



**CARNEGIE-TSINGHUA**  
CENTER FOR GLOBAL POLICY

---

Transcript

---

## CHINA IN THE WORLD PODCAST

Host: **Paul Haenle**

Guest: **Cui Liru**

Episode 121: Managing a Fragile Transition in  
U.S.-China Relations  
November 15, 2018

**Haenle:** Today I'm pleased to be joined by Professor Cui Liru for his first time on the podcast. Professor Cui is joining us for a special series of episodes that we'll be posting in the coming weeks which will commemorate the five-year anniversary of the China in the World podcast. It's hard to believe in some ways that this podcast is already five years old. I've had the opportunity to interview some exceptional scholars, policymakers, and other distinguished guests from China, the United States, and throughout the international community. We now have listeners in over 100 countries. Since starting the podcast, we have done 120 episodes to date. The podcast has been downloaded now nearly 1,000,000 times from listeners across the globe, especially in regions of the world where the Carnegie Endowment has global centers, whether that's Washington D.C., Moscow, New Delhi, Brussels, Beirut, and of course here in China.

To celebrate our past five years, I'm going to be interviewing five of the premier Chinese international relations scholars on their views on the U.S.-China relationship, and I can think of no one better to kick this series off than Professor Cui Liru.

Professor Cui is the former president of the China Institute of Contemporary International Relations, known throughout the United States and international community as CICIR. CICIR is one of the oldest and most influential think tanks in China, especially in the area of international studies. Professor Cui led the institution for twelve years, from 2005 to 2013. Professor Cui is now a senior researcher at the Tai He Institute. He is also a member of the Committee of Foreign Affairs of the Chinese People's Political Consultative Conference and serves as a member of the Foreign Policy Consulting Committee of the Ministry of Foreign Affairs. He's vice president of the China National Association for International Studies and senior advisor to a number of other top Chinese institutions that focus on national security and foreign relations. His research covers U.S. and Chinese foreign policy, U.S.-China relations, and international security.

Originally from Shanghai, Professor Cui went to Fudan University, joined CICIR after graduating in 1980, and has served in a number of capacities and senior leadership roles over the years, including as first secretary and counselor at the Chinese mission to the United Nations in New York. Dr. Cui, it is a pleasure to have you on the podcast.

**Cui:** Thank you. It's my pleasure to be invited.

**Haenle:** You began, as I said, focusing on American foreign policy in U.S.-China relations in 1980 when you first joined CICIR. Of course, that was one year after the normalization of U.S.-China relations. We're approaching the 40<sup>th</sup> anniversary. I want to start off by asking you, as you look back over those four decades, tell me what you think are the major lessons that we should take away from the past four decades of U.S.-China relations, and how should they inform our two countries in the approach to the bilateral relationship going forward.

**Cui:** It's a good question.

**Haenle:** It's a big question.

**Cui:** I think from the past forty-year experience, we can learn from it and it's well known. You know, it's a principle that is “求同存异” (Qiutongcunyi) that's in Chinese, that means to seek common ground and maintain our differences because China and the United States are two huge countries with very different histories and cultures and also political systems, but we have a lot of things in common and we can cooperate in many areas. So how to handle our differences is a very, very important thing both from the past and in the future.

But the differences in the past, we can put our differences aside when seeking our common ground. But in the future, I think we have been closely engaged with each other. So sometimes the differences cannot just be put aside. We have to face them sometimes. The differences will be engaged with each other so how to handle that difference is a new challenge I see in the future.

**Haenle:** Currently in the United States, as we look back at the last four decades, there's a questioning, a reexamination of our efforts to engage China for the purposes of shaping China's rise. In your view, has the U.S., has its engagement with China shaped at all China's own path, or the path of the relationship between the U.S. and China over 40 years? Has the U.S. had influence in that regard? And if so, does it still have influence?

**Cui:** Not at all, to me at least, has it had a big influence in the whole process since China opened its doors to carry out its reform. But maybe this kind of influence is not as much as some Americans expected. This is a very interesting question and issue. We should have some further and very broad studies on these kinds of issues because from China's point of view it would like to learn a lot of things from the outside world because the open door and reform policy is based on the realization and recognition that China should learn from many others' experiences to carry out its modernization program. So this is the very fundamental thing for us to realize.

**Haenle:** Is it possible that China, now that it has progressed significantly in terms of its own development, does it feel it doesn't necessarily need to take advice from other countries? Was it more open perhaps in the early days of the relationship?

**Cui:** I think China of course has become more open than in 1978. China is going to be even more open in the future. My observations and research tell me the concept of being open is even more important than reform. Actually, open is something in the heart of the reforms from the very beginning. So, when the reform has been carried out, China should be opening wider and wider. These things have become the soul of China's modernization process, so that's why we are talking about a common community of common interests. That must be based on the openness of China. Otherwise you cannot talk about common destinations or shared destinations, these kinds of things.

But then another challenge is every country has its own national conditions and wants to maintain what it believes is good for it and to prevent something negative to influence it. For the policymakers, this is very important in the decisionmaking process.

**Haenle:** In the administrations that I served in, the George W. Bush administration and in the early days of the Obama administration, we focused quite a bit not only on the areas you talked about where we have differences, but also a big part of our efforts was to try to enhance cooperation between the U.S. and China, especially as China became more of a global player. But now there's much more talk about the notion of competition, that competition now is playing a bigger factor driving the relationship. I wanted to ask you how you see this issue of competition? Where do you see the central sources of competition?

In the United States, competition does not have to be a negative word. Confrontation could be a negative word, but competition can be done, it's part of our economic system of course, there's a way to have healthy competition. But there's a lot more talk about competition, and I wanted to get a sense from you of how you see that dynamic and what are the central sources of that? Why is that a bigger issue now in the U.S.-China relationship than previously?

**Cui:** First, about the competition. I think in China now competition is also, generally speaking, a positive word. China has been building up the market economy. That is for sure. So, for a market economy, the central mechanism is competition. The success of China's buildup of its economy, of its, what we call the peaceful rising, is based on positive competition. Of course, in this process we also have learned how to compete with others. Still there is more to be learned, there is no question.

Then, about China-U.S. relations, we are talking about the strategic competition between the two big nations. When we talk about strategic competition, sometimes the narratives in both countries could be a little bit different. In China, strategy is a concept. It is very, very broad. But in the United States, the traditional understanding of strategy is based on the military and the security kind of things. When China talks about strategic competition, it means, as I see mainly now, that it's focused on the Asia-Pacific area. That means in the longer period, the United States has been playing a dominant role in these areas since at least WWII, at least in terms of security. And China did not challenge the U.S. role generally speaking for all these years.

When China and the United States engaged in close economic relations, cooperation, China only maintained its core and important interests. That means sovereignty, territory, integrity, these kinds of things, and also political systems, stability. But now that the change is because China is rising up, and a rising China has much broader interests which have extended from within China's national border to the area beyond the border, these kinds of developments will gradually constitute some kind of full relations with the United States. That means we can have common mutual interests but that sometimes our interests can conflict with each other.

**Haenle:** Will this necessarily develop in a more confrontational way, or do you think there's a way in terms of, as you talk about the strategic competition in the region especially, is there a way this could work itself out where it doesn't create additional friction and potentially conflict?

**Cui:** The fact is, now we see that frictions have become much more prominent in these kinds of competitions. I think there is a big challenge between us, that each side defines the core national

interests in different ways. Actually, there is a perception gap between us. The strategic dialogue in the past years didn't work very effectively. China believes what it has been doing is protecting these core national interests, mainly its sovereignty, especially in some areas like in the South China Sea.

China firmly believes in its historical rights of sovereignty and of course, when it talks about its historical rise, it means at the least, there are some distinctions between the reality and the historical rights. But the important thing is these historical rights should be acknowledged and recognized at first. Then we can talk about how to handle the realistic issues in time. But on these historical rights, some others, including the United States, could have different opinions on that. When China's interests involve these areas, these issues, then the competition becomes an issue between us.

**Haenle:** Henry Kissinger was here recently in Beijing, and he met with President Xi and other senior Chinese leaders. He came from Singapore, this new economy conference, the Bloomberg New Economy Forum, and when he was there, he called on the U.S. and China to speak openly to each other about red lines, and also the concessions that each side would be willing to make to avoid conflict. Taking his advice, where do you see the red lines between the U.S. and China in this context, the strategic competition?

**Cui:** Red lines, I think, some of the Chinese higher officials or leaders like Dai Bingguo describe these lines in some ways that include in sovereignty, include the security of its political system, and include its vital interests for its economic development, roughly in these areas.

**Haenle:** And how about on the concessions? Where is it that the two sides can make concessions to find a better way forward to avoid this dynamic of greater friction and potential conflict?

**Cui:** Now we are in a transitional period for China and the United States. In this period, the strategic competition becomes prominent because, as I pointed out earlier, the United States has been the dominant actor in these areas and its dominant role is based on its very strong presence in this area, including its alliance system and its very close relations with some of China's neighbors. When China is rising, its influence is rising. Sometimes it constitutes a kind of competition between the different interests and influence. This is one area. China has some differences and disputes with some of our American allies, and then when the tensions grow because of various reasons, that becomes another area of competition.

Also recently, we see the competition also includes economic and trade relations, and this is different from before. For many years, the China-U.S. economic relationship was regarded as the pillar of the relationship. Now China has become more competitive in some areas. Then Americans believe China's gains could constitute some kind of challenge to U.S. dominance. The problem is in these kinds of positions, there are unprecedented situation in some ways between the major powers, and that's what Kissinger saw. In my view, we have to take some time to learn how to handle these issues between us. China is a huge rising power; the U.S. is an established power

and plays a dominant role in this area. We have some conflicting interests, but we do not have that kind of example from history that we can just copy.

**Haenle:** And because of some these unprecedented challenges and factors that have entered the relationship, these new areas of competition and other factors, there have been calls on both sides to update the relationship and the way in which we interact to construct an updated framework for the U.S.-China relationship. In fact, even before Donald Trump entered the presidential election, there were articles coming out of U.S. think tanks strongly suggesting a reexamination of America's own approach to China for many of the reasons that you and I have been discussing.

As we begin to construct an updated framework for the relationship, I want to get a sense from you what you think the key considerations should be in that thinking. To say it another way, what do you think a successful U.S.-China relationship would look like in this new environment?

**Cui:** First, the two countries should believe it is in the fundamental interests of both sides to develop a kind of cooperative relationship. And for that kind of relationship I think first we should understand each other better than before. We understood each other in some ways in the past situation, because in that kind of situation, we had the strategic understanding and the rough understanding of each other's differences which could probably be okay. But nowadays I think we should re-learn with each other. I mean study, review, and understand the other side better in a much deeper way and a broader way. When I talk about the perception gap, that means nowadays, both sides believe they understand the other side. But actually, they don't understand the other side enough.

**Haenle:** Maybe using old ways of thinking, not in projecting them forward?

**Cui:** That's right, I agree. And that's the problem in both sides I believe. I still remember I pointed out earlier we had a strategic dialogue for many years. But in my view these dialogues were not very effective mainly because they just had dialogue to make the argument for themselves and did not have a very effective dialogue to understand, to learn from the other side sincerely, and so developing new dialogues could bring both sides to a path toward a solution. So that's the major problem all these years.

**Haenle:** Both sides come together to project their views, but were they not listening enough?

**Cui:** That's right. There should be a process, as I see, to re-assess, to understand each other better than before, deeper than before, and it takes some time. In this process, my opinion is that the best we can do is to manage our differences in a very effective way.

**Haenle:** We've talked about managing differences, we talked about competition rising. You just mentioned cooperation, and as I said before, this was a fairly significant component of previous U.S. administrations, trying to enhance cooperation with China on a range of issues. You see less

of that today in the U.S., less emphasis on cooperation, more emphasis on competition and managing and trying to resolve those areas of disagreements especially in the trade realm and in the strategic areas that you talked about.

There's some skepticism in the U.S. that we can really cooperate with China in a substantial way. But you just mentioned cooperation. The areas that the Obama administration cites as evidence of cooperation between the U.S. and China, the international climate change agreement that was reached, and could not have been reached had the U.S. and China not done an agreement before that and the Iranian Nuclear Agreement, the JCPOA. The Trump administration has of course pulled out of both the Paris Agreement and the JCPOA, so those are not considered areas of cooperation today. As I say, there's a healthy skepticism in the U.S. that we can really cooperate. How do you see the area of cooperation? Where can the U.S. and China really cooperate in a substantial way that would show cooperation is an important element in the relationship?

**Cui:** First, cooperation can be furthered in our economic relationship and also in trade. But ironically this is the area now where we have fierce competition and we have frictions and even battle in this area. I think the reason for that is that the U.S. in the last five to ten years experienced a very special period after the 2008 financial and economic recessions. Because of these crises and recessions and what I call unbalanced development, in the U.S. they have become more serious. So, the 2016 presidential election reflects this kind of development imbalance in the economic and political and the social arenas.

This current period of U.S.-China relations has seen the two countries deeply engaged with each other, so these domestic developments could have a very big impact on the foreign policymaking process. I have observed what Trump has been doing. President Trump's administration has been doing all these things very much because of this domestic development. And in China the situation is different but could have similar effects on our relations. That is, China's economy has now entered what we call the deep reform era. That means after 35 years of fast economic growth, we have found some contradictions, and these have become the focus of society. These internal political and economic developments have been intertwined with our relations with each other. So that is the probably why we have the challenges we have.

**Haenle:** Largely because of our own domestic politics in China and the United States?

**Cui:** That's true. Actually, we all agree that China's market is growing and that China's imports from the U.S. are growing, but it is not fast enough that it can address U.S. economic social problems in this period. So, then Trump takes American foreign policy and then wants China to give the results he wanted in a very, very short period. And that kind of demand for China is unacceptable. Then we see these trade friction and battles.

I want to point out that does not mean we do not have even larger potential areas of cooperation. But sometimes politics is focused on the short-term things, so that's the challenge we have. But I'm happy to see that both sides also realize if the trade war continues that it would be a

disaster for both sides. So, trying to have useful dialogues and find good approaches that address the issues is the best approach.

**Haenle:** And as we're moving in not only on the 40<sup>th</sup> anniversary of U.S.-China relations, but also on the 40<sup>th</sup> anniversary of China's own reform and opening up, there's a lot of discussion here in China about energizing the reform and opening up as we move into the second 40 period. It seems that steps taken by China in its own interests to advance its own stated goals for economic reforms could in fact help alleviate some of the tensions between the U.S. and China. I hope that this is the direction things move in, where China is taking steps in its own interest to move forward on the reforms that were announced in 2013, that the leadership said was the direction that China wanted to go, and it's many of those reforms that can address many of the areas of tension right now in the U.S.-China relationship.

Final question I wanted to ask you: Professor Cui, I was at a fantastic discussion in the U.S. recently held by the Brookings Institution and the Yale-China Center, where we looked at many of the questions you and I are talking about today. The final panel of the day asked four top China experts in the U.S. this question: given where the trend of the relations has been moving, is it possible that U.S. and Chinese interests are fundamentally incompatible? I wanted to get your reaction to that question.

**Cui:** I do not agree they are fundamentally incompatible. I think fundamentally, in a long-term view, we have more common interest and common ground than we don't, so I'm very firm on that view. But it depends on different periods.

The problem is not we are in a very fragile period of transition. Transition means first, the structure between us has been in the process of changing mainly because China is rising up. In U.S. foreign policy, the U.S. believes it has become entitled to play the dominating role forever, in the region, in bilateral relations, and in the world order. But I think things will change.

Every country should adapt itself to the changes. Of course, changes don't have to be bad. They could be positive. But as for the policymaking process, we have to find that we can arrange our relations in a positive direction, but if we have the perception that, like Kissinger said, we are in a sense in diametrically opposite conditions, that I mainly understand is because of different perceptions, then we could go to a very tragic direction. So now, China and the U.S. are in this period.

When you try to argue the aims are compatible, you can find a lot of arguments or experiences to justify that argument. But if you believe it's incompatible, you can also find evidence and arguments to justify it. It depends on the policymakers in this period to handle these relations to find common ground that could bring us toward a better relationship.

**Haenle:** And as you say, it's a fragile period. It's very important that the two sides make the right decisions going forward. Professor Cui, over your close to 40 years at CICIR, you've made significant contributions to the U.S.-China relationship. I know you're going to do the same here at the Tai He Institute. I want to thank you very much for joining the China in the World podcast



for our special series commemorating the fifth anniversary, and I very much appreciate your time today.

**Cui:** Thank you very much.

**Haenle:** Thank you.