



# JIA QINGGUO

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### **Jia QINGGUO, Dean of the School of International Studies of Peking University**

Thank you very much, Ambassador Park, for your kind introduction. My assignment today is to talk about China-US relations and whether they are heading for confrontation or cooperation. Let me therefore lay out my argument first of all. I believe that there is more room for cooperation than confrontation between the two countries.

When people talk about China-US relations, many argue that the relationship is heading for conflicts and confrontation and you can find a lot of conflicts to illustrate that point. For example, one can find the South China Sea, Diaoyu Island in the East China Sea, arms sales to Taiwan and there are also cyber-security, the AIIB, the US's alleged intention to deploy the SAT system in South Korea, just to mention a few.

However, that is just part of the story. The other and more important part of the story is that China and the US are cooperating on an increasing range of issues at a greater level of depth. Examples are equally abundant in this regard. We have an unprecedented trade relationship and both sides are investing in the other country seriously, in recent years especially on the part of China. Chinese investment in the US has leapt so much over the past few years and is now on a par with US investment in China. I think that it will exceed US investment in China soon. There is also nuclear proliferation, where the two countries are working more and more closely together, and there are joint efforts to protect sea lanes, where the Chinese Navy sent a fleet to the Gulf of Aden to protect international shipping. Additionally, on terrorism, the two countries are working more closely together, as well as on climate change, and even on anti-corruption the law enforcement officers of the two countries have developed closer links and engaged in concrete cooperation. There is also of course people-to-people exchange, which has exploded in the past few years with both sides relaxing visa procedures.

Will China and the US fight each other? When you look at what is going on in the South China Sea you tend to draw the conclusion that the two countries are heading towards a military confrontation. However, the answer to this question is that it is very unlikely. Why? First of all, the stakes are too high. If you believe that countries can act rationally, they are not going to fight each other. The two countries are nuclear weapons states. Ever since nuclear weapons were invented, nuclear weapons states have not fought each other. Secondly, there are better ways to advance their respective interests. There is trade and investment and a huge exchange of people and they are better off with joint efforts to deal with global and regional challenges which harm their interests. They do not therefore need to fight to protect their interests. Instead, they need to work together to protect and advance their interests. Additionally, as China acquires a greater stake in the existing international order it has become an increasingly stronger supporter of the existing international order. It has no interest in overturning it, unlike in the old days. China's efforts to establish the AIIB shows that what it wants is to have a greater say in the existing international financial institutions rather than finding some alternatives to them. The AIIB is therefore better viewed as a Chinese-made supplement to the existing international institutions.

That, to some extent, explains why China's rapid rise has not produced so far a situation where the US and China are at each other's throats. Instead, the two countries are trying to develop a so-called new type of great power relationship, even though the US does not want to use that exact phrase.

I also believe that the potential for cooperation between the two countries remains huge. Firstly, the trend of change in China suggests that there will be more room for cooperation. China has been engaged in deepening reforms. If you read about the reform measures passed by the Central Committee of the 18<sup>th</sup> Party Congress, especially the 3<sup>rd</sup> and 4<sup>th</sup> Plenums, you will see that China is moving in a direction that the US will probably find more comfortable. This means a greater role for the market in allocation of resources, more rule of law, more responsible governance and a greater accountability of officials. Additionally, China's relationship with the international order, as I mentioned, has changed so much that, among other things, as China rises it finds it more and more difficult to take a free ride. Instead, it has to



increasingly help maintain the international order to protect its own interests. This includes freedom of navigation, non-proliferation of weapons of mass destruction, a free and open international trading system, investment arrangements, cyber-security and so on. Increasingly, therefore, China finds the need, like the US, to defend the international order to advance its own interests.

To what extent, then, the potential for cooperation between the two countries can be realised depends, I think, on how both Beijing and Washington deal with the relationship. As far as Beijing is concerned, this involves whether it will be able to define its interest in a forward-looking way. China is evolving in a direction that is pointing to more cooperation with the US, but it may not realise this as its interests evolve on various kinds of issues. The second thing is whether China will be able to exercise its newly acquired power prudently. This is very difficult to do. When you have power you want to exercise it. I remember Kissinger once said that the only way for China and the US to manage their relationship well was for the US to adapt to China's rise and for China to know the limits of its power. As far as Washington is concerned, I think that it depends on to what extent it will be able to adapt to the rise of China and persuade China that what it does will not bring harm to China. This is something that is very difficult to do, but it has to do it.

Therefore, despite the current pessimism about the relationship – and even some of my best friends who are very positive about the relationship are having doubts about the future – I believe that we can still afford to be cautiously optimistic about its future. Firstly, the history of interactions of the two countries shows that their leaders are wise enough to find ways of accommodating each other. This has been going on for about four decades now. Secondly, Chinese leaders are now very committed to building a new type of great power relationship with the US. President Xi Jinping personally came up with this idea and has invested so much in this relationship by engaging in extended discussions with President Obama on their views. American leaders – either President Obama or the future leaders that we know, such as possibly Hillary Clinton – also attach a lot of importance to China-US relations and are committed to making it work too. Finally, there is really no better way out for the two countries other than trying to co-exist and work together. Alternatives could be disastrous for both sides.

Let me stop there. Thank you very much.

**PARK In-kook, President of the Korea Foundation for Advanced Studies; Co-chairman of the Beijing/Shanghai Forum**

The possibility of military conflict is very unlikely, but you did not mention the timeframe, particularly for the time being. My point is that the US is currently enjoying absolute superiority in terms of accumulated sophisticated naval ships and equipment. I do not know how long it will continue to enjoy such superiority in the coming two or three decades, but if there is a reversal of naval power, could you guarantee that there would be no military conflict?

You do not need to answer that question now as we will have a next round and you might wish to answer then.