to him personally.

HK: And this is an important point because the fear is of a divided leadership, and the concrete form you suggest that would take is that some item in this pressure cooker begins to boil over and in the struggle for power within the Party one faction could seize on that and embrace it, if everybody isn't moving forward together, and that's a real...

SS: Yeah. In a domestic crisis – well, first of all, it's just very hard – there's normal competition for power, as there is in every political system. But you know, in a Communist political system it's not as rule bound, as institutionalized. So, how do you handle succession? How do you handle who gets promoted to be the number one leader, the number two, then the number three leader? It's not easy for them to manage that and keep it hidden from people. You know, if people know that there're splits in the leadership, then that encourages them to come out and protest and demonstrate because they feel that they may be able to do it safely, they won't be yanked off by the police and punished for demonstrating. So, in the context of this information revolution how do you prevent leaks about leadership competition? There're a lot of leaks in Hong Kong, Hong Kong media, and I feel that it's only a matter of time before you get to see that kind of information on the Internet. There're a lot of rumors now, but someday those rumors are going to start appearing on the Internet, and that'll be very hard to manage.

HK: You're suggesting that all of these structural changes, through interfacing with the international economy, with the new technologies that are creating these pressures, that ultimately it's going to become more and more difficult to contain them domestically without bringing either more democracy to the system, or as we'll talk about in a minute, translating these domestic pressures into some sort of negative international policy.

SS: Right. And I'm not arguing that China is on the brink of collapse tomorrow, and in fact, I'm pretty amazed at how resilient the Party has been in a lot of ways, like for example, recruiting college students. Here you have a market economy, and yet it's still very much in the interests of the best and the brightest to join the Communist Party. Now that's interesting. It's kind of a puzzle. I don't think I completely understand why someone who's going to work in a joint venture or a foreign firm – why should they still think that it's helpful to them to be a Communist Party member? I mean, it's certainly not because they have such great enthusiasm for political study, or for the goals of Communism, but they still join the Party. So, there's a lot of resilience in the system. They have adapted surprisingly well, but there are still these fault lines that I think will ultimately not be possible to manage without some major political change.

HK: What about the problem of corruption, that is, that families close to the leadership benefit quite a bit economically? I mean, is that an issue that they're addressing, or are there just show – not show trials but showcases, so to speak, where they identify somebody who's been seriously inadequate in their job, or have benefited personally in a financial way?

SS: Yes. I mean, just this last week President Hu Jintao called the entire Central Committee, all the leaders of the provinces, the entire Chinese political elite, into a major meeting, and this is in advance of the important Party congress coming up in the fall, to give them a speech about we've really got to get a handle on corruption – was the main focus of it, and also to let people know he has no intention of carrying out real democratic reform. I mean, he said that by embracing democracy in name, but it's pretty clear that they're actually too afraid because they don't know

what the consequences will be to even introduce some gradual democratic competition in the system. So, this corruption is a major problem, and China now is a more unequal society, the wealth gap is bigger, than it is in the United States. And there's a lot of discussion in Party meetings and in the media about the problem – they call it polarization. The reason they're so worried about it, and they think it's potentially politically explosive, is because everybody believes that the wealthy people got their money not through ingenuity and hard work but through official connections and official corruption. And that is really very dangerous. You know, every now and then some big shot in a BMW hits a poor peddler in a Chinese city and the crowd goes wild, starts attacking the police, you know, violent reaction because of the symbolism of having this big shot act like they don't care about the poor. So, Chinese leaders today are trying to show they care about the poor. They go down to the countryside and they go on television and show their great sympathy for the poor, but they are really worried about this wealth gap because it's tied up with the corruption issue.

HK: You talk about the failure of provision of public goods, and in particular the environment, and there are some figures that you gave of the top twenty most polluted cities. Something like sixteen, or so, were...

SS: In China. Yeah, I mean, it is just one big environmental disaster. And why has this happened? It's because the Party leaders have had this single minded focus on keeping up the growth rates, because growth makes jobs and prevents massive unemployment and unrest from urban labor, which is politically very threatening. So, they're focused on growth, but meanwhile nobody's paying attention to the water, the air. Health is very much affected. The costs of this, estimates of the economic costs, are huge, the human costs are huge. And now you have demonstrations that are starting in reaction to these environmental disasters. So, it's becoming a political threat to the leadership and they're very worried about it and trying to figure out what to do about it.

HK: And let's talk about this dynamic, because this problem, it gets tied up with the information revolution, so suddenly you have a protest in one small town, in a particular province, and information about that protest can go national, in a way, through the kind of underground media, cell phones, websites, and so on, even as the Party officials are censoring it as one website opens and is closed and another one emerges.

SS: That's right. So, it inspires people in other localities that have similar problems to feel like, "Well, we can do this, too." So, it can spread. Now so far, there isn't that much of that. Most protest activity in China is pretty small scale and localized. But the Party leaders are very worried about this, because there have been some instances in which it has spread through the information, as you say.

HK: Now you point out two things as we move into foreign relations. One is a concern that some of this set of difficulties at home could spill over into international relations because they don't have an outlet within the domestic system, and so there are tendencies at work that could spill over into a

different realm as the leaders attempt to deal with it. And you especially talk about relations with Taiwan, relations with Japan, and then also the United States. Talk a little about that.

SS: Well, you know, if you're feeling anxious about your domestic support, one of the best things you can do to rally support for yourself is to find a foreign threat. You know, this is in political science...

HK: We know to do that, too, in earlier periods...

SS: Well, yeah. And people – you know, they talk about the wag-the-dog idea, which is to actually create go-to-war in order to divert attention from domestic problems. I think that's a very small risk in China, but I worry that there could be some international crisis or provocation and that China's leaders would react by making threats, in order to look tough and strong domestically, and then feel they can't back down from it. So, I'm not arguing so much the wag-the-dog scenario as it would be reactive. But it could be very, very dangerous. Now I saw this very vividly in this terrible experience I had when I was in government, in 1999, when the U.S. bombed the Chinese embassy in Belgrade by mistake.

HK: This was during the Bosnia war – the Kosovo war...

SS: Right. It was part of the NATO action, and you know, I got this phone call saying, "The Chinese embassy in Belgrade has been struck and it appears to have been an American bomber." And...

HK: Several people were killed.

SS: Three people were killed, twenty were injured, and it turned out that in fact, we had – it wasn't collateral damage or a stray fragment. We targeted this building, mistaking it for a Yugoslav military facility. So, the Chinese reaction to this, even though – I mean, my – you know, I describe this in the book. I knew we had to apologize profusely, because if we didn't show how terribly sorry we were, I knew the Chinese would never let us forget it, just as they've never let the Japanese forget their failure to apologize adequately for their occupation of China, brutality during World War II when they occupied China. So, we did all these things to show how sorry we were, the President apologized, or he tried to – you know, Jiang Zemin wouldn't take his phone call. Finally he did a few days later, he apologized on television, we paid compensation, but nevertheless there were these demonstrations against the U.S. embassy and consulates in other cities, and the Party facilitated that. First of all, they told people it was an intentional act on the part of the United States, and secondly, they provided buses for the students, mostly students, to go to the embassy and to the consulates. And it was obvious why this had happened, and I discuss this in the book, and basically the leaders were worried that if the students didn't go after the Americans they would come after them for being so weak that you would allow this humiliation of Americans feeling they could attack the Chinese embassy. So, that was quite a bitter lesson for me, and I saw other examples of that in which the

leaders were willing to even confront the United States despite our tremendous military power, risk a confrontation with the United States, in order to protect their skins domestically.

HK: Now you quote Deng Xiaoping, who was the preeminent leader...

SS: Before Jiang Zemin.

HK: Yes. And you say he said, “Hide our capacities and bide our time, but also get things done.” This is part of a general sense that the Chinese have of wanting to be pragmatic in their dealings with the world, build up good relations in the region they’re in, because they are on this treadmill, as you said earlier, they really need this seven to eight percent growth every year to keep having new jobs for the people who are moving to the cities.

SS: Yeah. And actually – so, this is a positive thing. The Chinese now describe themselves as “responsible power,” which I find really interesting, given that that phrase was [a] phrase that we put in the speeches of President Clinton and other of our senior officials, back in the ‘90s, and that Chinese just adopted the phrase to describe themselves. But I think it’s credible because it is motivated, as you point out, by their own domestic power considerations. They want to keep – they want to prevent any conflicts, especially with the United States, that could interrupt this economic growth and maintaining power domestically. So, by and large, Chinese foreign policy has become increasingly pragmatic, and that’s great. We can handle that, other countries are feeling reassured, although – if you – I don’t know if you noticed, there’s just a new Pugh study. It’s interesting because despite all of this pragmatic Chinese foreign policy, people have more apprehensions about China.

HK: In the United States...

SS: Not just the United States, Europe...

HK: Oh, all over.

SS: Yes, all over.

HK: Well, they’re a rising power.

SS: That’s right. But it helps you understand why the Chinese are working so hard to persuade people they have friendly intentions, because they understand that their rise provokes this misperception, as they would put it, that they’re a threat, because they don’t think they are.

HK: Now one of the places where we can see by looking at these – what’s going on in China is their need for oil. And so, one of the issues that’s going to be out there is will their need for oil drive them to relations with countries such as the Sudan which would then go against our interests, and

possibly global interests, in kind of human rights policies, and so on. How do you think that will play out in the sense – will the Chinese be pragmatic in this area, also? I mean, they have to get the oil, they need these relations. Talk a little about that.

SS: Yes. Well, just in the last year or so, I think people are paying a lot of attention to the fact that the Chinese have gone out to Latin America, to Africa, to the Middle East, to get energy and other mineral resources to feed this rapidly growing economy. They don't have enough domestically, they have to get it somewhere. And they've gone to a number of countries that we don't want to deal with because they have bad governments., but from their standpoint they feel that they need to invest in these resources and get them from somewhere, and all the good countries have kind of been sewn up by the western oil companies. So, they feel that they don't have that much choice. By the way, India's doing the same thing. So, now they find themselves confronted by this political dilemma, because everybody's pointing fingers and blaming them for dealing with people like Bashir in the Sudan, Chavez in Venezuela, although they're probably going to be leery of doing that, just as everyone is now. So, anyway, they have to figure out how to manage this. They don't want to provoke conflict with other countries, but on the other hand, they need to get their resources, and I think you see that their approach to problems like the Sudan is becoming more pragmatic.

HK: Let's talk a little about the United States now and Chinese relations. Since you were in government there is a much greater degree of co-dependency now as a result of the state of the American economy, and let me pull out some of the statistics that you quote in your book. The U.S. is China's largest overseas market and second largest source of its foreign direct investment on a cumulative basis. Positive? 60,000 Chinese students study in the U.S. every year, but we – the Chinese are now loaning us \$250 billion a year, our trade deficit with them is approximately \$200 billion, they have one trillion dollars in reserves and 70% to 80% of that is in U.S. government bonds. So, there is co-dependency underlined here, and it really affects what we can ask of them, although we continue to ask a lot. So, talk a little about that, I mean, our vulnerability now, as these two countries move forward into the future.

SS: Yeah. I mean, basically we have an interest, just as China's leaders have an interest, in the Chinese economy continuing to grow and to be stable there. I mean, a domestic crisis in China, a crash in China, would not be good for the United States, just as China – you know, Zhu Rongji, the former premier, he gave a speech around 2000 at a university and students said, "What is the biggest threat to China in U.S./China relations?," and they said a downturn in the U.S. economy. So, they have an interest in our economy remaining strong. You know, this bilateral trade deficit is really so conspicuous, it's the biggest trade gap that we've ever had with any country, much bigger now than any we ever had with Japan. And somehow it looks like China is exploiting us, but it's actually much more complicated than that. I mean, one of the things that people say is that the competition from China is destroying American jobs. Well, this is the whole outsourcing issue. The fact of the matter is that the manufacturing sector in the United States has been shrinking, way before actually China was a factor, and it's just a structural change in the U.S. economy. The second thing is the trade gap. Actually our trade balance with Asia has remained roughly the same for a long period of

time. What's happening is the Japanese companies, South Korean companies, Southeast Asian companies, Taiwanese companies, and American companies, are using China as a production base. So, most of those exports from China to the United States are actually foreign companies, so our trade balance with Taiwan, or South Korea, or Japan, has – you know, the trade gap has shrunk but the trade gap with China has gotten bigger. So, actually the deficit is very explicable, and I try to make it simple so that people can understand it.

HK: And also, parts of the American economy are extracting a lot of wealth from China in the sense that the percentage of the money that's going to American companies is rather large. I think you use the example of the Barbie doll, namely a big percentage of that income is going to American companies. Right?

SS: That's right. But the thing we have to realize is over time a larger and larger share of those exports is going to be Chinese companies, because they are upgrading their technologies, they're moving up from kind of labor intensive light manufacturing to more technology goods, electronics, and they're going to be Chinese companies. So, that's a trend that we should expect, and then I'll tell you when we're going to have real trouble – is the Chinese automobile industry. China is going to start exporting automobiles to Europe and the United States. So, it's going to be more like those trade conflicts we had with Japan because we're going to be head on head competing in the future.

HK: And one reads the newspaper and the Secretary of the Treasury goes to China, members of the Congress go to China, to demand that there's a revaluation, and you point out that coming back to their domestic concerns, that they don't want the currency to float because import pressure on the prices of agricultural goods could spark peasant rebellion, a drop in manufacturing exports would increase unemployment, and the pressure on the shaky financial system could cause a mass run on the banks. So, this is really complicated.

SS: For them, it's very complicated, and of course, when we make a lot of noise about raising the value of their currency, and say they're manipulating their currency, then that foreign pressure makes it very hard for Chinese leaders to do what we're asking, because domestically they'll look weak. And then they don't know – I've done a lot of talking to people, senior economic and financial officials in China. They actually don't know what the consequences will be. They're worried about it. They are worried that the farmers will be put under real pressure and that they'll get more demonstrations in the countryside, as well as the city. So, as I point out, keeping power at home is the most important thing, which is true, frankly, in every country, but in most – in democracies it's just a matter of winning the next election. But in China it's maintaining Communist Party rule.

HK: So, you were – by the way, let me show your book again.

SS: Nice cover. I like the cover.

HK: Yeah, it's a beautiful cover, actually. So, let's go back to this role that you had in Washington and then the purpose of your book, because what you really want to do here is make people here, policy makers, the public, sensitive to these constraints on China, even as you point out the problems in some of China's own domestic situation. Is that a fair...?

SS: Yes, but I want to make clear that it doesn't mean, well, let's be gentle with China.

HK: Right. So, talk a little...

SS: Let's be smart. Let's be smart, so we – because Madeleine Albright taught me you can never get anywhere diplomatically unless you can put yourself in the shoes of that other guy sitting across the table from you. So, I think we need to put ourselves in the place of China's leaders and then be smart about our policy. So, first of all, we need to realize that everything we say and do is going to resonate inside Chinese domestic politics. So, I do think we do need to remain strong, not economically strong, of course, because we're going to need to compete effectively, but also militarily strong, because when China's leaders are in a crisis regarding Taiwan or regarding Japan and they're feeling a lot of domestic pressure to make a threat that they can't back down from, say, I want them to look out across the Pacific and see a strong American military, so they know they can't act out in order to look strong at home, that there's real risk to provoking the United States. So, I care about being strong but what I advise against is chest thumping.

HK: Or building up our alliance with the Japanese military.

SS: Yeah, here's where I do – basically I think the Bush administration has not done a bad job. I'm a Democrat but I'm not very critical of the Bush administration in this respect, in its policy toward China, but I think that they've – we've gone a little overboard in encouraging Japan to build up its military capabilities and strengthening our military alliance with Japan in a very vocal, chest thumping kind of way. Now I'm in favor of a strong Japan but I don't think if you throw it in the face of China's leaders and China's public this – we didn't have much chance today to talk about this anti-Japanese nationalism but it's the most virulent force in China, so...

HK: And that's a result of history and it's a result of nationalism at home, and so on.

SS: And this patriotic education campaign, and the textbooks. I mean, I'm really – I'm happy about Chinese textbooks. Chinese complain about the Japanese textbooks. Chinese textbooks, especially in regard to how they depict Japan – they have very little on postwar Japan. It's all about terrible wartime oppression and how Japan stole Taiwan, and all this stuff. So, anti-Japanese sentiment is very widespread. So, I think let – well, unfortunately, the train has probably left the station and there is so much – in Japan there is a lot of support for building up Japanese military power now, and so it – but I don't think the United States should be encouraging it in the same kind of loud way as we have during the Bush administration.

HK: This book is an effort to build a dialogue on a new level between the U.S. and China, sort of creating a situation where at least the American side understands China better. If you stand between the two countries, what advice would you – one piece of advice that you think is very important for the Chinese in terms of changing their behavior, and also for the United States. What do you think – is there a piece of advice for the United States that you have?

SS: Well, for China, yes, I do give advice to the Chinese leaders, too. I'm very free with my advice. I'll give it to Washington, I'll give it to Beijing, and I hope the Chinese leaders will read it...

HK: Zhou Enlai said maybe you would be the next pres – the future president.

SS: Well, anyway, I think one thing they should do is definitely try to cool off this anti-Japanese nationalism. It's tricky because if they – any step they make, they will be criticized at home for being too soft on Japan. But let's at least educate future generations to have a more balanced view of Japan. Let's revise the textbooks, let's stop celebrating annually these battles in which China was humiliated by Japanese soldiers. You know, I think you could do quite a lot to try to reduce this kind of anti-Japanese nationalism. You know, every time I say this on a blog, or something, Chinese come after me, and not – by the way, I'm not blaming it entirely on the actions of the Chinese government because plenty of Chinese who live outside China feel much the same, but not quite as intensely as people living in China. The other thing I'm suggesting to China is – I think they should give private business people, and provincial officials, more of a voice in foreign policy. One thing that worries me is that decisions about war and peace are being made primarily by Party leaders and the military. We need some counterweight there of people who really want to maintain the peace.

HK: What about the United States? Any advice for the United States, other than read your book?

SS: Well, no, I – as I mentioned, remember – American politicians, as they're trying to win points at home for looking tough on China – right? China's a good foil because we expect our leaders to look tough and strong in the face of outside threats, just as Chinese expect their leaders to do, because we're both big powers. Actually often I'm aware of how much we and China are alike in this respect. So, politicians should be cautious, though. They need to be statesmen, as well as politicians, and recognize that taking cheap shots at China and trying to just rhetorically go after China is going to resonate within Chinese – Chinese folks are going to know about it because they have the information now. And that forces Chinese leaders to react, and it's counterproductive. So, don't chest thump but remain strong.

HK: Susan, on that hopeful note, if both sides follow your advice, let me show your book one more time, an excellent sort of background for people who want to keep informed about this very important relationship that we have with China, and also not just for scholars basically. We're talking about the general public and policy makers.

Conversation with Susan Shirk – June 5, 2008

SS: Oh, yeah. Well, I wrote this for the general audience, and it was great to write and tell stories and eliminate all that social science jargon. So, what makes me happiest is when I get a review about how readable it is.

HK: Yes. And that it definitely is. So, thank you very much for coming back to Berkeley and talking about your book.

SS: Thanks. I enjoyed it, Harry.

HK: And thank you very much for joining us for this “Conversation With History.”

[End of Interview]