

Attracting Global Talent: A litmus test for China's Global Leadership

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I am privileged and honored to be here at a forum with stellar scholars of politics, history and economics. It is also great to be back at Columbia. Columbia carries many a great symbolism; for this a place where John Dewey and Reinhold Niebuhr once theorized about the soul of America and the country's place in the world; America's leadership in the world when the nation rose in power and prestige. I would like to express my sincere gratitude to professor Victoria de Grazia and professor Charles Armstrong and the organizers for the invitation.

Talking about such a complex strategic issue on leadership, China and the BRI I have to acknowledge my own ignorance and thus I think it's preferable to begin with an attempt for a definition, which as most definitions in politics go back to the foundational texts of Greece. This is where we first encounter the term Hegemon which means a leader. The term today has a very negative connotation and particularly in the Marxist - Chinese worldview is synonymous to imperialism - capitalism's last resort for survivalⁱ. But that was not the case of how the Greeks saw the term. For them a hegemon was a leader able to attract rather than coerceⁱⁱ. The emphasis being on what the Romans later framed as **auctoritas** rather than **potestas**ⁱⁱⁱ. As a great student of politics put it: "*In international affairs, prestige is the functional equivalent of the role of authority in domestic politics.*"^{iv} Prestige, rather than mere power, was therefore the everyday currency of the Hegemon. In a sense the original conception of the term is much closer to what modern American political scientists have framed "soft power"^v.

In a diachronic perspective, the idea of a hegemon is not static but dynamic. It starts with a rising power providing security to weaker states. Here the case of Athens is paradigmatic. Athens rose by providing security to the Greek city-states in their existential struggle against Persia. So heroic had the Athenians been that a city-state of merely 200,000 citizens defeated the Persian empire which in the 6th century BCE was the largest empire in the world (larger than China of the Spring and Autumn period). Hence, Athens emerged out of the Persian wars as a natural leader: A Hegemon. Greek city-states voluntarily transferred treasure to Athens in return for security. Then came the direction – application of soft power: *Athens endeavored to create a world safe for democracy.*

This story can be analogized to the hegemonic rise of the United States. The US emerged as an indispensable leader providing security to Europeans against the imperialism of Kaiser's Germany and then the extremism of Nazi Germany^{vi}. The US crystallized its hegemony through the transatlantic alliance. Allies transferred treasure through the monetary system which has the US dollar at its core. The exorbitant privilege of America denominating its national debt in its currency and thereby exporting inflation to the rest of the world through surplus dollars - a case Barry Eichengreen has described better than anyone^{vii}. After achieving peace came the goal to make the world safe for democracy. Unlikely partners, liberals and neoconservatives were nonetheless united in their efforts to spread Democracy abroad.

It is through this prism that the United States has viewed China. The only world where China and America could coexist in peaceful cooperation would be a democratic world. This perception influenced America's decision to let China enter the WTO back in 2001. **The Seymour Martin Lipset hypothesis**^{viii} that the trade of goods would lead to the trade of ideas as a new middle class in China would demand political

liberalization. Well this has failed to materialize and it is for that reason that we today are theorizing and speculating about China's hegemonic potential: **An emerging "Beijing consensus" spearheaded by the BRI able to attract the developing world and inspire a socio-political model undermining democratic capitalism?**

But if Hegemonic potential is a function of authority then how is authority defined in the modern system.

The work of Robert Gilpin is pivotal to seeing the difference between the ancients and the moderns. In Thucydides world change and productivity were almost stagnant. However, as Gilpin put it, with the scientific revolution productivity and technology became the driving force. It is the differential of productivity that determines the power gap between rising and ruling powers. **I believe that this differential is ultimately determined by the quality of human capital that a state can build at home and import from abroad^{ix}. It is thus the ability of great powers to attract human talent that is foundational to their leadership. This is the litmus test for modern leadership.** Surprisingly even in preindustrial world, in the 3rd Century BCE **Xunzhi**, a great Confucian scholar had stressed the consequentiality of human talent. He even advised the emperor to hire foreign experts and evaluate them solely based on merit not origin^x.

So when we think of China and the United States as leaders - as hegemons - we should think of the relative capacity of each nation to attract the world's best and brightest. Not solely scientists but also managers, entrepreneurs, designers, authors, **dreamers & visionaries.** We know that Innovation is the child of a synthesis between basic and applied science; of the triple DNA helix of business, academia and government yet it is the availability of high quality talent which is catalytic to the success of high-risk R&D projects. **If one institution epitomizes the significance of human capital this is DARPA and DARPA as Harvard Business Review editor Joel Kurzman put it has a lot in common with the Broad Institute at MIT, with its full-time artist in residence recruited internationally.**

In that sense the United States remains the world's preeminent leader as it still attracts far more human talent than China. However, China is catching up with the number of foreign students quadrupling between 2006 and 2016. China now ranks third behind only the US and the UK^{xi}.

As Chinese president Xi Jinping put it: *China will launch the Belt and Road Science, Technology and Innovation Cooperation Plan, which consists of **People-to-People** Exchange Initiative. In the coming five years, we will offer 2,500 short-term research visits to China for young foreign scientists, train 5,000 foreign scientists, engineers and managers, and set up 50 joint labs^{xii}.*

Tsinghua's School of Public Policy where professor Chu Shulong teaches is China's prime center of learning attracting officials and students from developing countries. It is not unlikely that Chinese industrial and political norms could transcend to some of those countries when students educated in China repatriate and impressed by the Shanghai skyline, the vast super-fast railway network try to emulate a state-centric economic model that suppresses consumption and channels national resources toward grand-industrial projects.

But sustained world class leadership will take much more than that. If a nation cannot **attract foreign talent** providing a path to naturalization within an open society then it cannot lead. If a system does not allow humans to reach self-actualization the highest level in Abraham Maslow's pyramid of needs, then it is inferior to a system which does. In this regard, China's polity is locked into a nativist understanding of Chineseness as this is defined by the Han race. If you are a capable foreign scientist, then you may get a grant and be recruited by a prestigious University such as Tsinghua but you will always remain a foreigner for life – a laowai.

Another disadvantage is that the **tenure system in China is only in name**. In practice faculty can be removed at the will of the ministry of education. The **chilling effect of self-censorship** kills creativity at birth and is a serious impediment to the attraction of talent. A professor at Peking University even called social science in China sterile. It is not an overstatement to argue that the tenure system in the United States and the first amendment are pivotal accomplishments empowering the West with a degree of attraction unmatched in any other civilization. The supreme court decision in the case of Cohen VS. California amidst the Vietnam war remains a cornerstone for western liberty. So, to put it in quantitative perspective as the founding father of Singapore Lee Kuan Yew did, China has a pool of 1.4 billion people to attract talent from while the United States has a pool of more than 7 billion people. This is a fivefold advantage and talent does follow a normal distribution^{xiii}.

To be sure, sustained US leadership must not be taken for granted. With a nativist administration considering across the board visa restrictions, a student loan bubble and a polity on the verge of a constitutional crisis the impact could be devastating. **It is therefore not the rise of China that should influence the temporal outlook of Americans, but the decline of the civic ethos at home which if not reversed could lead to the unraveling of the constitutional order and ultimately to a societal collapse.**

It is also essential to realize that China's current incapacity to attract the best and brightest is an aberration rather than the norm in its multi-millennia history... more of an outcome of China's enculturation into early 20th Century European nationalism rather than genuine Chineseness. **Actually the case of the Tang dynasty should serve as a model for modern China. Tang was as cosmopolitan as it was open.** At a time when Christian fundamentalism covered Europe with darkness, when mobs lynched Hypatia the world's stellar woman mathematician and last guardian of the library of Alexandria and when imperial edicts outlawed the Platonic Academy and the Olympic games, the Tang dynasty stood at the other edge of Eurasia as a beacon attracting scholars from as far as Bactria, Vietnam, and Persia. The universalist cosmopolitan spirit of the Tang could be a great resource for China's modern leadership.

Hence, this is the right moment to consider China's ongoing domestic debate about leadership and the BRI. Chinese intellectuals have expressed their worries about the prematurity of the BRI which has led to a backlash from the United States but also Europe and even south east Asia. China is still too poor compared to the US to undertake such a herculean project they argue. To cite Thomas Christensen "*Per capita GDP is a good measure of how easy or difficult it will be for any state to extract money from individual citizens for arms and foreign aid. It is also a good measure of the cost to citizens of income sacrificed when economic sanctions that harm trade and investment are leveled for reasons of power politics.*"^{xiv} And this is exactly what is going on today with China's GDP per capita being only 1/6 that of America.

If China is to ever close that gap, then its state-led economic system must defy the fact that industrial policies tend to become less effective as economic complexity rises. Add the ominous demographic trend as well as the enormous fiscal pressure for old age welfare and you have the perfect storm ahead.

To sum up, there is likely no sustainable Chinese hegemonic model. BRI's "wallet diplomacy" is not a panacea to China's cosmopolitan deficit. This does not mean that China will not sometime in the future accomplish hegemony but for this to happen **a cosmopolitan reform at home is a sine qua non.** A leading indicator for such progress will be the flows of international talent to China and the number of foreigners who may one day call China home.

To conclude, I think this would be the most favorable future scenario for China-US relations as the two behemoths celebrate 40 years of diplomatic engagement. **A Competition to nurture a domestic civic ethos that attracts global talent and let it flourish in its full potential.** I think John Dewey the legendary Columbia professor who was hailed as second Confucius by his Chinese students would endorse this path.

ⁱ See Valdimir Lenin (1917), *Imperialism: The Highest Stage of Capitalism*.

ⁱⁱ A great contextual definition of Hegemony can be found in Isocrates' Discourses on Peace (4th Century BCE).
“...as the result of keeping our city in the path of justice and of giving aid to the oppressed and of not coveting the possessions of others we were given the hegemony by the willing consent of the Hellenes.”

ⁱⁱⁱ As Apian of Alexandria (2nd Century CE) put it: “*Fulvius Flaccus in his consulship first openly excited among the Italians the desire for Roman citizenship, so as to be partners in the hegemony instead of subjects.*”

^{iv} Robert Gilpin (1981) *War and Change in World Politics*.

^v The Classic of Joseph Nye (1981) *The Means to Success in World Politics*.

^{vi} See John Mearsheimer (2001) *The Tragedy of Great Power Politics*; Victoria de Grazia (2006) *Irresistible Empire: America's Advance through 20th Century Europe*; Charles S. Maier (2006) *Among Empires: American Ascendancy and its Predecessors*.

^{vii} Barry Eichengreen (2011) *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System*.

^{viii} Seymour Martin Lipset (1959) *Some Social Requisites of Democracy: Economic Development and Political Legitimacy*.

^{ix} Garry Becker (1964) *Human Capital: A Theoretical & Empirical Analysis*; Lucas (1988) *Endogenous Growth from Human Capital Accumulation*; Romer (1989) *Human Capital & Growth: Theory & Evidence*.

^x Yan Xuetong (2011) *Ancient Chinese Thought, Modern Chinese Power*.

^{xi} See CSIS: China Power Project: Is China both a Source and hub for International Students?
<https://chinapower.csis.org/china-international-students/>

^{xii} http://www.chinadaily.com.cn/beltandroadinitiative/2017-05/14/content_29341195_6.htm

^{xiii} Graham Allison, Robert D. Blackwill & Ali Wyne (2013) *Lee Kuan Yew: The Grandmaster's Insights on China the United States and the World*.

^{xiv} Thomas Christensen (2016) *The China Challenge: Shaping the Choices of a Rising Power*.