

# Interview with Milton Mueller: US Hostage Strategies in the Digital Cold War against China

While the US government has maximized the scale of Huawei's restrictions on the entity list, the list of other Chinese companies under review by the US is getting longer and longer: US President Trump has vowed to ban short video app TikTok and ordered Bytedance at 90. Within days, TikTok's US business was divested, and WeChat had also been affected before, causing Tencent's share price to plummet. The U.S. has launched its "net-net" operation, and its actions to exclude Chinese companies in five major areas: operators, application stores, applications, cloud services and submarine cables, have an unprecedented scope. Recently, Trump has threatened to impose sanctions on Chinese technology companies including Alibaba.

Some commentators pointed out that if more countries follow Trump and use digital control based on diplomatic compliance, protectionist purposes, or new concerns about citizen safety, the Internet will become more like a patchwork of many fiefdoms. Locality, like the visa policy that fragmented world travel, broke the Internet. At that time, the global information society was split into the United States on one side and China on the other.

Milton Mueller, a professor at the Georgia Institute of Technology School of Public Policy, pointed out earlier that the core of the Sino-US dispute is Internet governance. As one of the founders of the e-government project, Muller was interested in the history of communication technology early on, and began to focus on the study of global governance and institutions. As a famous international scholar in the political economy of information and communication, Mueller is responsible for presiding over two major projects related to Internet governance: the "Internet Governance Project" and the "Authoritative Network Security Traceability Organization Design" project ( Institutional Design for Authoritative Attribution in Cybersecurity), and he is also the founder of the Global Internet Governance Academic Network, an important academic research institution on Internet governance.

In Mueller's view, in the context of increasing tensions between China and the United States, China is regarded by the United States as a potential geopolitical opponent. The United States is trying to move from liberalism to technological nationalism, and a series of anti-Huawei actions are obviously just this. One of the dangerous and counterproductive sports.

The role of technology trade in international relations is vividly demonstrated at this moment.

In an interview with Caijing reporter on August 17, Mueller pointed out that in the digital economy, the Internet connects us, and these areas are now the tipping points of all Sino-US conflicts: starting with Huawei, entering social media, mixed with Espionage and related network security issues. This means that, contrary to the establishment of a global Internet governance institution, countries are fighting their own way. The national policies formulated by Europe, the United States and even India will not consider global development strategies. These are the facts that are happening. Sino-US competition has made everything worse. The trade and development of information and communication technologies face the danger of being kidnapped by the military and national security interests, which may split the global Internet.

The "hostage" of the Sino-US digital cold war is the Internet economy, but Mueller believes that this is not a good strategy, because the hostages are either killed, and the best result is rescued. The nationalist

blockade prevents the Internet economy from developing and prospering. Both China and the United States are victims.

### **The logic behind the U.S. restraining Huawei**

The series of measures to curb Huawei are entirely due to the US's rise to China, the fear that competition and globalization in the information technology industry will undermine US leadership, and the worry and fear of China as a country of a completely different nature.

"Finance": The US Department of Commerce has just announced new regulations that further restrict Huawei's ability to purchase chips designed and manufactured in the United States. On the basis of the restrictions issued in May, the new regulations extend the scope of the ban to all chips manufactured by US equipment abroad, and include 38 affiliates of Huawei on the list of prohibited cooperation with US companies.

Müller: The United States has imposed a series of sanctions on Huawei. These are all attempts to destroy Huawei. These measures are not good for US technology companies because they know that Huawei is their good customer; these measures are not good for Huawei, and are not good for all potential customers of Huawei around the world. It has disrupted the globalized market of information technology and services, and to some extent has squeezed out this market.

It subverted the important WTO free trade agreement promise actually put forward by the United States. It is a dramatic reversal of the US Internet and telecommunications policy in the past 30 years.

### ***Caijing: Is there any deeper logic behind the US's containment of Huawei?***

Mueller: The series of measures to contain Huawei are entirely the United States' worries and fears about China's rise and China as a country of a completely different nature. The anti-Huawei operation appeared nearly 10 years before Trump came to power and became president, and it has long been rooted in the US military and intelligence community. The differences in values between China and the United States have made this conflict more complicated. The United States' worries about the Chinese system have reasonable elements, but the main concern is that competition and globalization in the information technology industry will undermine U.S. leadership.

***Caijing: Although people have warned that the application of the principle of reciprocity to Internet management may cost the United States a heavy price, Trump's actions have been supported by some Americans.***

Müller: The industry is actually not that supportive. Most people in the industry think this is harmful-even if they don't want to say it, of course they know it's not a good thing. Companies like Apple must understand that if China decides to take countermeasures, they could potentially be seriously injured. Scholars who are completely focused on foreign policy and so-called security research may support it, but those who focus on information technology, policy or industry, and those in the field of trade policy, hardly agree.

The Trump administration has resorted to protectionism and nationalism for a long time. If Americans have any support for his China policy, it can be attributed to one reason: in the eyes of many Americans, the Chinese market is closed. The US market is open, which is not fair. But it is far-fetched to describe it as a threat to national security. Some Americans believe that Huawei is just an agent of the Chinese government, rather than a truly competitive commercial company. I disagree with this statement. But it is

true that many people in the United States believe that every Chinese company is an agent of the Chinese government. Allowing them to enter the United States and enter the American market is allowing a dangerous country to become stronger and harming the United States' own interests.

***Caijing: TikTok is like that, saying that it poses a security threat only because its parent company is a Chinese company.***

Müller: It is ridiculous to say that TikTok poses a national security threat to the United States. When I first heard the news, I couldn't help laughing. But obviously people are taking it seriously. This just shows how much the United States fears China in some respects.

In the Trump administration, some people are bent on confronting and weakening China economically, politically, and militarily. Secretary of State Pompeo is one of them. There are also some Republican congressmen such as Tom Cotton and Marco Rubio and others. Even many years before Trump assumed the presidency, they have been confrontational and hostile towards China. I did not expect their hostility to be so deep, they would rather let these Chinese multinational companies become hostages of Sino-US confrontation. The entire digital economy was taken hostage.

They want to lock out Chinese companies and damage their competitiveness as much as possible. To be honest, I don't know what they expect?

***Caijing: Huawei was previously considered a part of the Sino-US trade war. As more Chinese technology companies are involved, social media has also become a target. If social platforms are the economic engine of the Internet, then sanctions against large tech giants look more and more like trade barriers?***

Müller: Now it is a big power wrestling. The United States is trying to use its economic factors in the global information economy to counter China, hoping to weaken China in this way. If China does not allow these American technology companies to enter the Chinese market, and China and the United States do not have free and fair trade and information, this can be attributed to trade issues. But the Trump administration has always said that this involves national security issues. Linking social media services to national security risks is a huge mistake, a very stupid mistake made by the US government.

There are some social media companies in the United States that are globally well-known and even dominate the world. If the United States considers a social media company to be a national security threat, and many nationalist governments can make the same claim, then Facebook, Google, Twitter, etc. may all be blocked by other countries. At the same time, China will not disappear. Apart from expressing the desire to confront and conflict with China, I cannot see any other explanation.

### **Beware of American "technological nationalism"**

If the two technological ecosystems of China and the United States are parallel, it means a divided world, which means that we have to pay more to maintain interconnection and interoperability, which means that both markets are smaller and the division of labor is less. Less competition, less innovation.

***Caijing: It seems difficult for some decision makers to believe that competition in technological products and services is very different from military and strategic competition?***

Muller: Yes, the former is completely different from the latter. To a certain extent, this is also the reason why some people think my point of view is a bit controversial: In my opinion, even if they don't like the Chinese government, such as not accepting Hong Kong's dominance, China's internationalized companies are just commercial competitors. In the market, people benefit by providing technology and new services. Tiktok is a typical example. Obviously it is very interesting and people like it. They didn't get any subsidies from the Chinese government. They brought competition. Everyone in the United States complained about Facebook's monopoly. Now there is a Chinese company that can compete with Facebook. Why not?

I believe that we have the ability to distinguish economic and technological competition from military and political competition. Many Americans believe that they must be tied together. China is using its economic benefits to become stronger politically and militarily.

***Caijing: People are becoming more and more dependent on technological nationalism?***

Müller: Technological nationalism is now almost everywhere in the world, including China. But the view of technological nationalism is contrary to the fact that technology advances. We must make progress in technology through international cooperation and international trade. Many outstanding Chinese students go to American colleges and universities for further study, Americans go to develop the Chinese market, and Americans are increasingly interacting with Chinese companies. Apple is a highly integrated product that involves many Chinese manufacturers and many people benefit from it. We should develop it on this basis rather than destroy it.

***Caijing: This is consistent with the anti-globalization and anti-manufacturing global division of labor systems.***

Müller: Under Trump's leadership, globalization and international trade are being reversed. I think Trump will most likely not be re-elected.

Unfortunately, the Democrats are only slightly less antagonistic on the China issue. They will be more inclined to listen to the voices of some technology companies such as Apple and Google. Clinton opposed the "Trans-Pacific (4.750, 0.19, 4.17%) Strategic Economic Partnership Agreement" (TPP) and other free trade agreements. Biden tried to be as tough on China as Trump. Not long ago, the Chief Democratic Senator of the Senate Foreign Relations Committee Under the leadership of Bob Menendez, the Democratic Party staff wrote a report that China is using its technology to rise and develop, so the prospects are not optimistic.

***Caijing: During the tit-for-tat between China and the United States, many issues have rapidly internationalized, and the final result is the establishment of two separate technological ecosystems in the world?***

Muller: "Tit for tat" is a wrong analogy. From the point of view of game theory, tack for tack means that the choices are symmetrical, whether they cooperate with each other or hurt each other. There are many mutually beneficial trades between the United States. It is undeniable that the United States believes that there is an imbalance between the United States and that American products cannot enter the American market like Chinese products. As a result, the United States has initiated some restrictions or obstacles to Chinese companies, which is more like risk reciprocity in the market. Now the tension between China and the United States is escalating, and the stakes have doubled. China is always forced to accept new realities. If the US does not sell chips to Chinese companies, it is obvious that those companies must develop their own chips. If American mobile operating system companies cannot trade with Chinese mobile phone

manufacturers, they also have to develop their own operating systems. Now that this has begun, if this becomes a long-term trend, it is inevitable that there will be two different technological ecosystems in the world.

This means a divided world, which means that we have to pay more to maintain connectivity and interoperability. It means that both markets are smaller, with less division of labor, less competition, and less innovation.

***Caijing: Why is the United States so nervous about "Made in China 2025" and what are they afraid of?***

Müller: I'm not sure if they are really afraid of it, or use it as an example to scare people. What the United States is really worried about is that such a huge economy dominates the world. If Chinese technology companies continue to develop, they will be able to set standards like the United States. Eventually, they will be like the United States between 1900 and 1930, when the United States became the world's dominant industry. The economy, followed by powerful military, economic and political forces. Some people worry that they believe that China and the United States cannot coexist easily.

If China is more like Europe, it will be easier for the United States to trade with China, the two countries will get along more easily, and Chinese and Chinese entrepreneurs will be welcomed into the American market.

***Caijing: The United States' cyber security practices indicate that the United States is more aggressive in technology regulation, making the Chinese believe that the United States is bullying Chinese companies.***

Müller: Sure, I fully understand. I have been trying to explain this to people. It is difficult to convince both parties at the moment-it is difficult for the Chinese to understand why they are regarded as threats, and it is difficult for the Americans to understand why they are regarded as bullying everywhere.

I have a Chinese friend. She believes that everyone is attacking China. Many attacks are unfair, so she feels bullied. The Trump administration's actions have strengthened China's nationalism and sense of isolation.

Policies and procedures can be changed, and the transition will take some time. China may also change. China can try to make some concessions to show that China is still opening up to the world.

**How to face the "new era of confrontation"**

Internet governance is one way to maintain security and continuous cooperation, but it will not solve the larger problems in US-China trade policy or military policy.

***Caijing: The tension between China and the United States in the high-tech field is increasing. What are the unique advantages of the two countries in the field of science and technology? It feels like a dislocation of superiors.***

Müller: In a sense, China has some manufacturing advantages in infrastructure and supply networks, and lower labor costs; the United States has advantages in research, technology development, and design. But

the difference between the two countries is shrinking. Now it is more not which country has the advantage, but which company has the advantage and really wins the success in the market.

Chinese companies have very advanced mobile payment systems. People can buy things with their mobile phones. The United States still uses credit cards and sometimes checks. Perhaps Chinese companies can enter the United States and improve the US payment system. But when financial investments tried to enter the US market, they were blocked by the Committee on Foreign Investment in the United States (CFIUS), and national security became an obstacle again. The United States has a genuine advantage in information services, but it cannot enter the Chinese market because the Chinese government is worried about uncensored open information resources.

This situation is very frustrating, and there will be no winners in the fight. The United States may not benefit from this, and this trend will become more apparent. The idea of forcing China to change its economy and regime immediately in a way that the United States likes is unrealistic.

If the two countries can continue to coexist and maintain some kind of continuous trade to get rid of this storm, that may be the best way out.

***Caijing: The U.S. has recently launched its "net-net" campaign to exclude Chinese companies in five major areas: operators, app stores, applications, cloud services, and submarine cables. The scope is unprecedented. This confirms your view: The core of the Sino-US dispute is Internet governance.***

Müller: The internet connects us in the digital economy: people buy chips, computers and use social media. These areas are now the tipping points of all Sino-US conflicts: starting with Huawei, entering social media is mixed with espionage and related cyber security issues. The Internet allows us to participate directly and immediately in many different ways. The United States is afraid of China's success in the information economy and it is worried that it will open information to China, but China has closed information to the United States. Therefore, the United States must also begin to build barriers.

This means that, contrary to the establishment of a global Internet governance institution, countries are fighting their own way. The national policies formulated by Europe, the United States, China and even India will not consider global development strategies. These are the facts that are happening. Sino-US competition has made everything worse.

***Caijing: In this context, can the situation turn around by advocating the concept of openness and the global Internet?***

Müller: One of the main reasons I maintain good contact with China is because China has always been in the Internet Corporation for Assigned Names and Numbers (ICANN), which is a good thing. However, due to the tension between China and the United States, this framework has been squeezed and minimized-the entire Internet governance system is based on multilateral cooperation among stakeholders rather than intergovernmental cooperation. Therefore, even if China is not nominally a loyal supporter of stakeholder multilateral cooperation, those involved in Internet governance in China still realize that stakeholder multilateral cooperation will cool tensions and make it easier to avoid conflicts between nation states.

***Caijing: China and the United States have entered a new era of confrontation. What will be the result of this development?***

Muller: There are not many reasons to be optimistic. Trump's fight against China has received strong support from the Republican Party. The Democratic Party's alternative plan for China may be a little more moderate, but no major changes will occur.

If Trump is re-elected, China and the United States will have nowhere to go, and all the settings will inevitably lead the two countries toward a military conflict. This will be stupid and lengthy; if Trump fails to be re-elected, China and the United States will suspend for a period of time and use this period to try to reconcile and rebuild Sino-US relations and improve the Sino-US relations formed between 2000 and 2020.

China will have to re-adjust, remain calm about what they see as American bullying, and consider adopting constructive methods; the United States should not always think about isolating China and inciting conflict. The United States needs to consider what it should do next. I think the two or three years of stagnation between China and the United States is a good thing for both sides.

***Caijing: If Sino-US relations are difficult to reverse, what factors will accelerate the downward spiral or help the two countries bridge their differences?***

Muller: I don't see any quick-acting solutions. To be honest, I have not had time to consider a solution from a long-term perspective. It is surprising how fast China and the United States are going downhill. I have been thinking about how to ease the development of conflict. Especially in the process of the Trump administration, various actions are used to deepen the crisis. In the future, there may be politicians and entrepreneurs to promote the rebuilding of trust between the two countries. So far I have not seen anyone willing to take this burden.

The role of India will be very interesting. The United States is getting closer and closer to India, and India is using this relationship to confront China. Will India provide a large market for the United States in the future, and the United States will not be so worried about China.