



The Honourable Kevin Rudd

**Different Approaches to Building a New Great Power Relationship
between China and the United States**

Address to Tsinghua-Carnegie Global Dialogue

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I would like to congratulate both Tsinghua University and the Carnegie Endowment for convening this inaugural global dialogue here in Beijing.

I have spoken at Tsinghua before, as I have at Carnegie in Washington.

I understand the priority which both President Chen and Professor Yan Xuetong of Tsinghua University attach to this dialogue.

Just as I understand the priority which my old friend Doug Paal and his colleague Paul Haenle attach to the future direction of China's global engagement in general, and China-US relations in particular.

So today I feel genuinely honored to be among friends here in Beijing, a city to which I have returned on more than 100 occasions since I first came here as a fresh-faced young diplomat 30 years ago.

Over the last 12 months I have spoken to many Chinese and American officials and scholars on China's proposal for "a new type of great power relationship", starting with an address to the Chinese National Defense University last December.

I have now spoken to many institutions around the world in the US, China, Europe, India and Australia about where all this may take us for the future.

My initial thinking on this subject was consolidated in the article I wrote in the US publication Foreign Affairs magazine in March of this year, where I argued for the development of a new road map for the future of US-China relations based on:

- First, regular working level summitry between the two powers;

- Second, an agreed working agenda of common policy projects between the two countries across the political, strategic, economic and environmental domains, as well as a scope for these cooperative projects covering not just bilateral relations but also regional and global cooperation as well; and
- Third, the appointment of point-persons within both the US and Chinese administrations capable of pushing this proactive cooperative agenda forward; quarantining this agenda from the inevitable speed bumps in the relationship, while also effectively managing practical impediments, obstacles and disagreements as they inevitably arise along the way.

Much has happened over the nine months since I wrote that article for Foreign Affairs magazine.

Most importantly the decision to convene the Annenberg summit in California in June involving two days of working level discussions between President Obama and President Xi Jinping and their teams.

Beyond working-level summitry in itself, there are now various working groups across the relationship on military to military relations, on cyber security, on the bilateral investment treaty as well as a new working group on climate change.

More recently, China's decision to establish its own National Security Council or Committee, in order to bring together the various tenants of its domestic and international security policy agencies and agendas into a single voice.

This is, I believe, a welcome development.

Whilst a number of Western commentators have disagreed, I believe this represents a positive step forward in providing the institutional structure within China itself that will support the sort of "point-person" for the overall US-China relationship I referred to earlier.

The United States already has such a person in the US National Security Advisor who of course works in the closest possible cooperation with the Secretary of Defense, the various US government economic agencies and the intelligence agencies.

Whilst the US system is far from perfect, most of my Chinese friends would agree that China's national security, foreign policy, and international economic policy have been too fragmented in the past.

These various institutional developments are indeed welcome and it is to be hoped that when President Obama returns to Asia next April, there will be further opportunity for the next round of working level summitry between the two sides as well.

If the first summit was at Sunnylands in California, perhaps the second should be at Xihu in Zhejiang where, like California, the scenery is beautiful, (上有天堂，下有苏杭) the inspiration may be heavenly, and more importantly, where President Xi has previously served as Party Secretary, and where President Obama may see something of classical China, as well as its modern transformation beyond the capital here in Beijing.

Importantly, both the Chinese and American sides have already broadly embraced the language of "a new form of great power relationship".

We have seen this in the sort of language adopted by President Obama, by former national security advisor Tom Donnellan, as well as most recently by his successor, Ambassador Susan Rice.

It is particularly important to emphasise what Ambassador Rice had to say only a few weeks ago in her Georgetown University address on this subject: "When it comes to China, we seek to operationalise a new model of major power relations. That means managing inevitable competition, while forging deep cooperation on issues where our interests converge – in Asia and beyond."

Similarly we see it on the Chinese side where President Xi Jinping has outlined what he sees to be the three features of a new model of great power relations during his closing remarks at the Sunnylands' Summit.

These were:

- First, neither conflict or confrontation;
- Second, mutual respect; and
- Third, win-win cooperation.

Since then, we have also seen important statements by State Councilor Yang Jiechi, and by Foreign Minister Wang Yi at Brookings in September.

As everyone in this gathering would know, Foreign Minister Wang's address probably represents the most comprehensive statement to date as to what China actually means by its concept of "a new type of great power relationship".

Again it is worthwhile quoting Foreign Minister Wang when he said: "only by respecting each other's systems and the paths chosen by their peoples, as well as each other's core interests and concerns, can we seek common ground while reserving differences and, on that basis, expand common ground and resolve differences so that China and the United States will be able to live together in harmony."

Differing US and Chinese approaches to the concept of a new type of great power relationship

On close inspection, there are of course both commonalities and differences between Ambassador Rice's and Foreign Minister Wang's formulations.

Some Chinese critics have privately pointed to the failure of the United States to explicitly adopt the precise formulation used by President Xi Jinping (Xinxing daoguo guanxi).

I believe such criticism to be entirely baseless.

The truth is the Americans have used similar but not identical language to the Chinese, and I would suggest to our Chinese friends that the future of US-China relations will not be based on some sort of rote memory test from the Imperial examination system. While language matters, it is the content that is much more important.

The core strategic point advanced by the Chinese for some time now is that the fundamental reason they have advanced this concept of "a new type of great power relations" is to avoid repeating the historical pattern of emerging powers ending up in conflict with established powers.

There is already a long literature in China on this subject. It has been researched extensively over the last ten years.

My view is that given the horrendous lessons from history, this is an entirely worthy objective put forward by our Chinese friends.

At the same time, there are American critics of the Chinese concept who caution that if the US embraces China's new conceptual framework, then America in a single instant confers strategic parity and/or moral equivalence to China when China, according to this particular American view, does not warrant it.

These critics point to America's overwhelming military superiority over China which will continue for many decades to come; they point to the long-term resilience of the American economy including its demonstrated capacity for renewal; they also point to long-standing traditions of American exceptionalism as the light on the hill, advancing values of human rights, democracy and the rule of law, as universal values across the world.

These American criticisms are also, in my view, ill-founded.

There is nothing in either the concept, or in its prospective content, or in any credible foreign policy perception, that the phrase "a new type of great power relationship" of itself constructs some type of automatic parity with the US.

Furthermore, various Chinese Ambassadors around the world have deployed the term “new type of great power relationship” to describe China’s future relationship with other powers including Russia, the United Kingdom and India.

I believe the important strategic conclusion for both Chinese and Americans is that the term “a new type of great power relationship” is a headline concept waiting to be populated with substantive content; that this provides real opportunities for both sides to do so in their negotiations with each other; and that the primary utility of the concept at this stage is to put forward the base-line view that conflict and war can be avoided.

This I believe is a reasonable starting point.

That is not to say that the Americans and the Chinese do not bring differing strategic assumptions to the negotiating table. They do.

But the critical question is what content is now deployed, and as Ambassador Rice has, I believe, correctly argued, to “operationalise” this new type of relationship.

The importance of strategic mindsets

Before I move on to the question of content, I would like to emphasise, once again, the importance of strategic mindsets, strategic conceptual frameworks and their deep ideational grounding, in shaping actual strategic behaviour on the ground.

Here I draw extensively on remarks I made recently in an address at Peking University.

The truth is how we think about each other matters.

Both in domestic politics and in international relations, mindsets matter.

How I perceive the language, behavior, and motivations of other individuals, cultures and states affects my language and behavior towards them.

Therefore clearly analysing our respective mindsets is not just a useful scholarly task for the academy. It is also an active concern of modern international politics.

I have long believed that ideas matter in how we choose to shape our common future. We do not live in a determinist world. We do not live in a world destined for competition, conflict and war.

The truth is we choose our futures. And the choices we make about our common futures are shaped by a range of inter-related factors:

- The values we have, whether they are specific to a particular culture or universal;
- The ideational framework we have for understanding the world;
- The political mindset which derives from this framework;
- The subjective perceptions we have of others; and
- The objective interests we have for ourselves which may both overlap with, or compete with those of others.

Some scholars including Professor Yan Xuetong have turned their mind to this challenge as they have sought to interpolate traditional Chinese values into a modern Chinese theory of international relations.

I believe both for both scholars and officials, much important work remains to be done in this domain.

I also suspect that if this task continues to be seriously addressed, we may find that it narrows, rather than widens, the actual conceptual gap between our contending mindsets, and our associated view of the future international rules-based order.

I have touched on these subjects in greater detail elsewhere, but I would commend this task to others as we seek to deconstruct real universal meanings, which often lie buried beneath centuries and layers of accumulated culture-specific language.

The content of a "new type of great power relationship"

Beyond mindsets, however complex, much of the real work in constructing a "new type of great power relationship" between China and the US lies in its practical policy content, and whether this in turn can be effectively advanced by a detailed agenda of work.

I am concerned that as both sides approach this task, there may be significantly differing assumptions as to how to proceed.

Some of my American friends, for example, who are deeply committed to fundamentally changing the course of the China-US relationship for the future, are concerned that the Chinese approach may be too "top-down".

By this, they mean that China's core agenda in advancing the concept of "a new type of great power relations" is simply to engineer the Americans, over time, into a position where de facto, as opposed to de jure, the United States accepts China's national and unilateral definition of China's own core interests.

In other words, the US concern is that the Chinese expectation may be that it is only when China's stated core interests are accepted – for example the East China Sea, the South China Sea, Taiwan, and even the continuity of the US alliance structure and forward deployments in Asia, together with US universalist positions on human rights – that only then will real progress be possible in other substantive policy domains of the bilateral, regional, and global relationship between the two.

To be blunt, for the Americans, this always has been, and will continue to be, a non-starter. It will not fly.

In English, there is a distinction between respecting the fact that a country like China may have a stated set of core interests in a number of areas on the one hand, and accepting those interests on the other.

In English, there is a world of difference between "respecting and accepting" on the one hand, and "acknowledging and recognizing" on the other.

For example, the Chinese words "尊重" and "认识" have entirely different meanings.

Whatever the semantic differences, I believe the bottom line is that if China's baseline position on American acceptance of these core interests is a condition precedent for substantive progress in the other domains, I think, as I said before, we are looking at a total non-starter.

There is, I believe, an alternative approach which is more "bottom-up" than "top-down".

Here is where I refer particularly to Foreign Minister Wang Yi's formulation of, "seeking common ground while reserving differences and, on that basis, expanding common ground and dissolving differences".

This I believe points to how the strategic trust deficit between the two countries can be overcome: by realizing practical progress on a whole range of strategic, political and economic areas.

In fact, I would argue that this "bottom-up" approach represents the foreign policy equivalent of Deng Xiaoping's approach to domestic reform when he famously remarked "that we must cross the river by feeling our way from one stone to another" or "摸着石头过河."

Of course, in terms of the future path of the US-China relationship, the stones lying across the river are all relatively well known to us all.

Once again, Foreign Minister Wang Yi's important address provides a long list of global, regional and bilateral areas of real engagement, and possible agreement, that may become the footings which, one at a time, help build trust and confidence with each step, and as a result help secure our path for the future.

Global Cooperation

Globally, Wang Yi identifies the following areas for potential cooperation

- Nuclear non-proliferation, including both North Korea and Iran;
- Support for a political settlement in Syria through Geneva II;
- Working closely with the US to push both Palestine and Israel to make concerted efforts towards substantive progress;
- Collaborative US-China training courses for Afghan diplomats;
- Intensive cooperation on climate change and sustainable development;
- Greater Chinese international development assistance; and
- More broadly, what the Foreign Minister describes as China shouldering more, "international responsibilities commensurate with its national strengths and realities..... and together with the US offering more quality public goods for the international community".

This is an impressive list which can be built on.

Regional Cooperation

Regionally, apart from reiterating China's "core interests" in relation to Taiwan, Foreign Minister Wang Yi placed particular stress on the North Korean Nuclear issue.

China has pointed to a greater convergence of China and US interests in relation to the North Korean nuclear program.

The truth is that China has adjusted its policy towards the North from March/April this year. This has been a most welcome development. And China should be acknowledged for its efforts in causing the North Korean regime to step back from the dangerous brinkmanship in which it was then engaged with the South.

The United States and its allies continue to look to China to apply more pressure on Pyongyang to abandon its weapons program in the future.

My own view is that if Chinese diplomacy can achieve the elimination of the North Korean nuclear weapons and associated ballistic missile programs, this of itself has the capacity to fundamentally transform the overall strategic environment across East Asia, where many regional states have legitimate strategic concerns about long-term North Korean capabilities and intentions.

As Foreign Minister Wang observed in his remarks on the implications of a new model of great power relations for the Asia Pacific region: "if China and the United States can avoid conflict and confrontation in the Asia Pacific region, there is no reason we cannot co-exist in peace in other parts of the world".

On this, I would strongly argue to both sides that to the greatest extent possible, the United States and China also attach priority to multilateralising their security and economic cooperation across the Asia Pacific region through the agencies of the both the East Asia Summit and APEC.

The East Asia summit in particular provides the only multilateral summit-level regional institution, with all the principals around the one table, and with an open agenda, capable of embracing the raft of strategic, political, economic, environmental and social challenges that our region faces.

On the security agenda in particular, the EAS should be used to develop a comprehensive set of regional confidence and security-building measures capable of minimizing the risk of escalation arising from unintended incidents in the air and on the seas where an increasing number of military assets are being deployed.

The EAS also provides a mechanism for creating a comprehensive region-wide natural disaster response capability which would bring together all the regions' armed forces and emergency response capabilities into effective, large-scale multinational exercises and real-life deployments.

On the economic front, the Trans Pacific Partnership negotiations must also keep the door open to both Japanese and eventual Chinese accession.

Bilateral Cooperation

As for the strictly bilateral agenda between the US and China, the development of the bilateral investment treaty is important as it embraces long-standing concerns over market access and IPR protection.

Both China and the US, however, should be wary of any such bilateral arrangements discriminating against the rest of the region.

On the security front, the first meeting of the Cyber Security Working Group is a welcome development.

As is the recommencement of high level, regular, Mil to Mil talks between US Pacific Command and the PLA.

East China Sea

Of course reengineering strategic mindsets, "top-down" and "bottom-up" approaches to building a new type of great power relationship, together with a concrete agenda of policy work capable of

operationalising such a relationship over time, is all put at risk if outstanding major regional tensions are not properly managed in the interim.

That is why it is also important to address today the elephant in the room – namely recent developments in the East China Sea between China and Japan over Diaoyudao-Senkoku.

I have noted carefully the Japanese action prior to the election of Prime Minister Abe when the then Japanese Government decided to purchase a number of these islands from the previous private landholder.

I have also noted carefully Chinese reactions to this decision of the Japanese Government, together with further Japanese counter-reactions in the 12 months since, including recent statements by Japan on the possible shooting down of Chinese surveillance drones.

Most recently we have also seen China's decision to proclaim an Air Defense Identification Zone, as well as American, Japanese and Korean military reactions to that decision.

I fully understand the complexity of the Diaoyudao-Senkaku issue, and when previously serving as Prime Minister and Foreign Minister of Australia, the position of our Government, like most governments, was to remain neutral on the question of sovereignty disputes in both the East China Sea and the South China Sea.

I am nonetheless deeply concerned that we may soon find ourselves locked into a pattern of action and reaction, of measure and counter-measure, which escalates over time, or even spirals out of control.

Last week I was at the Harvard Kennedy School, talking about China, and later celebrating Thanksgiving at home with Graham Allison, the Director of the Belfer Center, and author of one of the classics of international relations theory and practice, "Essence of Decision".

If Graham was here with us today, he might say that at times like this, clarity of diplomatic signaling, including early diplomatic notification of new policy measures, are important if unnecessary crises are to be avoided.

There is a basic logic to this. Unless surprise is the objective, timely diplomatic transparency is necessary, if for no other reason that in the current 24 hour news cycle, it provides the time for all governments to consult internally and externally on the most appropriate public position to take, so that we do not end up with foreign policy being driven by the necessary dictates of immediate media policy.

Because once public media positions are taken, the truth is no government is likely to be in a political position to back down.

I do not intend to engage in a blow by blow commentary on the current dispute. That doesn't help anybody. But I would urge all parties to reflect on the importance of diplomatic transparency in the management of this dispute.

Former US President George Bush once said that his fundamental expectation of the US-China relationship was one of "no surprises". I believe there is a great wisdom to this.

The hallmark of any mature relationship, including one which we hope becomes a "new type of great power relationship", is one of a high degree of diplomatic transparency.

This does not presuppose identical policies or identical interests. It does however presuppose a mechanism for most effectively dealing with sensitivities and disagreements when they arise.

And I would urge such an approach on both our Chinese and American friends in the future.

In the meantime, both China and Japan need to identify a means of stabilising rather than trying now to resolve this dispute, then work on constructing a deeper and broader ballast in their bilateral political and economic relationship for the future, and in so doing build sufficient political

capital in both Beijing and Tokyo that helps place such historical disputes into a more positive and manageable context for future generations to resolve.

We would all collectively curse the day when we allowed diplomatic disagreements, including this current dispute, to get out of hand, given the wealth of historical experience, both in Asia and in Europe, where such matters have been poorly handled before, often with disastrous consequences for all.

Conclusion

Despite the elephant in the room, I remain on balance optimistic that China and the United States can craft a new type of great power relationship into the future.

It will require visionary political leadership of which both President Obama and President Xi are more than capable.

It will require adjustments to traditional strategic mindsets in both capitals.

It will require the hard work of policy specialists in many different fields to step-by-step build trust between these two great powers.

The truth is we all, both in the Eastern and Western hemispheres, depend on the peace, stability and prosperity of this US-China relationship in the future.

On China's domestic transformation over the last 30 years, Deng Xiaoping has been proven to be right when he said the best way of crossing the river between China's past and China's future has indeed been to feel the stones one by one, step by step.

Let's therefore apply Deng Xiaoping's metaphor, and the wisdom contained within it, to build strategic trust, stone by stone, step by step, between China and the United States into the future.