



CARNEGIE-TSINGHUA
CENTER FOR GLOBAL POLICY

Transcript

CHINA IN THE WORLD PODCAST

Host: **Paul Haenle**

Guest: **Stephen Hadley**

Episode 1: A New Type of Great Power
Relations

November 4, 2013

Haenle: You are listening to the inaugural episode of the Carnegie–Tsinghua Center, “China in the World” podcast: a series of conversations with Chinese and international experts on Chinese foreign policy, China’s international role, and China relations with the world, brought to you from the Carnegie–Tsinghua Center for Global Policy located here in Beijing, China. I’m Paul Haenle, the director of the Carnegie–Tsinghua Center, and I’ll be your host.

Our center is the result of a partnership between the Carnegie Endowment for International Peace and Tsinghua University’s International Relations Department. Our joint mission is to provide a platform that brings together the top foreign policy and international relations scholars and experts from China with the top experts, scholars, and former policy makers from the international community for collaborative dialogue and research with an aim towards identifying constructive solutions to the global challenges faced by China and the international community.

Today, for our first episode, we are very honored to have with us Stephen J. Hadley, the former national security advisor to President George W. Bush, who is a distinguished visitor to our center this week. Stephen Hadley served in leadership positions in the National Security Council for eight years under President George W. Bush, first as the deputy national security advisor to Dr. Condoleezza Rice, and then from 2005 to 2009 as the national security advisor. Steve has over four decades of experience serving in the U.S. government in a variety of positions and for a number of U.S. presidents. Steve is now a senior advisor for international affairs at the U.S. Institute of Peace and serves on the board of the Atlantic Council. He has also joined his former colleagues, former Secretary of State Condoleezza Rice and former Secretary of Defense Robert Gates, in forming Rice, Hadley, Gates—an international strategic consulting firm. Today’s interview is a real pleasure for me as I spent close to five years in the White House working for Stephen Hadley, first as his executive assistant for three years, working out of his West Wing office and second as china director and White House representative to the Six Party Talks. Steve, thank you for joining us for our inaugural “China in the World” podcast.

Hadley: Paul, it’s a pleasure to be here, and it’s been a pleasure the last three or four days to get a sense of the wonderful work that the Carnegie–Tsinghua Center is doing. I salute Carnegie and salute you for all you’re doing out here to promote better understanding between China and the United States.

Haenle: Thank you very much, Steve. Our topic today is the new concept for U.S.-China relations put forth by Chinese leaders referred to as 新型大国关系 (Xinxing Daguo Guanxi) in Chinese or in English the “New Type of Major Country Relations”. It has been described by Chinese leaders as an effort to allow our two countries to move along a path, which will help build stable and constructive relations and help our two countries avoid destabilizing competition and weather the challenges that may arise as China’s influence and power continues to grow. We are told by Chinese leaders that the concept originated from a recognition of the potential perils that can confront a rising power, like China, and the status-quo power, like the United States, and this was an issue that was front and center in the meeting between U.S. President Barack Obama and Chinese President Xi Jinping when they met in June in Sunnylands, California. So, Steve, let me begin here and ask you: Given the history of U.S.-China relations over the last three decades, why would our two countries need a new framework, a new model for U.S.-China relations? Why is this important for our two countries?

Hadley: I think the situation China and the United States face is very different now than what it's been for the last thirty years. The last thirty years they were establishing their relationship. Establishing that relationship required managing a series of bilateral challenges, but as you look out over the next twenty years—to 2030 for example—the major challenges that China and the United States face, I think, are less the long-standing bilateral disputes and more a series of multilateral challenges that face both countries. These are things like the need to get the global economy, which is still fragile, on a firmer path of growth; the need to continue to reform the financial system; the need to deal with environmental challenges; the need to deal with terrorism, piracy, organized crime; the need to ensure adequate food, energy, and water resources.

These are all global challenges. Both countries face them. Both countries have to solve them or participate in their solution if either country is going to achieve its own national objectives for stability and prosperity, and the opportunity for this new type of major country relations is that the centerpiece of the relationship would be cooperation by China and the United States on an equal footing with the rest of the international community to begin to solve these problems. Neither country can solve them alone, and both of them need them to be solved. Cooperation in this global effort to deal with these global challenges will not only benefit the two countries, it will benefit the international community generally. I think it will reduce the risk that the two countries' relations will be overwhelmed by confrontation and conflict. So, I think the new thing in the relationship is the need to address and solve these global challenges, and the new opportunity for the relationship is to put this at the center of the relationship for the good of the two countries and the rest of the world.

Haenle: Given the new global issues, it really shows you how the relationship has evolved over thirty years. This is a new element in our relationship, and, as you say, provides us with an opportunity. Given that we need this new framework, given that it is important, how do you think we should think about building this new framework? What, in your view, would be the basic characteristics of this new model of major country relations?

Hadley: I can give you some of my take on what the characteristics would be. The two leaders of the two countries have begun to articulate their vision. I think the important thing is that this new type of relationship needs to be worked out by Chinese and Americans together on a mutual basis—a basis of mutual respect and understanding. For my money, though, the starting point would be probably six characteristics.

One would be the acceptance by the United States of the peaceful rise of China. I emphasize peaceful rise, that's what China says it intends, and a peaceful rise, of course, would be very reassuring to the rest of the community. Second, acceptance by China of the United States' continued role as a stabilizing presence in the Asia-Pacific and globalizing—again, a stabilizing presence. I think that's what the U.S. presence has been historically, but that is the role and the mission that we must pledge to uphold going forward. Third, mutual recognition that the prosperity and success of each nation is in their interests and best interests of the other. Fourthly, a mutual recognition that each nation's success is not zero-sum but win-win. The success of the United States can contribute to the success of China, and the success of China can contribute to the success of the United States. Fifth, a commitment by our two countries to build their relationship by constructing patterns of cooperation based on mutual interests, mutual benefit, and mutual respect. And finally, acting together to manage areas of continuing difference or dispute so

that they do not undermine the cooperation or degenerate into confrontation and conflict. I think this is the framework.

We have to recognize that it's only a starting point, that a new type of relations between two countries does not mean that we will not have disagreements. It does not mean accepting without question the position of either side. It does not mean that we won't compete. We will continue to compete in markets around the world. We will compete for influence. Indeed, we have elements of cooperation and competition in our relationships with some of our closest friends and allies. It will be no different between the United States and China, but the point to emphasize is that the centerpiece of the relationship will be cooperation on an equal and joint basis to deal with challenges that both countries face and to minimize the risk of confrontation and conflict that would jeopardize that cooperation.

Haenle: So Steve, you've described the basic characteristics, the principles that would guide this new type of major country relations between the United States and China. What makes you think that there is hope that this new model can actually be achieved?

Hadley: It's interesting that the U.S.-China relationship, I think, is different from great power or major countries' relations in the past. We don't have territorial disputes between the two of us. Neither of us have a colonial tradition. It was territorial competition and the collision of colonial interests that fueled great power confrontations in the past. Those are absent in our relationship. I think there are two other things that are absent. We do not have a situation where the established major power, the United States, is trying to keep down, encircle, or contain the emerging power, in this case China. I know many of our Chinese friends think that is not true, but I would say if the United States were intent on holding down China or containing it, we've done a terrible job of it.

We have a trading relationship with China that has gone over the last thirty years from five billion dollars a year to well in excess of five hundred billion dollars a year. They are our number one import market, our number two trading partner, and our number three export market. We have sponsored Chinese participation and membership in major international institutions. Every president over the last several years has said that they welcome a strong, prosperous, and successful China. That is an American interest. These are not the positions that are taken if one country is trying to keep down the other.

And finally, I take China at its word that it is not trying to displace the United States and is not trying to be a global hegemon, imposing its will on its neighbors. It, from time to time, has taken action that has made its neighbors nervous, in some of the actions taken by China particularly about two years ago with respect to the South China Sea, but overall China has said that they desire a peaceful rise, that in order to develop their country they need a stable international environment, and that they are not looking for disputes with their neighbors or with the United States. I think on that basis we really can envision a different kind and different type of relations between these two countries that we have not really seen between great powers in the past.

Haenle: Thank you. You pointed out, I think, Steve, the nature of this more interdependence between the United States and China. You talk about the growing trade over the last thirty years and the United States having supported China in its desire to join international organizations. Given those trend lines, is it inevitable, is it natural that our two countries will move to this new

type of major country relations, or are there factors that you think could threaten the realization of this new framework—of achieving this new framework?

Hadley: It is going to be difficult. It will require the leaders of both countries to continue to having the vision and commitment to the relationship that successive generations of Chinese and American leaders have had over the last forty years. It's pretty remarkable how consistent the leadership of both countries have been towards trying to develop the relationship, but it is not written in stone. The two leaders are going to have to commit themselves to the relationship, and they are going to have to explain to their respective peoples why this new type of relationship is in their interests. Chinese people, I think, many of them will think that China is now a great power and it is time for China to put itself forward and the rest of the world, if you will, pay homage to China. That's a formulation that will not work and is really not in the best interest of China, which depends for its continued development and growth on interdependence and successful economic and trade relations with its neighbors.

Similarly, on the American side, many Americans will see China's emergence and its overwhelming economic power as a real threat to American interests, and will fear that China is seeking to displace the United States and bully its neighbors. I think, again, it is possible for an American president to explain to the American people that the kind of relationship we envision with China is actually the best approach for Americans to achieve their objectives for a more prosperous and stable future for their children. So it can be done, but it requires the leaders of the two countries to champion this relationship. It requires them to pass up on opportunities to score short-run political points at the expense of the other or to fan nationalism as a way to shore up their own domestic political support. So it's going to require real vision and commitment by the leaders.

And finally, it's going to require a better relationship between our two militaries. The business of the militaries in any country is to do case analysis and provide hedging strategies, and that tends to encourage suspicion on the parts of the two sides because many people will think that a hedging strategy is not a hedging strategy, it is in fact a concealed principal strategy of the two countries. So there is an institutional distrust that is embedded in what militaries do for any country, and in order to counter that I think it will be important for the two leaders to encourage continuing to expand the military exchanges and conversations that have been stepped up in the last two to three years; to go beyond them and to encourage the two militaries to operate together in terms of operations overseas—things like humanitarian efforts or disaster relief efforts—where the two militaries can operate together. Because it has been our history that when militaries actually put aside general, abstract debates and get together side-by-side operationally solving a problem to the mutual interests of the two countries and to the benefit of others, that overtime is the basis for building real confidence and greater trust and dispelling fear and suspicion. That really is what needs to happen because I think the biggest challenge to this new type of relationship is dealing with the potential for military confrontation over issues such as the East China Sea and the South China Sea.

Haenle: So, in fact, there are some dangers that we need to be aware of, and, in your view, for our last question, let me ask you what are your suggestions for possible steps that the United States and China could take together to increase the likelihood of achieving this new model of major country relations between the United States and China?

Hadley: I think there are six things that we can do. The first is to put this cooperation on global challenges that we've talked about at the center of the relationship. It's in the interests of both countries to do so. Second, I think that the two countries need to improve their crisis management and dispute resolution mechanisms, particularly with respect to bilateral flash points so that we're able to head off incidents that could undermine cooperation and lead to confrontation or even conflict. Third, the two countries need to broaden and deepen their trade and investment relationships. The United States needs to be able and confident that it can trade freely with China and invest in China, and China similarly has to be reassured that it is able to trade freely with the United States and invest in the United States. This kind of intense economic relationship has been the foundation of the relationship in the past, and I think it will continue to be a key foundation for the relationship even under this new type of great power relations that we're talking about. Fourth, the two countries need to develop mechanisms to manage potential competition over natural resources: food, water, energy resources. This could be a possible flashpoint, and I think as much as possible we need to provide collaborative ways or parallel ways to develop these resources and avoid destructive, competitive exploitation.

Fifth, and I think even most important, the two countries need to identify major projects that have high visibility in both countries, and that could be the basis of collaboration and cooperation. If the collaboration and cooperation succeeded in solving one of these major challenges, it would be very visible to the two peoples and it would show in a tangible way that this is indeed a new type of relationship and that it benefits the peoples of both countries. There's a list of things—I'll give you one example—that I think is pretty clear. I've been in Beijing the last couple days, and we've had a couple days of fabulous weather and a couple of days of high levels of smog. If China and the United States could work together to help clean up the air in Beijing and help clean up the air in a U.S. city like Los Angeles, I can think of few things that would demonstrate more clearly to the peoples of the two countries that this relationship and cooperation really has very tangible benefits that make the lives of the peoples of the two countries better.

Finally, we have to recognize that even under the new type of relations there will still be things on which we disagree and there will still be things that each country is going to do that the other is not going to like. The United States is going to continue to champion human rights, freedom, and democracy around the world. That's just what we do, and we do it because we believe that nations based on these principles not only provide a better life for their people but are also more stable in the long run. Similarly, there's going to be things that the Chinese government believes is in their interest that we're not going to like. We're going to need to accept some of them and to also make them part of the conversation so misunderstandings and disagreements on these kinds of issues do not undermine the overall relationship.

Haenle: Thank you very much, Steve, for participating in today's podcast, but also thank you for spending the week with us out here at the Carnegie–Tsinghua Center for Global Policy. We invite you back anytime, and hopefully you will come back as soon as possible to visit us here. If you would like to learn more about what Steve Hadley thinks about the new model of major country relations between China and the United States, a longer and more detailed version of his ideas are posted on the Carnegie–Tsinghua website at www.carnegietsinghua.org. I encourage you to explore that and other publications and material from our other scholars at the Carnegie–Tsinghua Center. That's it for this edition of the Carnegie–Tsinghua Center's "China in the World" podcast. Thanks for listening, and be sure to tune in next time.