

# The Wire *China*

Q &amp; A

## Myron Brilliant on Business's Role in Dealing with China

The longtime U.S. Chamber of Commerce Executive VP talks about the rights and wrongs of China's WTO entry and how companies should deal with the current tensions in the U.S.-China relationship.

BY BOB DAVIS — JUNE 25, 2023

ECONOMY

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*As the U.S. Chamber of Commerce's top international executive, Myron Brilliant (<https://www.linkedin.com/in/myronbrilliant/>) played a central role in lobbying Congress for every trade pact since the North American Free Trade Agreement in the early 1990s. A big part of his effort — and corporate America's — was convincing Congress to approve the Clinton administration's efforts to ease China's entry into the World Trade Organization. Over the years, Brilliant became a confidante of government and corporate officials in the U.S., China and other American trading partners. Early this year, Brilliant left his post as the Chamber's executive vice president to start his own consulting firm, Brilliant Impact Group LLC. He is also senior counsel to the Washington D.C. consulting group, Dentons Global Advisers, and works with the American Leadership Initiative, a think tank looking to chart a centrist approach to foreign policy. We started our interview by talking about the early Clinton years after China's leadership had killed demonstrators at Tiananmen Square. This interview is part of **Rules of Engagement**, a series by Bob Davis ([https://twitter.com/bobdavis187?ref\\_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor](https://twitter.com/bobdavis187?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor)), who covered the U.S.-China relationship at The Wall Street Journal starting in the 1990s. In these interviews, Davis asks current and former U.S. officials and policymakers what went right, what went wrong and what comes next.*



**Myron Brilliant.**  
*Illustration by Kate Copeland*

**Q: In the early 1990s, you were involved in the fight over whether to continue to extend MFN treatment to China during the Clinton administration. Can you take us back to that time? [At the time, Congress voted annually whether to renew China's 'most favored nation' status, which meant Chinese exports would continue to receive favorable tariff treatment.]**

A: In the aftermath of [the Chinese crackdown in 1989 at] Tiananmen Square, people could see the rise of China as an economic power, but no one understood the course it would take politically. China was seen as a country where the United States could have a competitive advantage by getting in early and doing business. Of course, there was also a lot of concern from some members of Congress about China's human rights record.

Those of us who were advocates for engagement with China focused on the enormous potential of China's economic prowess, but we were also hopeful that economic reform would eventually lead to political reform. At the Chamber of Commerce, I was a part of a massive business coalition effort to continue to promote the normalization of the relationship .



*Illustration by Sam Ward.*

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**More in this series:**

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**Matthew Pottinger on Flipping the U.S.-China Paradigm on its Head** (<https://www.thewirechina.com/2022/06/26/matthew-pottinger-on-flipping-the-u-s-china-paradigm-on-its-head/>)



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**Was the argument that engagement would lead to political change a convenient smoke screen for business, or did it reflect real beliefs?**

One always likes to think that having American influence in a country through economic terms is going to bleed over to other facets of the relationship. And certainly we have seen in some cases improvements in behavior in countries where America had pronounced influence.

We perhaps overstated the case in the 1990s. But the intent was not solely to do commercial enterprise in the market. There was the hope and aspiration that China had to change from within and economic engagement was the way to proceed.

Were mistakes probably made? Were over-arguments probably sold by a variety of stakeholders? Sure. But I don't think the intent was anything other than to try to move China in a direction where it would be, as [Former Deputy Secretary of State] **Bob Zoellick** (<https://www.thewirechina.com/2022/08/05/robert-zoellick-on-accepting-china-as-it-is/>) would say later, a responsible stakeholder in the international system.

That's where a lot of us were coming from. And we've seen over time China make some huge progress in its marketplace, its treatment of workers, and in other ways. But it hasn't gone as far as we all would like, that's for sure.

**In retrospect, do you think the anti-MFN forces ever really had a chance of winning?**

There were moments in the annual exercise where there was some doubt, but I never felt like we were going to ultimately lose. I always felt like we would win the argument that pursuing a course of normalizing the economic relationship with China was in our country's interest and ultimately in the interest of the global trading system.

Most members of Congress at that time bought into it, even though a large segment of the Democratic caucus opposed China's entry into the World Trade Organization at the time, and some members of the Republican caucus too. At the time, you had a bilateral consensus of centrist Republicans and centrist Democrats working together to advance a common cause.

**Let's switch to the WTO fight (<https://www.thewirechina.com/2022/05/08/charlene-barshefsky-on-why-engagement-with-china-is-more-important-than-ever/>) [about China's accession]. You have told me that the corporate lobbying effort spent more money on the WTO fight than all other trade fights combined.**

I've been involved in a lot of trade fights in my time, whether it's for pacts with Australia or South Korea or Colombia. Also, there was the effort in the late '80 and early '90s to get NAFTA done.

China took on a larger scope because people could see its rise as an economic power and because Chinese government officials were going to take note of which companies stood out in supporting the relationships — and perhaps even agree to make contracts conditioned implicitly or explicitly on their level of engagement.



**Shi Guangshen, then Chinese foreign trade minister, signs documents for China's accession to the WTO in Doha, November 11, 2001. Credit: WTO**  
**([https://www.wto.org/english/thewto\\_e/acc\\_e/a1\\_chine\\_e.htm](https://www.wto.org/english/thewto_e/acc_e/a1_chine_e.htm))**

The legislative engagement that members of the business community had in terms of communications, advocacy and grassroots campaigning was something we had never quite seen before in the history of trade negotiations. It was not just the U.S. Chamber of Commerce and the Business Roundtable, it was also individual companies, including Boeing.

It was an enormous undertaking stretching over many years. This was an effort by the business community to demonstrate a long-term commitment to the U.S.-China relationship and a commitment to engaging and increasing trade and investment directly into China.

Many companies in the 1990s and into the 2000s saw a significant increase in their business in China. In those early days, the margins were very attractive. China was so welcoming in many sectors, whether it was airlines, automotive, agriculture, or manufacturing. Also in some areas of technology, certainly including pharma, China was trying to absorb investment, human knowledge, and management skills.

The 25 or so companies that helped manage the [lobbying] effort in the late 1990s were all deeply invested in China's economic future. And they were all iconic American companies.

**BIO AT A GLANCE**

|                         |                                                                                             |
|-------------------------|---------------------------------------------------------------------------------------------|
| <b>CURRENT POSITION</b> | <b>Founder and CEO, Brilliant Impact Group, LLC</b>                                         |
| <b>FORMER POSITION</b>  | <b>Executive Vice President and Head of International Relations, US Chamber of Commerce</b> |
| <b>BIRTHPLACE</b>       | <b>Philadelphia, PA, USA</b>                                                                |
| <b>AGE</b>              | <b>60</b>                                                                                   |

**It was companies like Boeing, GM, IBM, as I remember.**

All those and more. Motorola was a big one. Certainly, [AIG](https://www.thewirechina.com/2022/09/04/hank-greenberg-insuring-engagement/) (<https://www.thewirechina.com/2022/09/04/hank-greenberg-insuring-engagement/>) had advanced status in the market, and had a competitive advantage over other insurance firms. GM was looking at the need to build cars there. GE was selling engines and turbines. You also saw the entrance of the pharmaceutical industry and major oil concerns, which recognized that China's manufacturing would need to be backed up with a reliable energy supply.

We felt that if we could get China to agree to international rules and standards, that U.S. companies would have access to that market by virtue of providing more services than other companies.

**You have told me that there were so many companies jockeying for credit that you needed a facilitator.**

I recall a meeting set up by Boeing and GE with a facilitator that felt more like a shrink session than it did a strategy session. There were probably 40 or 50 very active lobbyists and others engaged in the U.S.-China relationship in the room. I felt like I had gone through a shrink session when I thought I was coming over to do corporate strategy.

**What we looked at was a market that was going to grow in importance, and we had a hope that China would be a responsible stakeholder in the system.**

You had a lot at stake for companies, in terms of gaining market share and trying to advance their economic agenda. At the same time, you had trade associations eager to work together, but also eager to make sure that their members knew they were doing all the work they could on their behalf.

**Rep. Dana Rohrabacher** (<https://www.theguardian.com/us-news/2018/nov/10/dana-rohrbacher-loses-congressional-seat-orange-county-russia-putin>), **a China critic, really got miffed at you.**

He took a spongy ball and threw it at me. It was like, 'You guys just don't get it. You don't understand that you're promoting a communist regime.' Today that rhetoric seems very mainstream. But back in the 1990s he was out of sync. Today maybe the rest of the country has caught up with him.

The bottom line is we never looked at China as supporting the communist regime. What we looked at was a market that was going to grow in importance, and we had a hope that China would be a responsible stakeholder in the system.

## MISCELLANEA

|                |                                               |
|----------------|-----------------------------------------------|
| FAVORITE BOOK  | <i>The Killer Angels</i><br>by Michael Shaara |
| FAVORITE FILM  | <i>Casablanca</i>                             |
| FAVORITE MUSIC | Jazz                                          |
| MOST ADMIRER   | Abraham Lincoln                               |

The real goal was to find ways to do more business with China. The aspirational goal was that we would bring American ideals and standards to China, and that would help the Chinese people and help reform the Chinese political system.

We oversold it. We overstated our abilities to affect the political regime. But it is true that the lives of ordinary Chinese have improved dramatically since China has joined the World Trade Organization. Western investment coming from the United States and Europe has played a big hand in that.

### **In these big coalitions, what was the strength of the Chamber?**

They always said that the BRT was the Air Force and the Chamber was the Army [[The Business Roundtable](https://www.businessroundtable.org) (<https://www.businessroundtable.org>) is a trade association of CEOs of America's largest companies]. The Chamber had this incredible grassroots operation. We had state and local chambers across the country. Beyond advocacy work inside Washington, we focused on mobilizing state and local Chamber communities. We engaged with members of Congress so they could hear from their constituents — from their own friends — about why bringing China into the world trade system mattered to them. It mattered to the employees of companies that they owned or ran or led or helped to lead.

Boeing and others also could mobilize their enormous stakeholder base because they had so many suppliers. Caterpillar was another company that did that. And GM and Ford and others also mobilized their supplier networks.



Zhu Rongji and Bill Clinton concluding a joint press conference, April 8, 1999. Credit: Clinton Presidential Library via [YouTube](https://www.youtube.com/watch?v=wp2WwaqOkvc) (<https://www.youtube.com/watch?v=wp2WwaqOkvc>).

And you found yourself in Beijing in late 1999 when **U.S. Trade Representative Charlene Barshefsky** **had just finished WTO negotiations** (<https://www.thewirechina.com/2022/05/08/charlene-barshefsky-on-why-engagement-with-china-is-more-important-than-ever/>). **How did you wind up there?**



Many of the virtues in life are about showing up and being in the right place at the right time. I knew that the negotiations between China and the United States were getting close [to wrapping up]. As you recall, there was an earlier effort that failed when Zhu Rongji, then the premier, came to Washington in hopes of closing a deal with President Clinton. That deal was held up.

A number of us were quite upset that Zhu Rongji (<https://www.economist.com/asia/2003/03/06/what-he-did-and-left-undone>), who was perceived to be a reformer, had come to town with a package that was quite attractive, and the administration turned the package down and sent him back. That weakened the premier. And the ultimate package might not have been as good as the package that was delivered initially.

I was in Beijing to follow up on conversations I was having to support the process on behalf of our companies. And I had a meeting with Long Yongtu, who was at the time, the principal WTO negotiator under Zhu Rongji. No one bothered to tell me that Charlene had decided to come back to the Ministry of Commerce (MOFCOM) after a call from Premier Zhu to negotiate the final terms. Rather than getting on an airplane and heading home with a deal not done, she decided to come back. [Barshefsky was in Beijing to negotiate a final deal and had threatened to leave when negotiations stalled.]



Long Yongtu (left), head of the Chinese delegation, and Sha Zugang (right), Chinese ambassador to the U.N, in Geneva, Switzerland, waiting for the opening of the WTO's general council meeting, December 19, 2001. *Credit: Donald Stampfli via AP Photos*  
<https://newsroom.ap.org/detail/ChinaJoinsWTO/b1fb431265e5da11af9f0014c2589dfb/photo?Query=yongtu%20long&mediaType=photo&sortBy=arrivaldatetime:desc&dateRange=Anytime&totalCount=190&currentItemNo:>

Long Yongtu was going to update me on the progress of the negotiations. No one bothered to cancel lunch with me. So, I ended up showing up at MOFCOM. I walked in and no one bothered to say, 'Well, you can no longer have that meeting.'

I walked up the steps to the old MOFCOM building where Barshefsky and others were drinking champagne after emerging from discussions with the Chinese. The deal had been done. I ended up being the only non-government official at MOFCOM at the time that the United States and China reached the bilateral deal that would pave the way for China to join the WTO. It was a historic moment. And it all came by for me by coincidence.

**A couple times you have said you oversold the argument that commercial engagement would change China politically. I wonder whether on reflection, you feel any guilt about helping China to get a huge leg up.**

There are people who were involved in these negotiations who now look back and say, we made mistakes, we should have done something different, or we should have taken a different path. I'm not sure I'm one of those people.

I look back and say, it was a moment in time when China was sitting outside the international system. Everyone could understand that China was going to become an economic giant in time. No one knew for certain what that meant in terms of its political trajectory—whether there would be reform in the country.

I don't think we oversold the importance of China joining the economic system; China had to join the economic system. Mistakes were made subsequently in how we managed China's rise and how we dealt with China's transformation in some areas.

In that first period after joining the WTO, China largely implemented the commitments it made under WTO. Not everything was done to our liking. There were areas, including in IPR [intellectual property protection], where we felt China fell short, but for the most part, it met its baseline commitments under the WTO.

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**Myron Brilliant speaks during a House Ways and Means Committee hearing on the U.S.-China economic relationship, April 14, 2005. Credit: C-SPAN**  
<https://www.c-span.org/video/?186306-1/us-china-relations>

So, if we oversold it, it was oversold on the political reform agenda, not on economic reform. We've seen a reversal under President Xi Jinping. But there was a period of time right after China joined the WTO where the market was more open, where there was more transparency in implementing regulations, and where businesses started to flourish, and profitability was up.

It didn't last as long as it should have. We didn't always hold China accountable in the way we should have. But I don't regret trying to get China to join the World Trade Organization.

**When you see the way in which Chinese competition, fair or unfair, has ravaged parts of the U.S., what more do you think should have been done? Where did the U.S. fall short?**



**Myron Brilliant speaking at the China (Guangdong) – US (New York) Economic and Trade Cooperation Conference,**



May 13, 2016. Credit: CGCC  
[\(https://www.cgccusa.org/en/china-guangdong-us-new-york-economic-and-trade-cooperation-conference-held-in-new-york/\)](https://www.cgccusa.org/en/china-guangdong-us-new-york-economic-and-trade-cooperation-conference-held-in-new-york/)

This has multiple layers. First, the Chamber supported Trade Adjustment Assistance at the time when China was joining the World Trade Organization. But TAA never proved to be an effective vehicle. It was never a useful tool in the toolkit. [Trade Adjustment Assistance made payments to workers laid off because of foreign trade.]

The United States needed to have a more competitive posture. We have always had a laissez-faire system. That has served our interest, but we weren't prepared for the rapid increase of China's economic might. Therefore, we did not react quickly enough to the challenge that presented to the United States way of doing business.

China backtracked and reversed some of its initial offerings and openings [under the WTO agreement]. They undermined the level playing field that we were insisting upon through the 1990s. We should have moved much more quickly. There were a lot of dialogues set up, but we did not effectively bring the Europeans into a coalition effort [to deal with China].

I'm not a huge fan of creating walls but there is no question about the need to derive some kind of hybrid industrial policy that would protect and advance our economic interests and align ourselves in the international system with Europe and others. They saw the same trends developing but saw short-term gains through cooperation with China.



### Semiconductor Shakeup

BY ELIOT CHEN

A look at key concepts in the semiconductor supply chain and what recent events mean in the competition over its control.

[\(https://www.thewirechina.com/2022/09/11/semiconductor-shakeup/\)](https://www.thewirechina.com/2022/09/11/semiconductor-shakeup/)

We made mistakes in putting too much emphasis on manufacturing in China, and not diversifying and managing the risk associated with supply chains. In retrospect, we should have been moving much more rapidly to continue to engage China, but also to diversify supply chains and not put ourselves in a position of being so dependent on China for critical supplies. There is no question had we moved quicker, we wouldn't be in the position we are today.

### Why do you think we didn't move quicker?

The analogy I make is that if you put a frog in boiling hot water, it's going to jump out. But if you put a frog in cold water and slowly turn the heat up, it's going to stay the whole time. That's what happened here.

There was this honeymoon period where China was trying to some extent to live by the international rules that it had agreed to, through the WTO accession process. Companies were beginning to expand their footprint there in significant ways and were making huge strategic investments.

When you are the most powerful economic force in the global community, it's sometimes difficult to recognize your weaknesses. It took us a while to recognize the vulnerability we had, even though there were pockets [of harm from Chinese competition] in our country.

Now you see a uniform recognition among Democrats and Republicans of the threat from China's economic coercive policies. It just took too long to wake up to that reality.

**What's your explanation for why U.S.-China relations have become as rocky as they are? Is it Xi Jinping's fault? Is it the U.S.'s fault for not being more realistic about China?**

I place a lot of the fault at the feet of the Chinese, and particularly Xi Jinping. When private enterprises started to develop in China, there was a sense of opportunity inside the country and outside the country about China's future although there were still lots of issues that China had to confront like pollution, demographics, and crowded cities.

**A CGTN video covering Xi Jinping's remarks on the essential role of state-owned enterprises production resumption, April 23, 2020. Credit: [CGTN \(https://youtu.be/IQuN8wrCrfg\)](https://youtu.be/IQuN8wrCrfg)**

Most observers of China would say that there was a major course correction when Xi Jinping came to power. Clearly there had been investment in state-owned enterprises [before Xi became China's leader]. But Xi Jinping very much doubled down on that to support his political base. He made a very conscious effort over the first five years of his tenure to reinvest in SOEs as a way to solidify his power.

There was a course correction in how China approached foreign investment, particularly from the United States. You began to see pillars of society guarded and protected and nurtured.

This notion of self-reliance would become a more defined policy a little bit later. But almost at once you began to see crackdowns, more regulation, tougher guidelines, and more restrictions on foreign investors in sectors of the economy deemed to be critical to China's economic future, whether in aviation, AI, technology, or other areas. This was very much driven through the lens of Xi Jinping's governing style.

China is still an important market. There are still companies that need to be there. But the overall regulatory framework and the suspicion [engendered by] national security guidelines have created a much more hostile environment than there was pre-Xi Jinping.

**I put the blame on China's economic policies and posturing by the central government led by Xi Jinping, [and] designed to assert China's growing economic and political might.**

On the U.S. side, there's some accountability too. We were relying on dialogues that were not going nearly far enough in getting China to correct its behavior. There were many efforts at dialogue under the Bush and Obama administrations.

Trump wasn't wrong for calling out China. I don't think the tone was the right tone. I don't know if the approach was ultimately the right approach. But [U.S. Trade Representative Robert] Lighthizer, [Treasury Secretary Steven] Mnuchin, and others working under President Trump were not wrong for calling out China's behavior, and not wrong for wanting to push China in directions that would hold China more accountable.



Then Secretary of the Treasury Steven Mnuchin, and then U.S. Trade Representative Robert Lighthizer (left) meeting with then Chinese Vice Premier Liu He, during trade discussions in Washington, April 3, 2019. Credit: Official White House Photo/Andrea Hanks via [USTradeRep45](https://twitter.com/USTradeRep45/status/1113547417213906944/photo/1) (<https://twitter.com/USTradeRep45/status/1113547417213906944/photo/1>).

They should have done that in a multilateral context. They didn't try enough to bring other actors who felt the same as the United States, whether it was Japan, Australia, or Europe.

Their mistake, in my view, was taking a public tone that made it all about the United States versus China, rather than bringing allies to support an engagement with China that would put China on the defensive.

But ultimately, I put the blame on China's economic policies and posturing by the central government led by Xi Jinping [and] designed to assert China's growing economic and political might.

**Have you been surprised at the degree to which the Biden administration seems to have picked up from the Trump administration?**

There is a lot of continuation in the approach that the Biden administration has taken towards China. There's been no relenting on the tariffs that were imposed under Trump. There are more rules and regulations on outbound investment coming forward. There have been more export controls and more Chinese entities under close scrutiny, which was a policy that was initiated under the Trump administration.



National Security Advisor Jake Sullivan and other U.S. officials meeting with the Director of China's Office of the Foreign Affairs Commission, Wang Yi, in Vienna, May 11, 2023. Credit: [U.S. Embassy in China](https://china.usembassy-china.org.cn/readout-of-nsa-jake-sullivans-meeting-with-ccp-politburo-member-and-director-of-the-office-of-the-foreign-affairs-commission-wang-yi/) (<https://china.usembassy-china.org.cn/readout-of-nsa-jake-sullivans-meeting-with-ccp-politburo-member-and-director-of-the-office-of-the-foreign-affairs-commission-wang-yi/>).

The tone has been a little different. The emphasis on multilateralism over bilateral or unilateral actions has been an important distinction. But the United States has demonstrated that it will go alone, where it needs to go alone to protect our national security.

There are three aspects of the policy that still are to be determined.

First, how much decoupling does the United States really seek? Or is it de-risking (<https://www.nytimes.com/2023/05/20/world/decoupling-china-de-risking.html>)?

Second, are we going to define the national security boundaries [of the relationship with China] by including Europe and the rest of the world or are we going to negotiate directly with China? If we're going to take action towards China's behavior, are we going to align ourselves sufficiently with other countries so that the safeguards we're trying to impose are effectively implemented?

Third, what's our ultimate goal? Is it to isolate China or is it to change China's behavior? We have some access to key countries around the world to help leverage that, but we don't have carte blanche over whether China understands its obligations and commitments to be part of the international system.

China is creating an alternative model. Countries around the world are playing the United States off against China. They are going to decide whether they want to engage the United States or engage China. There are a lot of countries that want to engage both countries. So, we've got to figure out our strategy with China — where we can work together, and where we can be constructive and pragmatic. We also have to define the boundaries [to cooperation with China] but we can't go it alone. That won't work. There's too much leakage.

What do you see on the business front? At the China Development Forum and Bo'ao Forum the message was **China is open for business** (<https://www.thewirechina.com/2023/05/21/foreign-business-in-china-safe-and-secure/>). On the other hand, they're locking people up and they're raiding a variety of different companies. China has become a scary place to do business.



Foreign Minister Qin Gang speaking at the China Development Forum, March 27, 2023. Credit: *Chinese Embassy of Saudi Arabia* ([http://sa.china-embassy.gov.cn/eng/zgyw/202303/t20230329\\_11050830.htm](http://sa.china-embassy.gov.cn/eng/zgyw/202303/t20230329_11050830.htm))

It's very scary that legitimate enterprises are finding themselves under investigation and scrutiny in a way that they wouldn't have 10 or 15 years ago. Companies want to do **market research in China** (<https://www.thewirechina.com/2023/05/21/the-consultant-crackdown-capvision/>), just like companies want to do market research in the United States or Germany or elsewhere. That's good practice.

And the fact that American journalists aren't able to operate in China — that's not right. Any open system should allow journalists to operate and should allow legitimate businesses to operate.

It's very unfortunate. It's in part a reaction to the overall environment between China and the United States. It's also the insecurity of the Chinese system. While it's good that Chinese officials have said they want to see more investment, those messages are going to be diluted every time these kinds of actions appear.

Crackdowns, new regulations, new cyber guidelines, new national security guidelines, new threats to how data is treated in the market. Those are all very worrisome signs to business. On top of that, China's reputation has suffered around the world because of its policies around the One Belt, One Road strategy and its actions in the Russian-Ukrainian conflict.

So, I think China is trying, on one hand, to say we welcome investment from the west and elsewhere, but on the other hand, they're taking actions that would undercut that investment.

**What's your advice now to companies already doing business in China and to companies thinking about investing?**

If you are already in the market and doing business there, you have to assess your reliance on the domestic market in China in terms of your supply chain. Don't leave China, but make sure that you have a China-plus-one or China-plus-plus strategy when it comes to supply chains and subcontractors. Don't put all your eggs into that basket.

Smart companies have gone down that road already. Costs in China are high. Look at what **Apple** (<https://www.scmp.com/tech/big-tech/article/3206759/tech-war-apple-looks-india-vietnam-iphone-makers-supply-chain-comes-under-spotlight-us-china>) has done with Vietnam and India. Many others are



following suit in trying to move some manufacturing out of China and change some of their supply chains. But it doesn't happen overnight.



The Prime Minister of India, Shri Narendra Modi, and the President of Korea, Moon Jae-in, and other officials jointly inaugurating a Samsung manufacturing plant in Noida, Uttar Pradesh, India, July 9, 2018. Credit: Prime Minister's Office via [Wikimedia Commons](https://commons.wikimedia.org/wiki/File:The_Prime_Minister,_Shri_Narendra_Modi_and_the_President_of_the_Republic_of_in_jointly_inaugurating_the_Samsung_manufacturing_plant,_World%E2%80%99s_Largest_Mobile_Factory,_in_Noida,_Uttar_Pi) ([https://commons.wikimedia.org/wiki/File:The\\_Prime\\_Minister,\\_Shri\\_Narendra\\_Modi\\_and\\_the\\_President\\_of\\_the\\_Republic\\_of\\_in\\_jointly\\_inaugurating\\_the\\_Samsung\\_manufacturing\\_plant,\\_World%E2%80%99s\\_Largest\\_Mobile\\_Factory,\\_in\\_Noida,\\_Uttar Pi](https://commons.wikimedia.org/wiki/File:The_Prime_Minister,_Shri_Narendra_Modi_and_the_President_of_the_Republic_of_in_jointly_inaugurating_the_Samsung_manufacturing_plant,_World%E2%80%99s_Largest_Mobile_Factory,_in_Noida,_Uttar_Pi))

For companies looking to get into the Chinese market, it depends on where you are. If you're in a high technology sector, the risks are so high that the rewards are probably not worth it. If you're in a commodities business, you may still see significant opportunities. Then there are sectors in between, like the healthcare sector where China has a growing appetite and still welcomes the know-how, expertise, and support of many Western companies.

We are advising corporate leaders to cool down investment and hold back further investment. They're redirecting their investment to other markets. In some cases, it's to the United States and in some cases to other parts of the world where they see more attractive long-term trends.

It's a testament to where we are today. The risks [of investing in China] are very high and the rewards are not quite where they were 15 years ago.

**What's your advice about getting along with officials in China? You have lots of examples of U.S. corporate leaders sucking up to Chinese officials.**

I'm not sure they would describe it as sucking up, but I would say 'door knocking' on Chinese officials has been a popular art form.

**I'll give you some examples. Mark Zuckerberg jogging in Tiananmen Square** (<https://www.nytimes.com/2016/03/19/world/asia/mark-zuckerberg-jogging-beijing-smog.html>), **when the pollution is awful. Elon Musk** (<https://www.cnbc.com/video/2023/05/16/tesla-ceo-elon-musk-on-u-s-china-tensions-there-is-some-inevitability-to-taiwan-situation.html>), **never saying a negative word about the Chinese, while he is constantly railing on democratic countries. Is that what you have to do to succeed in China?**





**Myron Brilliant speaking during a session titled "The Financial Sector 'Breaking Through'", during the Bo'ao Forum for Asia, March 27, 2019. Credit: [Boao Forum](https://www.boaoforum.org/ljnh/en/2019tp/44910.htm) (<https://www.boaoforum.org/ljnh/en/2019tp/44910.htm>).**

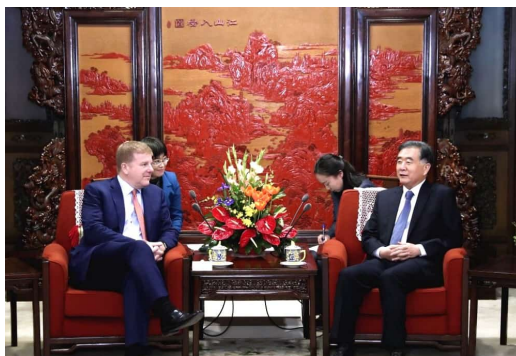
I would never encourage anyone to suck up to any government official, period. But when you operate in a country, you have to know the culture of the country. You have to understand how the country operates. We have to recognize there are different models around the world.

If we are doing business in a country like China where the economic model and the political model is not the same as ours, we have to make sure that we don't lose sight of our own values and our own system — that we bring the best of America's values and systems.

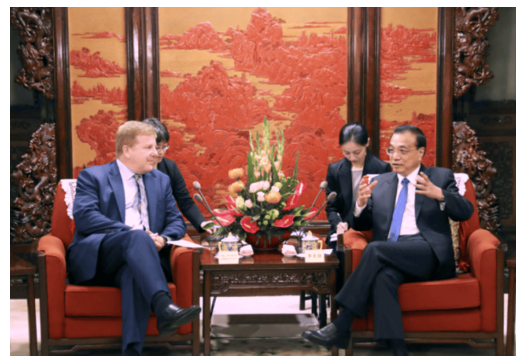
It's unfair to suggest that it's bad form or bad style in this political environment for U.S. corporate leaders to meet with officials in Beijing. They don't need to bend over. They shouldn't bend over. They should stick to their principles. But they need to go and engage the Chinese leadership wherever they can because they are actors in that market. They have employees, many of whom are Chinese, and they have a fiduciary responsibility to their stakeholders and to their shareholders to create business opportunities in markets around the world.

When they meet with government officials, they should be straight in their talk. I never encourage people to blindly go into a market like China and not talk straight with Chinese officials.

I've been very candid in meetings I've had with government leaders there, where I have talked about their poor record in many areas. I've touched on human rights, I've touched on trade, I've touched on intellectual property. And you can do it in a way that is representative of the values that we bring in our business dealings with China and at the same time be respectful that there can be different cultures and different views.



**Myron Brilliant with then Chinese Vice Premier Wang Yang in Beijing, January 8, 2018. Credit: Prokerala**



**Myron Brilliant with then Chinese Premier Li Keqiang in Beijing, September 10, 2019. Credit: State Government**

**There's a lot of talk about China using the weight of its economy to pressure company countries politically. What is the best way to try to deal with that kind of pressure?**

Economic coercion is a legitimate issue. China has gone around the world, particularly in Africa, Latin America, South Asia, Southeast Asia, and sold countries a bill of goods. They were making investments that were largely about extracting resources and bringing them back to China without making long-term commitments to the country's economic development. I think countries have woken up to that.

It's a good thing that the G7 countries are talking about this. The more we're unified in addressing it, and the more that we are providing alternative vehicles to making financing decisions, it's helpful —whether it's the United States through the Development Finance Corp., or the World Bank or IMF. But we also need, in a concerted way, to be very candid with the Chinese government about its practices and its impact.



**USADF President Travis Adkins, Dr. Imodoye Abioro of HealthBotics, Secretary Antony Blinken, and Myron Brilliant, at the U.S.-Africa Leaders Summit, December 13, 2022. Credit: [U.S. Chamber](https://www.uschamber.com/international/u-s-chamber-announces-winner-of-the-2022-digital-innovation-competition-at-u-s-department-of-state-reception-2/)**  
[\(https://www.uschamber.com/international/u-s-chamber-announces-winner-of-the-2022-digital-innovation-competition-at-u-s-department-of-state-reception-2/\)](https://www.uschamber.com/international/u-s-chamber-announces-winner-of-the-2022-digital-innovation-competition-at-u-s-department-of-state-reception-2/)

We have to come up with an alternative plan. Far too often the United States has not backed its own actions. What's our Africa plan? We had this huge summit and a lot of excitement from African nations saying, great. But China has been holding summits with African leaders for a long time. What's the plan of action? We're not part of the African Continental Free Trade Agreement. [AfCFTA is a continent-wide trade pact still being negotiated.] We can't even get a trade negotiation done with Kenya.

We have to counter [China] with our own economic Marshall Plan. We should present a plan for how we are going to play in the global south on economic development. We also need to encourage unity among the G7 countries on how we're going to confront China's economic policies.

**You've been involved in Track II discussions with China involving corporate officials in both countries. Do they lead to anything useful or are they just feel-good sessions?**

Pre-COVID, Track II dialogues were much more effective. COVID changed things because the dialogues took place over Zoom and [Microsoft] Teams. The Chinese counterparts read talking points from their officials. You never felt like you could get the traction that you had when you're in a room, not only with the government, but with key actors within the economic system of China. It's the sidebar conversations you have, not just the conversations in the room.

**Myron Brilliant, Howard Chen, James McGregor, and Gary Rieschel at Asia Society's panel on the future role of the business community in U.S.-China relations, held virtually on January 13, 2022. Credit: [Asia Society](https://youtu.be/2Vibu_WQUBY)**  
[\(https://youtu.be/2Vibu\\_WQUBY\)](https://youtu.be/2Vibu_WQUBY)

Ultimately, China is managed by a very few individuals. But it's a big country with a big footprint, with lots of different actors. And there are pockets of reformers in China. There are parts of China's system at the provincial level where government officials try to experiment a little bit — less so today than maybe 10 years

ago. Beijing has sometimes allowed that.

Track II dialogues created a level of engagement across the board. It is a way to send messages to the central government in China. I know when we had our Track II dialogues, they were always reported back. We had access to leadership.

**It's been said for decades that a strong and prosperous China is in the U.S. interest. Do you think that's still true?**

It's in the U.S. interest that China be a responsible stakeholder in the system. I don't think it's in our interest to try to isolate China.

But it is increasingly clear that China is not acting as a responsible stakeholder. So, do we need a prosperous China? If that means, do we want to see the people of China do better? The answer is yes. But we want the Chinese political system to recognize the important role it plays in every major international debate and to take on responsibilities associated with its economic weight. We should expect and demand more of China.

**War is a game changer. I don't think either China or the United States should even be contemplating that. Start minimizing the risk, not exposing us to further risk.**

**Last question, a question I never used to ask. What do you think are the chances that the U.S. and China go to war within the next 10 or 20 years?**

The chances are not high. But the [chance of] mistakes from China as it relates to Taiwan and other issues is too high. That cannot be managed without constant ongoing engagement between the political leaders of our two countries. We should have a system that allows that to take place through difficult times. It's been a mistake that there hasn't been a regular cadence to the engagement between Xi Jinping and President Biden

War is a game changer. I don't think either China or the United States should even be contemplating that. Start minimizing the risk, not exposing us to further risk.

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Bob Davis, a former correspondent at *The Wall Street Journal*, covered U.S.-China relations beginning in the 1990s. He co-authored “Superpower Showdown (<https://www.amazon.com/Superpower-Showdown-Battle-Between-Threatens-ebook/dp/B07Z3RZ9NY>),” with Lingling Wei, which chronicles the two nations’ economic and trade rivalry. He can be reached via [bobdavisreports.com](http://bobdavisreports.com/) (<http://bobdavisreports.com/>).