

## A New Type of Major Power Relationship: Seeking a Durable Foundation for U.S.-China Ties

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The phrase “a new type of relationship between major countries in the 21st century” (*xinxing daguo guanxi*) is a key concept for U.S.-China relations proposed by Xi Jinping in a 2012 speech in Washington, D.C. Sketching out what he had in mind, Xi said that such a relationship would be characterized by “mutual understanding and strategic trust,”



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“respecting each other’s ‘core interests,’” “mutually beneficial cooperation,” and “enhancing cooperation and coordination in international affairs and on global issues.”<sup>[1]</sup> Subsequently, at the fourth U.S.-China Strategic and Economic Dialogue (S&ED) in May 2012, then president Hu Jintao and state councilor Dai Bingguo proposed to discuss the joint development of a new type of relations between major countries. And current premier Li Keqiang has also reiterated this idea: “I don’t believe conflicts between big powers are inevitable....Shared interests often override their disputes....We’re willing to construct a new type of relationship between big powers.”<sup>[2]</sup>

This Chinese initiative to start a dialogue on a new type of major-power relations is thus a development that Washington should, and seemingly does, welcome. To date, however, the initial suggestions from both countries have predictably focused more on what each side wants the other to do rather than on what both sides must do. This essay aims to move the discussion forward by specifying the economic and security domains in which cooperation needs to be initiated or enhanced and by making specific policy proposals.

### CHANGING A MAJOR-POWER RELATIONSHIP

In the 1970s, President Nixon and Chairman Mao established a new relationship between powers, but it was a relationship founded in the context of the Cold War and substantially based on common opposition to a third party. The relationship was less about what the two nations supported than what they opposed.

The current era has presented Chinese and American leaders with a challenge—to prove wrong the assumption that, as the Chinese saying goes, “two tigers cannot live on the same mountain.” Thus the question arises: How can the United States and China move from the current place of mutual mistrust to circumstances that are more stable and productive? It is through both a shared understanding of the strategic foundation of the relationship and the accumulation of modest, positive, and incremental steps that a new type of major-power relationship will be built. Because mistrust is embedded so deeply in intellectual theories, bureaucratic understandings and interests, and popular anxieties, it is likely that a series of positive, incremental moves, rather than a single transformational initiative, will prove to be the most feasible path forward.

## **WHAT CONCRETE STEPS COULD MOVE U.S.-CHINA RELATIONS FORWARD?**

Both Beijing and Washington must take steps in several domains to build a major-power relationship in the 21st century that is not premised on conflict. Some moves could be made by each nation independently, but they should be parallel and reinforcing; other moves will require explicit bilateral coordination or agreement.

### ***Knitting the Two Societies Together***

Washington and Beijing should start by looking at ties between localities, given that a relationship rests on a foundation, and a foundation is built at ground level. A central reality of local and national politics in both China and the United States is that citizens care most about their economic and local circumstances, which importantly means employment. U.S. FDI in China currently constitutes only about 3%–4% of total FDI in the country, which is significant but not high, while Chinese investment in the United States, while growing rapidly in percentage terms, is still small in absolute terms, reaching only about \$6.5 billion in 2012.<sup>[3]</sup>

Local leaders and their representatives in the countries' respective national capitals will speak and behave in more balanced and moderate ways if they see direct links between the welfare of their localities and bilateral ties. From what I have observed, for example, members of Congress who represent mining areas in Minnesota, the tool and die industry in Kentucky, and Silicon Valley in Northern California have seemed more supportive of strong U.S.-China ties when they could point to concrete employment benefits in their respective districts. I suspect that a similar dynamic is at work in China. In a related and reinforcing way, national leaders need to show through their attention and travel schedules that the United States and China have a relationship that is deeper than simply the ties between their capitals and coastal financial and trade centers. President Xi Jinping's decision while vice president to travel to Muscatine, Iowa, was just the right signal to send in 2012. His visit to this quite typical American locality sent the message that he realized that a failure to include the heartland in both continent-sized countries in future initiatives will weaken ties because to a considerable extent leaders in Washington and Beijing follow the sentiments of their respective heartlands. Another advantage is that visiting localities, particularly in the United States, mobilizes the local and regional mass media that bring an entirely different focus to news coverage. Local travel is thus a way to broaden public debate.

All this suggests that the United States and China need to multiply and strengthen avenues for economic and other bilateral interdependencies at the local level. Gatherings of U.S. and Chinese governors, for example, should be multiplied. Vehicles to increase interaction between local chambers of commerce in both countries need to be strengthened. Reinforcing such linkages is mutually beneficial and imperative.

### ***Relationship Management at the National Level***

Bilateral relations work most smoothly when each side clearly designates a very senior leader with overall day-to-day responsibility for ties. There is a strong correlation between prominent and effective relationship managers and progress in bilateral relations. Just looking at the U.S. side, Henry Kissinger, Zbigniew Brzezinski, Sandy Berger, Robert Zoellick, and Henry Paulson come to mind (and in each instance there were equally strong and capable Chinese counterparts). In some cases, U.S. presidents and their counterparts in senior Chinese leadership have been the relationship managers—George H.W. Bush is a good example, as were Deng Xiaoping and Jiang Zemin on the Chinese side. By contrast, in

periods where there was a lack of clarity about who was in charge, relationship management was generally less successful.

With respect to dialogue mechanisms for managing U.S.-China relations, while the S&ED process has not been without its successes, both countries should place more emphasis on getting the right five people from each side in a room, and doing so more frequently. The two presidents need to meet once or twice a year to discuss both the strategic foundations of the relationship and the practical policies that will drive the countries' respective bureaucracies forward. The mid-2013 meeting of presidents Xi and Obama at Sunnylands is what I have in mind. The following discussion will offer recommendations concerning subsets of relationship management deserving of separate consideration.

*Crisis management.* Given the increasing number of points at which the two societies touch one another, it is certain that there will be miscalculations, mistakes, and accidents. Among the several prerequisites for successful crisis management are two things: first, early in a crisis, the most senior leaders need to be in direct contact with each other; second, both leaders should try to slow down the action-reaction cycle that often is accelerated by mass media and instantaneous communication.

*Military-to-military relations.* There has been a counterproductive pattern to past U.S.-China military-to-military ties in which these linkages are the first to be sacrificed in times of stress and the last to be restored in periods of relaxation. The principal way to break free of this pattern is to increase positive interactions between the two countries' security establishments across all services and levels. Specifically, this means increasing interaction among junior and mid-level officers, as well as at senior levels, and broadening exchanges beyond the foreign area and intelligence establishments. The United States and China also must use their military capacities cooperatively in humanitarian and crisis circumstances, establish common rules of the road for their armed forces, and provide public goods on the high seas, as they are already doing successfully in the Gulf of Aden. Finally, each country needs to better understand how the other views its own security circumstances and doctrines and those of the other country. If the two sides simply see such efforts as covert intelligence operations, the situation will not improve.

*Avoiding gratuitous, unnecessary offenses.* In both societies there are impulses, organizations, and interests leading one country to engage in activities that anger large numbers of persons in the other—for example, in the domains of military, intelligence, and private-sector surveillance. It is the United States' position, adopted on a global basis, that international law and practice confer the right to operate beyond twelve miles of all shores. This surveillance, however, is deeply disturbing to many Chinese. The twelve-mile limit was set in an age when twelve miles was a considerable cushion, which today it is not. Without arguing about whether the twelve-mile limit ought to be reconsidered, wise political leaders should constantly assess whether the ill-feelings generated by these frequent activities are worth the presumed gains. Likewise, actual and suspected cyber activities by individuals and organizations acting in China and directed at the U.S. private sector are becoming equally corrosive in the American mind. **[4]**

U.S. and Chinese leaders need to ask themselves: “Are we doing things that simply alienate one society from the other? Are the presumed gains worth the costs?” Agreements do not even have to be reached formally; behavior simply needs to change. The key point is that each side must find ways to accommodate in some measure the views and sensitivities of the other, not least those of their citizens. Just because one country can do things does not mean that it is in that country's overall long-term interests to do so.

### ***Third-Party Management***

Managing a two-party relationship is hard—introducing third parties increases complexity and risk. By virtue of their respective histories and geographies, the United States and China have valued relationships and local sensitivities that are problematic when dealing with each other. Cuba, Venezuela, and North Korea are neuralgic for the United States; U.S. interactions with China's neighbors are sensitive to Beijing, especially on the Korean Peninsula and with Vietnam, not to mention the special case of Taiwan. Sometimes the divergent interests of U.S. and Chinese friends make it difficult for both countries to maintain stability in bilateral relations. On occasion, therefore, Washington and Beijing thus need to exert a restraining influence on friends and others whose actions could affect the stability of the U.S.-China relationship. Friends who refuse to act in ways that are consistent with each country's respective interests need to be reminded of their broader obligations. Currently, China's relations with North Korea and U.S. relations with Japan come to mind.

### ***Regional Institutionalization***

The Asian approach to conflict management emphasizes the utility of inclusive regional institutions and consultation. Beyond the five U.S. bilateral alliances in the region, there have been tendencies to build economic, security, and other cooperative structures that were not initially conceived as including both China and the United States—for example, ASEAN +3, the Trans-Pacific Partnership, and the Shanghai Cooperation Organisation. Gratifyingly, there are also organizations that embrace both nations, such as the East Asia Summit and the ASEAN Regional Forum. The strategic objectives of both sides ought to prioritize working toward a higher density of inclusive, rather than exclusive, organizations. In Northeast Asia, for example, if Washington and Beijing could ever move beyond the problems involving Pyongyang, a Northeast Asian security framework would be a good step forward. In the trade arena, the focus ought to be on free-trade arrangements that include both China and the United States, not on frameworks that seem indifferent or opposed to one or the other country being included.

### **THINKING ABOUT PRIORITIES**

This essay has identified several relatively concrete steps that can, and should, be taken in pursuit of a new type of major-power relationship between the United States and China. Though material resources are a constraint, even more limited is the necessary leadership attention and political capital. How can we best think about establishing priorities and taking essential first steps?

Both human experience and the lessons learned in managing the bilateral relationship over the last 40 or more years suggest that there is a hierarchy of human needs in which individuals, groups, and societies emphasize security over economic needs, and economics over other cultural and self-actualization concerns. This finding suggests that the United States and China ought to tackle the key security and economic issues in the relationship first. Also, there is the happy fact that on the cultural and educational front, the two countries' respective societies are sufficiently dynamic that private and civic energies can be harnessed.

Looking at the list of recommendations discussed above, emphasis should be placed on the following three items:

1. The United States and China should improve cooperation and mutual strategic understanding at the pinnacle of their political systems and thicken communications and cooperation between their military establishments. This includes pursuing more effective crisis management and internal foreign policy and security coordination within both countries.
2. The two countries should deepen economic interdependencies, particularly employment-generating enterprises among states, provinces, and localities. This means tearing down unnecessary roadblocks to investment and making investments there already more secure—for example, through a bilateral investment treaty.
3. The United States and China should build regional and multilateral security and economic structures encompassing both countries and not move toward a balkanized pattern that drives them apart.

Under each of these broad headings are a myriad of specific initiatives and cooperative programs that could be either initiated or strengthened. Perhaps a good way to start building on this framework is for the leaders of both countries to form a “wise person” group consisting of influential individuals in both societies who could jointly conceptualize and recommend specific next steps. As one Chinese analyst put it to me recently: “Focus on cooperation, not mutual trust. Mutual trust is based on cooperation.... [W]e should have preventive cooperation.”

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[1] Xi Jinping (speech at the National Committee on U.S.-China Relations and U.S.-China Business Council Luncheon, Washington, D.C., February 15, 2012).

[2] “More Opportunities for Sino-U.S. Trade, Investment: Premier,” Xinhua, March 17, 2013.

[3] “Chinese Direct Investment in the United States, 2000–2012,” in Thilo Hanemann, “Chinese FDI in the United States: Q4 2012 Update,” Rhodium Group, January 16, 2013, fig. 1.

<sup>[4]</sup> See Tom Donilon, “The United States and the Asia-Pacific in 2013,” remarks at the Asia Society, March 11, 2013.