

**2012: A CRITICAL YEAR TO BUILD THE FUTURE
OF CHINA - US RELATIONS
THROUGH PUBLIC DIPLOMACY**

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Executive Summary:

Public diplomacy is a relatively new discipline and profession, but it has become more and more valuable as countries become more inter-connected. It will be especially valuable in the Year of the Dragon, 2012. This speech explains why next year will raise serious new political, economic, technological and strategic uncertainties between China and the United States, uncertainties which can be reduced if public diplomacy is employed vigorously. After defining public diplomacy, I suggest short, medium and long term actions that the US and PRC can pursue to advance mutual understanding and trust.

INTRODUCTION

It is an honor to be invited to speak before this important group, on a subject of serious importance for China and the United States. I wish to especially thank Minister Zhao for his generous hospitality. Minister Zhao and his good work on public diplomacy are well known and greatly appreciated by my colleagues in the US.

It is especially an honor because of the timing of these remarks. Next year, 2012, will mark an important year for both the United States and China. In my remarks I will concentrate on the importance of 2012 for public diplomacy in the US-China bi-national and global contexts. The timing is right for the U.S. and China to pay much more attention to our mutual interests in learning more about one another, through the channels of what we call public diplomacy, or second track diplomacy, or people-to-people diplomacy. Unless these two great countries do much more to improve basic understanding and trust among its people through the channels of public diplomacy, then the other important areas of our relationship will suffer – trade and commerce, strategic relations, military ties and mutual cooperation on global matters like the environment. Indeed, with the stakes growing higher and higher from year to year, 2012 should be the year of public diplomacy. Public diplomacy which produces greater understanding and trust should be the strong foundation on which economic and political relations are built. So let us look forward to 2012 – the Year of the Dragon – as the year when both sides became even more committed to public diplomacy.

I recognize this will be a long term effort, building brick by brick, and would like my remarks to serve as a conversation starter and an invitation to all of you to discuss and debate this important topic before us. So perhaps it is relevant to say that my presentation today is *pao ...zhuan... ying ...yu*

THE POLITICAL, ECONOMIC AND STRATEGIC CONTEXTS

Let me set the context of why public diplomacy is very important this year reviewing the nature of the bilateral relations between the two countries – including politics, commerce and strategy.

Politics

2012 will be important *politically*. The United States will hold presidential and congressional elections next year. No matter who ultimately wins the election, China-US relations have already become an important issue for both Democrats and Republican presidential and congressional candidates. They are already playing the “China card”, with bills before Congress now to impose sanctions on PRC exports in retaliation for what its supporters claim to be unfair state interference in currency, manufacturing and other markets. If a Republican wins the presidency in 2012, there may be substantial changes in policy and personnel. Even if Barack Obama wins, it is likely that the current Secretary of State Hillary Clinton will step down; the top

China expert at the State Department, Assistant Secretary Kurt Campbell, is her protégé and may leave also.

In the Peoples Republic of China 2012 will be the beginning of a leadership transition, beginning with the Party Secretary, and leading to the transition to a new President of China.

[Mr. Xi will visit the US early next year, and is expected to be named President in October.]

During the election season there will be considerable maneuvering and politicking on both sides. Some nationalist, ambitious politicians will be tempted to demonize the other side; it is uncertain how much anti-Chinese or anti-American sentiments will appeal to different political constituents in each country.

Here are some recent public opinion polls of each population's views of the other.

- Chinese Opinion of US: 44% Favorable, 46% Unfavorable (**Pew Global Attitudes 2011**) Note: This has been pretty consistent for the past decade
- Chinese Opinion of American People: 42% Favorable, 47% Unfavorable
- US Opinion of China: 51% Favorable, 36% Unfavorable (2011)
- Favorable Opinion of Country's Economy: China 88%, US 18%
- (PD Note: Chinese have an incredibly high opinion of their own country (95%) in comparison to rest of world's views of China)
- 47% of Americans see China as world's leading economic power, while only 31% say the US holds the position. Yet 67% of Americans see US as leading military power, while only 16% see China at the top.
- 1 in 5 Americans (20%) identify China as the greatest threat to the US, up from 11% in late 2009.
- Only 22% of Americans describe China as an adversary, 43% say a problem but not adversary, 27% say not a problem at all. Note: **Among young people** 18-28yo, 42% say China is not a problem at all.
- Views do not vary considerably across party lines. Democrats are slightly more positive of the US-China relationship, while Republicans are slightly more prone to view China as an adversary. (But swing is only about 5% difference)

Economics

With severe economic problems in the U.S., and possible challenges of inflation on the horizon for China, then economic challenges are important in 2012. In addition to the US Senate taking

up the China trade bill this very week, friction may also result from disputes over long standing tough matters like intellectual property rights (IPR) and market access.

When we look at the numbers, they show that our two economies have hit unprecedented levels of interconnection and exchange

- Total US-China Trade in 2010 = \$457 billion
 - US Exports to China (2010) = \$92 billion
 - China Exports to US (2010) = \$365 billion
 - US Imbalance = -\$273 billion
- China holds 36% of all foreign-held US Treasury securities = \$1.2 trillion = 16% of total US public debt
- China holds \$3.2 trillion in US dollar reserves
- US FDI in China (2009) = \$49.4 billion (FDI to India = \$18 billion, Japan = \$103 billion, Korea = \$27 billion) **POINT: US investment in China is BIG**
- China FDI in US (2009) = \$791 million (FDI from India = \$4.4 billion, Japan = \$264 billion, Korea = \$12 billion) **POINT: US welcomes more Chinese investment**

Strategy

There are also points of friction which may accelerate next year in the bilateral relations, against a global background of potential flash points resulting from the uprisings of the “Arab Spring”, worsening Palestinian-Israeli relations, difficulties in Europe and elsewhere. Relations in North Korea are also highly uncertain. In the bi-lateral military relations, we see:

- China Military Spending = \$91 billion in 2011, or 2% of government spending (up 12.7% from previous year. Note: steep rise alarmed many in region)
- US Military Spending = \$663 billion in 2010, 4.7% of GDP
- Important developments: China’s 1st aircraft carrier deployed earlier this year, South China Sea remains increasingly tense, recent US arms sale to Taiwan (But US didn’t sell Taiwan the top-of-the-line equipment, which Beijing “acknowledges”)
- Diplomatically: First Chinese-American ambassador to China Ambassador Gary Locke

Uncertainties in the bilateral political, economic, strategic, military and diplomatic relations may also make cooperation more uncertain in multilateral forums like the UN or international trade bodies.

New Technology, Social Media

Beyond these traditional bi-lateral concerns another great issue lurks before all of us, too big to ignore and also too big to reduce to simple slogans or brief statements in a speech like this one. This is the challenge of *new media technologies, especially social media*.

Blogs, Twitter, and mobile devices like smart phones have brought about huge changes in diplomacy as well as world trade and also in the media environment. These new social media have introduced vast new uncertainties.

The new technologies have undercut the power of huge corporations, so that once-small startup companies like Google or Facebook have become among the largest companies in the world in terms of their capitalization and subscribers, outpacing car companies and banks, with Facebook alone having 500 million members in its system. Other organizations, movements and institutions use Twitter to get their word out, from movie stars with millions of followers to small non-governmental organizations. One need only look at the Arab revolts and the Wikipedia leaks to appreciate how the power of these applications is accelerating and pushing all of us to adapt to the new conditions. Faced with these uncertainties and opportunities, Secretary Clinton has appointed an innovation team at the State Department to figure out to leverage these new media. The use of these media will spike to even higher levels in 2012.

If we agree 2012 will be a risky year, what should both sides do? If we do nothing, then we must anticipate problems. If we act, we can perhaps construct a better future together.

Good Commercial, Strategic and Diplomatic Relations Require a Foundation of Mutual Understanding and Trust

I do not wish to concentrate on the negative aspects of bilateral and global relations between China and the U.S. Rather, I want to point out that where risks like these are evident, then it should also be evident we need good basic understandings between the Chinese and American peoples to reduce the risks, and increase the opportunities for better relations.

Indeed, since so many opinion polls of Americans and Chinese show a rough 50-50 split between negative and positive opinions, then with enlightened leadership and progressive programs both countries can build on the basics of existing trust.

On a more personal note, I have worked on some of these issues as a senior staff member of the National Security Council at the White House, as an advisor to both the State Department and the Defense Departments, and in the US Information Agency. In other words, I have been in agencies and worked with leaders who pursue 'hard power' policies, and those that rely on 'soft

power'. These experiences have convinced me it is possible to create 'smart power' through balancing hard and soft power, and soft power is especially essential to develop good relations. This is why I say 2012 is definitely the year to pursue 'soft power' activities like public diplomacy.

DEFINITIONS OF PUBLIC DIPLOMACY

According to my colleague professor Jian Wang at the USC Annenberg School, public diplomacy is "broadly defined as a country's engagement and communication with foreign publics....It has three main components – news management, strategic communication, and relationship building." [p. 3, Wang]

PubD is the transparent means by which a country communicates directly with publics in other countries to inform and influence audiences overseas for the purpose of promoting the national interest and advancing its foreign policy goals. This is the classic American definition. It has evolved to encompass the democratization of information through digital media and communication technology as a new force that has greatly empowered non-state actors in international politics. The increasing engagement of non-state actors in international affairs is probably the greatest single innovation in modern diplomacy.

Public diplomacy seeks to create relations that flow from one people to another, sometimes through governmental channels, but very often not through governments. Women's organizations, business groups, scholarly associations and local governments can, and do, create their ties with counterparts beyond their borders.

Addressing Challenges, Seizing Opportunities

While I have concentrated on the very short term – 2012 – the second point I want to make is that 2012 is just the starting point. Public diplomacy, like all relationships, must be also focused on the medium and long term. Long-term relationships are built on hundreds of smaller actions and efforts that build trust and mutual understanding. The great Confucius once said, [It does not matter how slowly you go as long as you do not stop]. And an American Indian saying is "Before you judge a man, you must walk a long distance in his shoes."

EXAMPLES OF PUBLIC DIPLOMACY PROGRAMS AND ACTIONS

I do not wish to be immodest, but let me describe briefly the kinds of activities and programs that we develop for short term, medium term and long term objectives at the Center on Public Diplomacy at the University of Southern California. I offer them as examples of what others may wish to do as well.

- We are the first program in the US to offer a *Masters Degree in Public Diplomacy* (launched in 2007), a two year program (offered jointly with our liberal arts college)

- We also offer a six week *summer program for practitioners* that has attracted senior professionals from countries around the world, as well as international bodies like the UN, the African Union, and private firms.
- We host the *Center on Public Diplomacy*, a substantial institution which regularly publishes on a wide range of subjects, hosts international conferences, invites speakers from other countries, and partners with other institutions in the Middle East, Europe, and elsewhere. We maintain the most active website on the subject in the United States [www.uscpublicdiplomacy.org]
- We are *non-partisan*, working closely with Republican and Democratic administrations in Washington. We were awarded the highest civilian award for public diplomacy from Secretary of State Condoleezza Rice, and our faculty has also served as senior advisors to Secretary Clinton and her team.
- Our guiding philosophy is that *public diplomacy belongs to no single nation*. Like traditional diplomacy or other professions, public diplomacy is an international profession requiring specialized skills, knowledge, attitudes and experiences to be successful. These skills require as much strategic listening and learning, as strategic talking and sending messages to others.

The Center has been especially active in China, and as Dean I have personally committed to expanding our work in China even more. I am pleased to say the Annenberg School has 6 Mandarin speakers on our faculty. Among our activities in China are: extensive analysis and even participation in the Shanghai Exposition, where USC organized the USA Pavilion's Student Ambassadors Program at the 2010 Shanghai World Expo, with 160 Mandarin-speaking American students who served as cultural ambassadors to 73 million Chinese guests.

- Receiving senior Chinese delegations for briefings on sports diplomacy prior to the Olympics, as well as academic exchanges with delegations from Renmin, Fudan and PK.
- Briefings with government agencies over some years including my privilege of discussing innovations in communications and cooperation with senior officials at the State Council Office of Informatization, and also as a plenary speaker at the Hainan Bo'ao economic conference.

I am happy to report that other American and non-American universities (including universities here in China) are also beginning to offer courses and programs on public diplomacy.

NEXT STEPS: SHORT, MEDIUM AND LONG TERM

As my Annenberg colleague professor Nicholas Cull points out, public diplomacy has multiple impacts over different time periods. *Short term* public diplomacy tools include radio and television broadcasts, statements by government and other actors (like business leaders), and

sponsoring and attending conferences. At the other end are *long term engagement* activities whose impacts may not be evident for decades. For example, the Fulbright has brought nearly 300,000 foreign students to the US, including many who have come to be very prominent, like Margaret Thatcher and Boutros Boutros-Ghali. 18 Fulbrighters have served as a head of state while another 20 have served as Ministers of Foreign Affairs. And of course there are other middle-term activities which straddle long and short term, like publishing. Here are some examples of short, medium and long term steps.

Short Term Public Diplomacy Actions for 2012

- Launch a “Mutual Understanding and Trust Campaign”, where the leadership of important American and Chinese institutions would commit themselves to the importance of the ‘Understanding and Trust’ mission, and be willing to put resources into the China – US relationships, recognizing it is one of the most important in the world, and needs to be improved. As we say in the U.S., the US leadership needs to put their money where there mouth is. Universities, cities, sports groups should sign agreements to cooperate. But signed agreements are just paper tigers without action.
- Provide speaking opportunities for wide variety of Chinese and Americans to visit cities, campuses and communities.
- Programs to learn more about each other’s media system, jointly designed and implemented
- Both countries can draw even more on the overseas Chinese communities to help bridge the two countries and cultures.
- Joint cooperative research programs among universities, especially in contemporary matters as well as traditional ‘area studies’ programs of culture and history.

Medium Term Public Diplomacy Actions

- Cooperation in scientific arenas through institutions like the Chinese Academy of Sciences, and the National Academies of Science in the U.S. There are already joint meetings of these bodies; technical and scientific ‘diplomacy’ is a fertile area for future cooperation.
- Language training and student exchange. The Obama administration has proposed that around 100,000 American students should learn Chinese over the medium term, but this program seems to be moving slowly.
- Confucius Institutes for language training and cultural information
- Industry collaboration. A ripe opportunity for this is cooperation among media companies. One example would be more links between the creative industries in Shanghai and Hollywood, working together on everything from joint movie projects, to

documentaries, to opportunities for writers and producers in each country to learn more about the underlying cultures (not just detective movies or action films). USC is exploring possibilities for a new global initiative called the “Creative MegaCities” Project, linking Los Angeles, Mumbai, Rio de Janeiro, and if we can work out the details, Shanghai. It would have two components: how to create better links among the four, i.e. story line development, as well as joint investments in movies, entertainment, such as Theme Parks. The second question is how do Creative Mega-Cities grow, prosper and sustain themselves internally.

- University collaboration – joint projects could include research on the different meanings and modalities of public diplomacy in different countries, e.g. how do Chinese and American definitions of public diplomacy differ?

Long Term Public Diplomacy Actions

There is general agreement among the experts that long term relationship building is one of the most essential and valuable public diplomacy tools to build trust and understanding. There is simply no substitute for going to another country and learning about its people. Very few experience another country, and come back home with bad feelings about it. This is a special problem, I venture to say, for large continental countries like the US and China, the Middle Kingdom. Small countries have to learn a lot about their neighbors in order to survive (think Switzerland); big countries expect other countries to learn about them.

This is why the Annenberg School is actively pursuing opportunities to develop such long term programs, for example exchanges for the next generation of young rising leaders from the two countries. There are such programs between Japan and the US, and Germany, and a few exchanges with China. They need to be accelerated.

Ultimately, of course, diplomacy whether private or public, must rest upon realities. Nations can make claims about how wonderful they are, but in today’s world of mobile media that is always on, everywhere, in the hands of everyone, the official story has to match what actually happens. Companies are discovering this every day as they try to influence their employees who blog and tweet about the company. Americans officials, like their EU counterparts, are discovering this in their policies toward the Middle East. China faces its own challenges in this area. We are all discovering that the new social media technologies, which are potentially powerful tools for public diplomacy to affect others, are also tools that change the users as well.

Ultimately, this is a process through which national cultures adjust and adapt their basic beliefs to the realities of the contemporary world. It is essential to give attention to how we create culture, interpret our culture and distribute culture to our own citizens as well as people beyond our borders. Culture can help us innovate, just as it can retain ancient traditions. Efforts by national bodies to match up culture, economic growth, innovation and tradition should be encouraged.

CONCLUSION

Ultimately, I am very optimistic. I have been coming to China for 20 years, and I am just beginning to understand a little bit about your rich history and culture, and I am thirsty to learn much more. Many Americans feel this way, just as Chinese want to learn more about the US. I believe the Chinese have much to teach Americans about the importance of history, culture and to re-learn the value of sacrifice and hard work. And America has values it can share with China.

I noted earlier that 2012 is the Year of the Dragon. Dragon years, as I understand it, are important years, and the dragon is a dramatic and powerful symbol of Chinese history and culture. My research says that 2012 is also a Water Dragon year. Water dragon years come around every half century.

So like the water dragon let us not fear to exercise our patience and step back and evaluate our situation. Let us exercise 'smart' power, not just hard power, and like the water dragon, try to see eye-to-eye with others. Let us draw on the learning and research that great universities and other centers of education can provide. And let us pursue public diplomacy with renewed commitments in the year 2012.

Thank you for your hospitality and your attention.