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EDITORIAL ESSAY

The Rise of China and the Specter of a Superpower War: Avoiding the Curse of History at the Grassroots

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Introduction

One of the most interesting facts about economic history is that income levels remained flat for most of recorded human history and then began to increase in a sustained fashion during the 17th century, providing citizens of industrialized countries with standards of living that would have been unimaginable for most of human history (see Figure 1).

When you begin to identify the causes of this exponential economic growth, innovation quickly appears as one of the key ingredients for this growth miracle (Landes, 1969). Initially, the invention of the spinning wheel and the spinning mule, along with the steam engine, dramatically increased productivity in textiles, fueling economic growth in England and later in continental Europe and the US. From then on, a continuous series of innovations ranging from industrial steel and chemicals to pharmaceuticals, motor power in the form of electric and internal combustion engines, and more recently, computers – to name just a few – allowed human beings to create an ever greater economic output per working hour.

Since my doctoral studies in the 1990s, I have been trying to understand why some people bring about such innovations and why others do not. I was also interested in how much luck and historical contingency play a role in this process (Tetlock, Lebow, & Parker, 2006). You can attribute individual names to major innovations for the first 100 years of the industrial revolution, even though many different individuals helped improve each technology. By the late 19th century, large corporations appeared on the scene and drove the creation and diffusion of innovations in the economy. I selected the synthetic dye industry as the focus of my early studies because it was the sector in which industrial R&D laboratories were created for the first time in human history, staffed by university-trained chemists (Murmann, 2003; Murmann & Homburg, 2001). The second key reason for my choice was that the synthetic dye industry started at the same time in different countries, ensuring comparability across countries. British and French firms were leading for the first 8 years after the invention of the first synthetic dye in 1857. German and Swiss firms, however, with their systematic, theory-driven trial-and-error R&D efforts, came to dominate the industry until World War I disrupted the global economic order, leading to a disintegration of the global economy that was not fully reversed until the 1960s. After World War II, German dye firms that had diversified into many other parts of the chemical industry, such as plastics, fertilizers, and pharmaceuticals, regained some global market share (Murmann & Landau, 1998), but by 1995 Chinese synthetic dye companies came to dominate global markets (Jiang & Murmann, 2012). This pulled me into studying Chinese firms and industries.

Past

My first venture into Chinese industries involved trying to figure out how Chinese dye firms became leaders in the global synthetic dye industry. Given that I could not read original Chinese sources, I recruited Hong Jiang from Renmin University to collaborate with me on this. As we soon learned, explaining why the center of global dye production moved to China was not too difficult. First, the

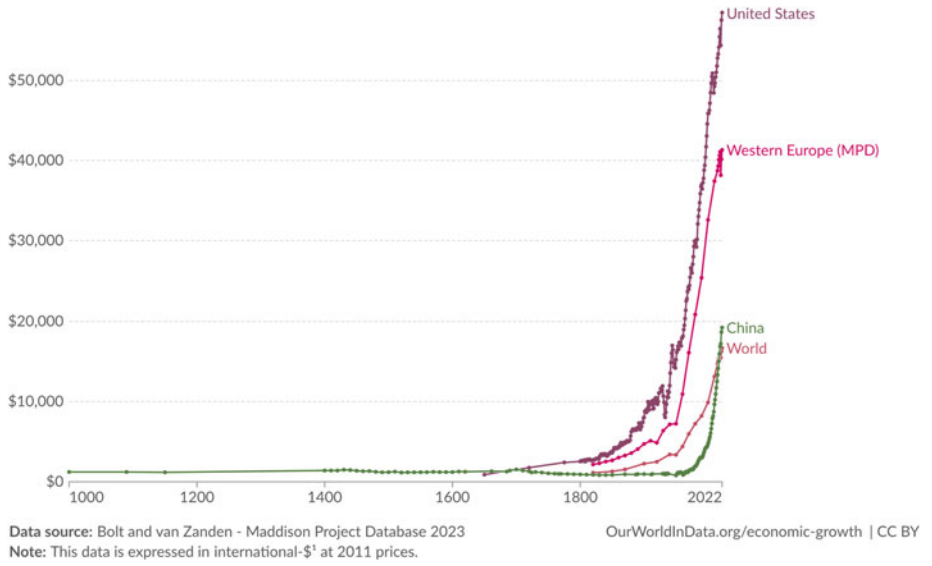

Figure 1. GDP per capita, 1000–2022

frontier of dye technology had become stagnant, and so Chinese firms were able to catch up technologically with Western firms, gradually learning to make more sophisticated dyes (Jiang & Murmann, 2023). Second, because the center of textile production had moved to Asia, Chinese dye firms were also closer to the customer base than German firms. Third, and most importantly, due to much lower labor and environmental protection costs, Chinese dye firms had a dramatic cost advantage over traditional Western producers.

Nonetheless, our study of the rise of Chinese synthetic dye led to interesting discoveries. Jiang (2013) reviewed the long series of policy changes the Chinese central government made after 1978 to catch up with the levels of development that had occurred in Western capitalist societies. How far the West was ahead became apparent to Chinese officials on their extensive study tours abroad (Vogel, 2013: 217–229). Jiang discovered at a more regional level that the region dominating synthetic dye production shifted twice after 1978, first from Shanghai, where the most important state-owned synthetic dye firms were located before the reform era, to Jiangsu and then from Jiangsu to Zhejiang (see Figure 2).

When we tried to explain the shift in the regional focus of industrial leadership, one explanation was the different institutional arrangements and policies regarding the ownership structures of dye firms. Shanghai wanted to protect state-owned enterprises and did not make it as easy for collectively owned enterprises to enter the synthetic dye industry, leading to a migration of leadership to Jiangsu by 1987. Zhejiang allowed private interests to control collectively owned enterprises, and when private ownership was permitted by central authorities in 1992, these privately controlled collective enterprises were much more quickly converted into fully private enterprises, allowing Zhejiang-based firms to overtake those in Jiangsu by 1998 (see Jiang & Murmann, 2012, for details; Figure 2).

The first key theme that emerged from these early synthetic dye industry studies was that differences in regional institutional policy arrangements had a significant impact on the speed of economic growth. Nee and Opper (2012), in their remarkable book that came out at the same time, showed this more generally across many different sectors of the Chinese economy. Regional bottom-up change initiatives were as important as the centrally enacted policy changes (Naughton, 1994). This is often not sufficiently appreciated in Western policy circles.

The second key theme emerging from our study of Chinese synthetic dye firms, which came to dominate global markets, was the importance of private initiatives and new startups that became leaders in the Chinese dye industry after 1998 and propelled further dramatic growth. The dynamics of the

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Chinese economy are unthinkable without private enterprises whose share become ever larger over time (Hochstrasser & Murmann, 2021). I will return to this theme after describing how I became involved in MOR.

Joining MOR

Studying the Chinese synthetic dye industry, we also examined the broader developments of the Chinese economy. By 2012, the Chinese economy had already experienced 35 years of uninterrupted high economic growth. This amounted to the most spectacular episode in economic development the world had ever seen. In addition to the liberalization of the economy that allowed capitalist incentives to create millions of entrepreneurs, most students of the Chinese economy also pointed to the imitation and importation of Western technologies as important facilitators of this spectacular economic development.

Many researchers were skeptical that the Chinese economy could move from imitation to creating innovations that had not been developed in other parts of the world first (Breznitz & Murphree, 2011; Redding & Witt, 2007). I also became fascinated by China's efforts to improve its economy and its standard of living because political scientists had argued that there had not been an example where a one-party political system had been able to become the world leader in GDP per capita. So, in essence, China amounted to the greatest economic experiment of our times: Would it be possible for a one-party state not only to catch up with the most advanced economies in the world but also to become the leader in terms of the highest standards of living?

To get an early indicator of China's ability to upgrade itself further, I wanted to identify examples of Chinese firms that developed new-to-the-world innovations. China would require such firms in large numbers if the country wanted to surpass per capita incomes of the US. As I was embarking on this search for Chinese firms that were able to create new-to-the-world innovations, Arie Lewin became the second editor-in-chief of MOR. He recruited me to become a deputy editor on macro-organizational topics as he wanted MOR to focus more on the question of how Chinese companies could become world leaders in innovation.

Drawing on a blueprint from his earlier editorial leadership of the *Journal of International Business Studies* and *Organization Science*, he organized two conferences. The first one was dedicated to exploring, from many different perspectives, how China could avoid becoming stuck in what is commonly

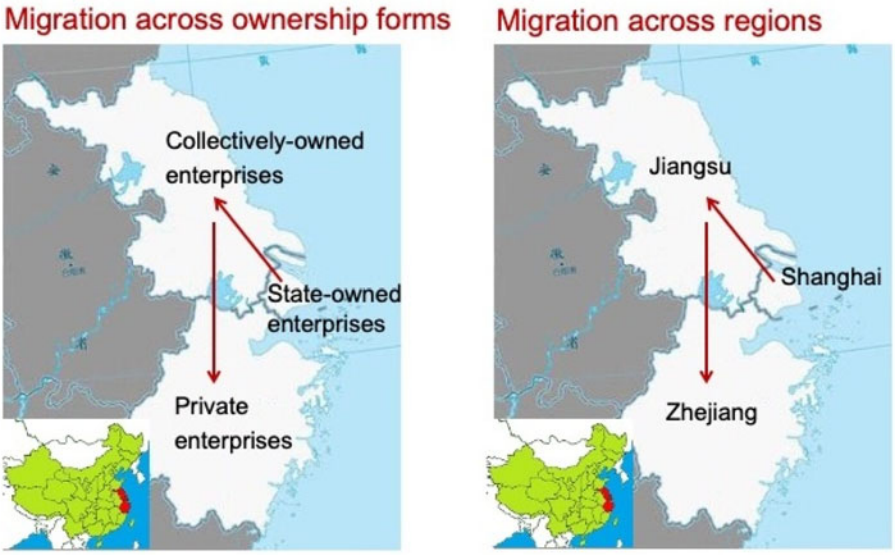

Figure 2. Regional institutional differences and shift in industrial leadership

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called the middle-income trap. Countries would advance to GDP per capita levels of countries in the middle of the income range but fail to catch up to the most advanced countries, as was the case with Argentina in the 19th century and Brazil in the 20th century. These efforts led to a book titled 'China's Innovation Challenge: How to Avoid the Middle-Income Trap', co-edited by Arie Lewin, Martin Kenny, and myself (2016). We held a second conference in Bangalore, India, to study India's innovation capacity and compare it to the developments in China. This gave rise to a special issue of MOR on the Indian innovation system (Bhagavatula, Mudambi, & Murmann, 2019). While India has made economic progress since 1991, by any objective measure, China's economy has grown much more after initiating reforms in 1978. It was fascinating that a democratic state like India had not been able to bring the same level of growth for many decades as China, which is ruled by one party.

In the book on China's innovation challenge, I found the essays by Justin Yifu Lin (former chief economist of World Bank 2008–2012) and Gordon Redding most thought-provoking. Lin (2016) argued that by continuing the Chinese policy of targeting industries somewhat beyond its current technological capabilities, but not the most advanced sectors in the world economy, China could sustain its economic growth for many decades. Professor Lin believed there was no risk that China would fall into the middle-income trap, as had happened with Argentina or Brazil in the past. Professor Redding who lived and studied China for decades, by contrast, was skeptical about China reaching GDP per capita levels comparable to the US without a significant overhaul of its governance. Redding (2016), drawing on global economic history, found no instances of a country reaching the frontier of GDP per capita without transitioning from centralized authority to a more decentralized system where many players acted with significant autonomy. He noted that this transition had not occurred in China, where the Communist Party maintained a monopoly on control.

Present

The key takeaway for me from the book was that to be able to tell whether the predictions of Lin or Gordon were more accurate we needed to develop indicators to monitor the progress of Chinese innovation capabilities. I devised an initial set of indicators in 2016 based on 2015 data but waited for 5 years to collect data and improve some of the measurements in collaboration with Anika Hochstrasser. We published our results in MOR (Hochstrasser & Murmann, 2021). A comparison of the 2015 and 2020 indicators revealed significant progress in China with six to eight indicators showing clear improvement (Figure 3).

The only indicators that showed a negative development were the resource share of non-SOE firms (this measures the share of private firms in the economy) and the autonomy of Chinese universities.[1] On purpose, our indicators cover all important factors that help China introduce new-to-the world innovations in the economy. The 2nd indicator, Articles in Leading Journals, focuses on China's scientific strength. In the past 3 years, China has improved much further on this measure. China now has the highest share of high-impact papers in the world and is the global scientific leader in Materials Science, Chemistry, Engineering, Computer Science, Environment & Ecology, Agricultural Science, Physics, and Mathematics (Economist, 2024). China is already a scientific superpower.

What was China's overall economic performance relative to the US since Lin and Gordon offered their predictions in 2016? Considering GDP per capita based on purchasing power parity (PPP) and comparing growth from 2015 to 2022, China, in line with Professor Lin's predictions, has been steadily catching up with the US. (All GDP per capita numbers henceforth are PPP-adjusted.) China's GDP per capita grew 67 percent from US$12,898 to 21,483, while the US's grew 35 percent from US$ 56,763 to 76,399.[2] To be fair, this does not rule out Redding's arguments that China eventually will have to make governance changes of devolving more authority to different actors in society to fully catch up with the US. China currently stands at about 28% of the US GDP per capita (up from 22% in 2015) and still has a lot of catching up to do. China would have to continue to grow at a faster rate than the US for many more years to close the gap. A simple extrapolation of the 2015–2022 growth rates of the two countries implies that China will surpass the US in GDP per capita in 2065.

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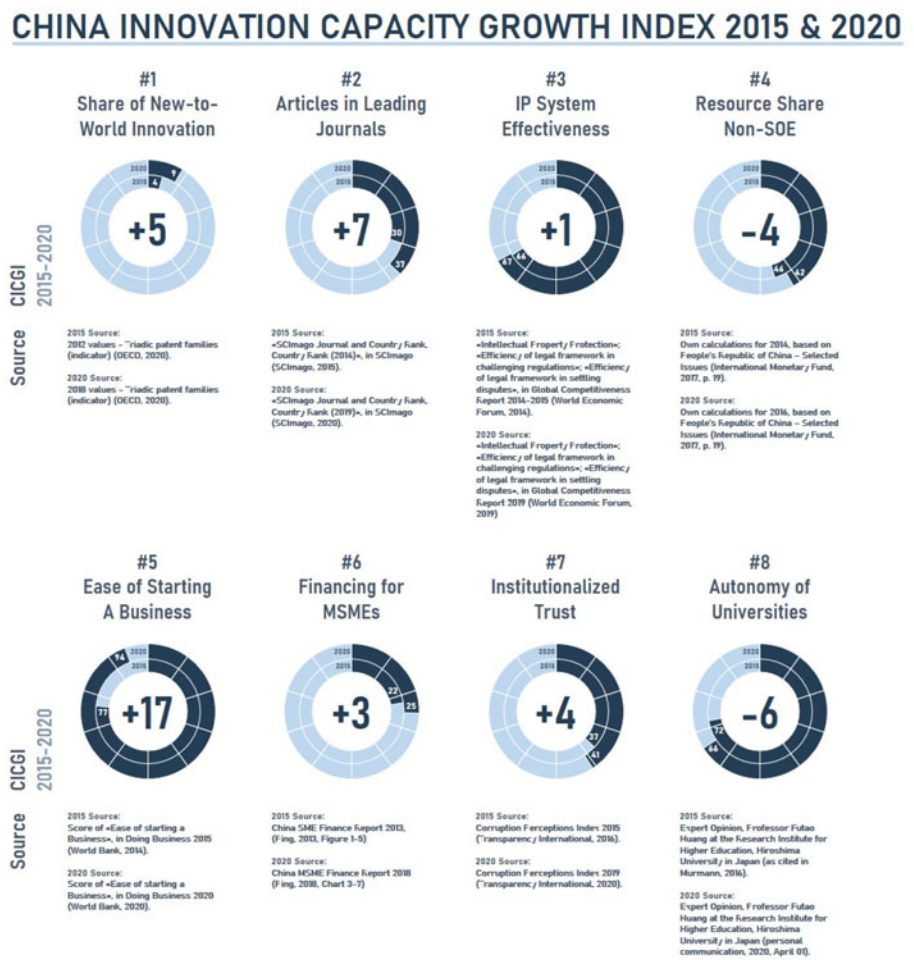

Figure 3. China Innovation Capacity Growth Index, 2015 and 2020

In short, the growth of the Chinese economy and its increased capacity for innovation have been remarkable. I have seen this also up close in studies I conducted with Chinese scholars on highly innovative Chinese firms such as Tencent, which created new-to-world innovations by institutionalizing rival R&D teams (Murmann & Zhu, 2021) or Huawei, which became the leader in 5G telephone equipment by dedicating at least 10% of its sales on R&D for three decades (Wu, Murmann, Huang, & Guo, 2020) and about 2% of sales on transformation initiatives (Murmann, Guo, & Huang, 2021).

I have also watched closely China's improved innovative capacity in studies of two sectors, the automobile sector and the digital economy. One of the features that Arie Lewin imported from *Organization Science* to MOR was a section dedicated to vigorous dialogue, debate, and discussion (D3) among scholars. Lisa Välikangas edited the D3 section during Arie Lewin's tenure and I proposed a discussion forum on Tesla and the future of the global automobile industry (Välikangas, 2018). Our investigation of how much money Tesla invested to create the Model S revealed that it cost the company 2 billion US$ to bring the car to the market (Perkins & Murmann, 2018). This suggested that entry barriers for producing cars with electric motors had come substantially down. Because decades of experience with internal combustion engines were not necessary to produce electric motors, incumbent private Chinese car makers such as BYD which had strong capabilities in battery manufacturing and new Chinese startups, such as NIO, XPeng, and Li Auto, had an opportunity to leapfrog

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traditional Western automakers. What is striking is how many new startups cropped up to produce battery-electric vehicles (BEVs) in China, much more than in the US or Western Europe. My student Rudawska (2024) shows there were 32 distinct firms[3] producing BEVs or hybrid electric vehicles in China at the peak in 2021. These numbers are now declining because of fierce competition. As part of the D3 forum, Hong Jiang and Feng Lu, a distinguished scholar of the Chinese auto industry, pointed out that Western car makers lost market share in China also because Chinese competitors were better at developing smartphones like infotainment technologies into new electric cars, often collaborating to speed up developments with IT tech giants such as Alibaba, Baidu, JD, Tencent (Jiang & Lu, 2018), and more recently, with Huawei (Murmann & Vogt, 2023). Chinese electric car makers have invested substantially in their software capabilities to design 'smart EVs [electric vehicles] that can be intelligent terminals of a new large service system, allowing many new business models to be created around cars' (Jiang & Lu, 2023). Today China dominates BEV production as the Chinese home market in 2023 represented 59% of global BEV and plug-in hybrid sales of 14.2 million cars with over 8.4 million sold in China compared with 3.1 million in Europe and 1.6 million in North America. China produced 9.3 million BEV and Plug-ins.[4]

When Xiao-Ping Chen took over as editor-in-chief of MOR in 2022, I was invited to take over the editorship of the D3 section from Lisa Välikangas. I jumped at this opportunity because I wanted to open more space for creative work in management scholarship and I thought the format of the D3 section would make this possible. My role model in this was Peter Frost, who edited the Crossroads section of *Organization Science* for the first 10 years. The finest pieces under his editorship one can also read in a book (Frost, Lewin, & Daft, 2000).

As my first initiative as the editor of MOR's D3 section, I organized a forum assessing and explaining the strength of China's digital economy. We divided the labor in that Hong Jiang and I (Jiang & Murmann, 2022) mainly tried to assess where the Chinese digital economy was and where it was not particularly strong in comparison to the US. We credited the growth of China's digital economy to three main factors: innovative market strategies by e-commerce companies, substantial government investments in advanced infrastructure, and widespread internet availability at low costs. We found that China overtook the US to a large degree in retail e-commerce and digital payment because it was able to translate quickly digital technologies into leading business-to-customer and customer-to-customer businesses. However, we also discovered that the US was still ahead in the general-purpose technologies underlying the digital economy such as advanced chips and chipmaking equipment. We asked other scholars from China (Ma, Mao, & An, 2022) and the US (Kenney & Lewin, 2022) to focus on explaining the pattern that we identified. In their essay, Ma et al. (2022) highlighted that a key feature behind the growth and efficiency of Chinese e-commerce is the fierce competition among firms. In all my studies of sectors in the Chinese economy in which the government allowed real competition to state-owned enterprises (e.g. the synthetic dye industry, instant messaging apps, telecommunication equipment, and EVs), this fierce competition was brought about by a large number of firms entering the industry to capture some market share. The number of competitors that enter these markets is on a different magnitude than what one observes even in the US. I suspect that the large size of the Chinese population plays a key role. For every American, there are 4.17 Chinese. Hence, if you simply take this number, you should expect to see four times as many firms. As Campbell (1960) pointed out many years ago, creativity is a numbers game, and China has a natural advantage in that it can run so many more firm strategy experiments if players can enter markets freely.

I should briefly mention how I came to write about Huawei when I was looking for examples of Chinese new-to-the-world innovations. I was so impressed with Huawei's ability to transform itself that I organized a book on Huawei's dynamic capabilities with a team of scholars from Zhejiang University (Wu et al., 2020). In 2016, it became clear to me that Huawei in China occupied a similar role as Apple played in the West. Business leaders in the West wanted to be as innovative as Apple, and in China, business people wanted to learn by reading books on Huawei, hoping they could imitate the success of Huawei. The somewhat shorter version of our Huawei book (Wu, Murmann, Huang, & Guo, 2017) already came out in China in 2017 and sold over 50,000 copies, showing once more

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how popular Huawei is in China. None of my English language books sold nearly as many copies. In the book, we analyzed all major transformation initiatives of Huawei to paint a very detailed picture (more than I have done on any other firm) of what routines underpin Huawei dynamic capabilities. Because MOR received so many article submissions on Huawei in recent years, I was later invited to write a commentary with Bin Guo and Can Huang (Murmann et al., 2021), in which we articulated the model of Huawei's transformation capability. A key feature was that every person who was invited to join Huawei's top management team needed to have successfully led one of the major transformation initiatives that Huawei rolled out starting in 1998.

When I started the book project on Huawei in 2015, I did not anticipate that Huawei would become a focal point in the Western media. As part of its efforts to contain Huawei's rise, the US government asked the Canadian government in 2018 to detain the visiting CFO of Huawei in Vancouver, who is also the daughter of Huawei's founder, Ren Zhengfei. Four years later, after much tension, the US government decided to drop the charges. Huawei's sales suffered dramatically in the wake of the sanctions, dropping from 891 billion yuan in 2020 to 636 billion yuan in 2021, as Huawei had to spin off its Honor smartphone business. However, Huawei's sales grew again to 704 billion yuan in 2023, and the company learned to manufacture some of the most advanced chips itself.[5]

This episode became a symbol of the rising tensions between the Chinese and US governments, which are worrisome, to put it mildly. Many firms both in China and the West are experiencing significant challenges because of the increasing geopolitical rivalry between China and the US (Yue, Zheng, Mao, & Yang, forthcoming). My current and future research is focused on improving strategic foresight. I want to use the remainder of this essay to reflect on the prospects of China–US relations and the small part we, as management scholars and teachers, can play in not inflaming the situation further.

Future

As the founding team of MOR noted in their inaugural editorial, China is a 5,000 year old civilization that offers a 'huge variety in ownership structures, organization forms, business strategies, and management practices' (Editorial Team, 2005) as it embarked on the journey from a communist centrally planned economy to one that tries to harness the power and creativity of private capital. The founding editorial also noted that China engaged in '(…) a bold twentieth-century social experiment'.

In my view, China is now engaged in a second bold twenty-first century experiment to move to the frontier of GDP per capita levels without decentralizing political authority as had been the case in all previous episodes where a country pushed the frontier of economic development. When I started my work on the Chinese economy, Western scholars like myself were excited about China joining the world economy because this lifted 800 million people in China out of poverty (World Bank and Development Research Center of the State Council of the People's Republic of China, 2022) and provided Western consumers (particularly those with lower incomes) much cheaper goods.[6] For three decades, Chinese leadership seemed content to make its population rich and focus less on asserting its increasing political power that comes from having an ever-larger economy.

When I spent a couple of months in China in 2014, I could already sense that part of Chinese society demanded that China assert its rightful position on the global political stage and ensure that China would never be humiliated by European powers, as was the case in the 19th century when Western countries, using military power, forced the Chinese government to open the country to trade favorable to Western powers. In 1860, British and French troops occupied Beijing and burned down the imperial palace in Beijing to enforce the treaties that favored Western interests.[7] The insistence on assuming its rightful place in world affairs by a segment of the Chinese population reminds me of Germany – my country of birth – where the unification and rapid industrialization of Germany after 1871 also led to calls for Germany to assert its political power particularly vis-à-vis Great Britan. Germany started to increase its military spending (specifically on the navy), so it could no longer be pushed around by Great Britain and France. An arms race between

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the countries ensued and Germany's rise challenged the power of traditional European powers and ended up in the First World War.

Historians, starting with Thucydides, have documented numerous cases beginning with Athens (the rising power) and Sparta (the established power) where both parties wanted to avoid a military conflict but ended up with one because of the structural tensions that the rise of a new power always brings about. In his book on the China–US relationship entitled 'Destined for War', Allison (2018) notes that historians have identified 16 cases when a new power appeared on the geopolitical scene and 12 times this led to war. This means that if you do not know anything about the specific case of a rising power challenging the status quo constructed by the established power, you need to assume that the likelihood that war will break out, in this case, is 75%. The subtitle of Allison's book is 'Can America and China Escape Thucydides' Trap?' He chose the subtitle to highlight that the key point of Thucydides was that Sparta and Athens wanted to avoid war but ended up in a military conflict despite best intentions.

Over the past 8 years, I moved away from the study of history and instead have focused on how business strategists can improve their ability to predict the future (Murmann & Vogt, 2023; Murmann & Schuler, 2023). As part of my work on strategic forecasting, I have become very familiar with the concept of prediction markets and forecasting tournaments that try to pool the intelligence of many (Surowiecki, 2004) instead of relying on the insights of individuals. Such prediction tournaments are in many cases more accurate in their predictions than individual experts (Arrow et al., 2008; Kapoor & Wilde, 2023; Tetlock, Mellers, Rohrbaugh, & Chen, 2014). One prediction platform is Metaculus, which set itself the mission 'to build epistemic infrastructure that enables the global community to model, understand, predict, and navigate the world's most important and complex challenges'. In 2024, it started a forecasting tournament named 'The Taiwan Tinderbox'. It allows the public to forecast 80 short-, medium-, and long-term questions related to potential conflict between China and the US. Today, on September 15, 2024, the crowd forecast gives the question 'Will China launch a full-scale invasion of Taiwan by 2030?' a 20% probability.[8] This probability rises to 25% if the question is pushed to 2035 instead of 2030. The crowd forecast on the question 'Will armed conflict between the Republic of China (Taiwan) and the People's Republic of China (PRC) cause at least 100 deaths before 2050?' today stands at 69%. These are sobering statistics and given the historical base rate of 75% that the appearance of a new geopolitical power will lead to armed conflict, I agree with Allison that

> Managing [the China–US] relationship without war will demand sustained attention, week by week, at the highest levels in both governments. It will require a depth of mutual understanding not seen since the Henry Kissinger–Zhou Enlai conversations that reestablished US–China relations in the 1970s. Most significant, it will mean more radical changes in attitudes and actions by leaders and the public alike than anyone has yet undertaken. To escape Thucydides's Trap, we must be willing to think the unthinkable – and imagine the unimaginable. Avoiding Thucydides's Trap in this case will require nothing less than bending the arc of history (Allison, 2018, Kindle location 225).

Management scholars have very little influence over political leaders, but we can help inform public attitudes in both China and the West. After all, we reach many students – 850,000 graduated from business schools in China in 2022.[9] In the US, in the same year, 375,000 students graduated with a BA in business[10] and 202,000 graduated with an MBA.[11] In Europe, about 4 million students were enrolled in business studies in 2021.[12] These numbers do not include all the people who participate in our executive education classes in China and the West. Whenever possible, we need to find a way in our lecture halls to discuss how we can reduce the likelihood of an armed conflict between China and the US. We need to insist that our governments take clear steps to avoid an armed conflict.

We need to think about how we can strengthen mutual understanding between Chinese and Western people at the grassroots level. In recent years, the American government has made it more difficult for Chinese students to enter the US if they have any military ties. We need to encourage

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Western students to visit China and Chinese students to visit the West. With Zoom and MS Teams, it is now easy to facilitate virtual exchanges. As one of my commentators said, we need to build bridges wherever we can (Xu et al., 2021).

In the West, we need to stop lecturing the Chinese that our institutions and values are superior to theirs (Mahbubani, 2020). In conversations with my Chinese colleagues, I have heard repeatedly that China is not ready for democracy. We need to respect their self-assessment and focus on keeping democratic values alive in our own Western countries where large segments of the population now support non-democratic parties.[13] Ever since Donald Trump first ran for the US presidency, the simple-minded slogan, 'Let's get tough on China', received more prominence in the West. As Allison points out, we need deep engagement with China and not superficial diagnosis of problems to avoid a military catastrophe of the highest proportion.

This year marks the 300th birthday of the German philosopher Immanuel Kant (1724–1804). In 1795, he wrote an essay entitled *Ewiger Frieden*, translated into English as *Perpetual Peace*, in which he articulated a utopian world free of war. He wrote his essay in the context of rulers of his time seeing war as a fully legitimate tool of statecraft, and he knew it would take a very long time for such a perpetual peace to arrive. The forerunner of the United Nations, the League of Nations, is in Kantian spirit and arrived after the catastrophe of World War I. I do not think that Kant's prescription outlined in the essay for how to secure 'perpetual peace' will work in the case of the current China–US relationship. But he inspired me to get clear in my own head that a peaceful coexistence between China and the West must be our aim; however, small the probability might seem today. Kant also inspired me to look for a Chinese philosopher who may have similarly imagined a utopian world of peace. I found him in the person of Youwei Kang (1858–1927), who wrote a book titled *Datongshu* (大同书), whose first few chapters appeared in draft form in 1902. The full book was published in 1935 and republished in 2010 (Youwei, 2010). I bought a German version of the book (Youwei, 2021) entitled in German as *Die große Gemeinschaft: Eine Anleitung zum Weltfrieden*, which translates into English as *The Great Community: A Guide to World Peace.* Youwei imagines a world without borders, social class, racial divisions, and a division between the sexes. For me, the power of Kant's and Youwei's visions lies not in how they want to bring about a perpetual peace but in terms of articulating the clear goal that we should strive for perpetual world peace. I say this not as a pacifist who believes taking up arms is always the wrong thing to do, but as someone who believes that world peace should be the shared goal of humanity; however difficult and lengthy the process will be to get there.

Avoiding an armed conflict between China and the US is in my view the most urgent goal both Chinese and Westerners should strive for because such a conflict would be catastrophic. As Kerg (2024) makes clear, anyone who believes that such a military conflict will be short and relatively painless is engaging in wishful thinking.

To help us management scholars do our small part to avoid Thucydides's trap, I will organize a future MOR D3 forum devoted to figuring out how we might deploy concepts of management and related academic fields to make it less likely that the two superpowers will tumble into a military conflict that both sides do not want. There is a large literature on how to make business alliances more stable. Similarly, there is literature on when players meet in multiple areas (so-called multipoint competition) that competitive relationships are more stable. There is also a large literature on building trust in an organization. The field of negotiations has powerful concepts on how to move toward integrative solutions that benefit both sides. I am sure that there are many more concepts in our field that could be useful. I will start to work with other editors of MOR to articulate a more detailed call for papers for what will be perhaps the most important D3 forum under my editorship. A peaceful coexistence between China and the US must be our guiding star.[14]

Notes

1. I want to point out that questions have been raised about how reliable that the data is that went into the construction of the ease of starting a business indicator. See https://blogs.lse.ac.uk/politicsandpolicy/world-bank-business-rankings/

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2. The data is coming from https://statisticstimes.com/economy/united-states-vs-china-economy.php based on World Bank and IMF numbers.
3. Some firms sold under more than one brand. Even though the number of firms has been declining since 2021, the number of different brands offered in China has continued to rise to 42 in 2023.
4. The data comes from https://ev-volumes.com/news/ev/global-ev-sales-for-2023/
5. https://www.statista.com/statistics/233071/revenue-of-huawei/
6. The US retailing giant Walmart accounted for 9.3% of all US imports from China in the period from 2001–2006 (*source*: https://tinyurl.com/57h28drr), and in 2018, 80% of Walmart's total imports came from China (*source*: https://tinyurl.com/2cru6sax).
7. Any Western reader who has not recently heard the details of how Western countries used their superior technological and military power to force China to open its country for trade will benefit from reading this short account by Bavarian Radio's 'BR2 Radio Knowledge' podcast. As one learns in the podcast, the French writer Victor Hugo was shocked by what he called Western barbarism committed by France and Great Britian, while the majority of Europeans saw it as an appropriate projection of European power.
8. https://www.metaculus.com/questions/11480/china-launches-invasion-of-taiwan/
9. https://www.statista.com/statistics/610758/china-management-undergraduate-graduates/
10. https://nces.ed.gov/programs/coe/indicator/cta/undergrad-degree-fields
11. https://nces.ed.gov/programs/coe/indicator/ctb/graduate-degree-fields
12. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary_education_statistics
13. There has been a decline in democratic governance around the world since 2011. See https://ourworldindata.org/less-democratic
14. I would like to thank Leon Bamesreiter, Bruno Caprettini, Thomas Casas Klett, Simon Evenett, Noel Kretz, Stefan Legge, Philip Tetlock, and Lori Yue for their reactions to this essay. All opinions expressed in this paper are solely mine. I want to make clear that what I say in this paper is not the opinion of any of my past and future Chinese coauthors.

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