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<b>Title</b>	<i>American-Sino Relations: Cooperation</i>
<b>Description</b>	First part of the three part series on US - China relations, Rosemary Foot talks about the need for cooperation, especially within the current financial recession, global warming and nuclear non-proliferation
<b>Presenter(s)</b>	Rosemary Foot
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R. Foot: My name is Rosemary Foot and I am Professor of International Relations at the University of Oxford, part of the department of Politics and International Relations and also a member of St Anthony's College. I focus on the Asia Pacific and in this talk I will be examining areas of cooperation and competition in the Chinese American relationship.

The talks are focused on ways these two states could contribute to global order. What I mean by order is a pattern of activities that sustains the primary goals of states and peoples in world society.

First I want to discuss three issues where cooperation between these two states would make a positive difference in global politics, the global economy, especially the global economic recession, climate change and then thirdly the non proliferation of nuclear weapons.

Later on I shall discuss some of the difficulties in the relationship and some of the conditions that make sustained cooperation a challenge for both governments. And then finally in the third and last section of these talks I'm going to assess where we are in this significant bilateral relationship before drawing attention to areas that need sharp attention by the two governments in order that this competition and rivalry doesn't degenerate into unproductive and destructive outcomes.

What we want then is a warm peace and not a cold peace between these two countries to quote Charlie Kupchan's work. Now since 2009 you'll find many instances where Chinese and American officials have chosen to stress that the two countries are in the same boat that they need to work together to weather the storm of the several crises, especially the economic that are buffeting the world. But as anyone who has been on a boat knows for a voyage to be successful it needs several matters to be understood. There has to be only one designated captain, orders are expected to be obeyed and there has to be agreement on the navigational rules and many unforeseen things can happen, you could end up on the rocks when there are stormy waters.

Which leads inevitably to a consideration of worse case scenarios or as it is called in international relations modern parlance, it can lead to hedging behaviour a kind of insurance policy preparing for the worst. And if you do reach the shore successfully then and grievances suppressed while you all breasted the waves may actually come spilling out into the open. So the boat metaphor is helpful to encapsulating issues of cooperation and competition that are contained with in the Sino-American relationship.

In the last few months the two have often been spoken of as equals as co-dependents especially again as a result of the global economic crisis. But underlying much of this commentary has been

the sense that over the longer term we are witnessing a transition of power from the United States to China and that might involve intense rivalry, potentially even war. China's resurgence raises questions about America's ability to adjust to China's enhanced influence about how China will use its new found strength and about whether its military modernisation will set off an arms race in Asia.

The Asia Pacific region actually has enjoyed interstate peace since about 1979 it is very favoured in that sense. But the strategic architecture has undoubtedly been unsettled by China's growing influence and ability to project power. Many question whether China's growing strength should be compared with the US position at the end of the 19th century or should it be compared more ominously with the rise of Germany and Japan during the same period. One new feature of the debate that we are engaged in at present is the acceptance that cooperation between the US and China is vital to global and regional order in many issue areas yet sustained cooperation will be difficult to maintain.

I'm going to suggest four factors account for much of that difficulty. The conviction in both countries of national exceptionalism and I will define that later. The two countries differing political systems, a historically resonant problem of China's rise and the attendant transition of global power which might actually be an impending reality or it might actually more be a matter of perception and then my fourth factor is long standing, mutual, strategic distrust.

So the task of analysis becomes one of defining which of these factors are structural and which are more susceptible to diplomatic negotiation and the purpose of that negotiation is to improve the management of a relationship that comprises both partnership and rivalry. The better to cope cooperatively with serious global challenges of which three of the most urgent are the global economic crisis, climate change and the proliferation of nuclear weapons.

Let me start with the global economic crisis. The US and China are the world's two largest economies if you use purchasing power parity rather than market exchange rates as a measure. They are both engines of growth for a world economy that hadn't fractured in the way some had predicted.

Were this economy to be mired in recession for several years then many millions more would be condemned to poverty and there would be little hope of achieving the millennium development goals. In the US the administration of Barack Obama has stressed that China is part of the solution to the global economic crisis not part of the problem and the US Secretary of State Hillary Clinton, during a visit to Beijing in February 2009 said that the US and China were truly going to rise or fall together. The US Treasury Secretary Tim Geithner revealed in May 2009 that he had talked to his counterparts in China much more than he had talked to his counterparts in any other country. It is an indication of how central China economic position and policies have become in Washington's thinking.

China's stimulus package in this recession is at about four trillion renminbi. It took some earlier steps as well about eliminating quotas for lending and reducing interest rates inside China and these steps have been described by one of the leading US analysts of China's role in the global economy as representing the gold standard in terms of response to the global economic crisis. This analyst Nicholas Lardy quoted IMF findings and stated that Beijing was doing more than any other economy including the US to stimulate demand. As we have seen, China's growth rate in the second half of 2009 has returned to about eight percent and one well known economist from China suggests this can be sustained now given that the factors behind its high growth rates are likely to operate in China's favour for the next 10 to 20 years.

So China is critical to global economic recovery it is also critical to the United States in that according to estimates it holds more than half of its two trillion dollars in currency reserves in US treasury bonds.

Clinton during that February 09 visit I mentioned earlier urged the Chinese to keep on buying. But there remains a palpable fear in the United States that the Chinese might decide they no longer wish to continue to do so given Beijing's doubts about the wisdom of US fiscal policies.

There is a famous statement of Prime Minister Wen Jau Bau from March 2009 he said then "We have leant a huge amount of money to the US, of course we are concerned about the safety of our assets. To be honest I'm definitely a little worried" and when the head of China's central bank referred the same month to the need to replace the US dollar as the world reserve currency his statement took on added resonance.

Fears about major shifts in Chinese economic policies however I think are overstated. Chinese leaders also realise that the relationship with the US is one of interdependence not simply US dependence on China. Beijing understands that if it cuts back too swiftly or steeply on its purchase of US bonds or diversifies too quickly out of US dollars the value of its assets will plummet. With the US a major purchaser of its goods and with the Chinese economy still dependent significantly on export and foreign investment in order to continue its high growth rates, Beijing retains an interest in helping get the US back on its economic feet.

The Chinese government estimates that it needs to grow at least eight percent per annum to stem unemployment and social unrest. This constrains it in terms of the extra pressure it might contemplate placing on the US economic position and it pushes the two countries towards a coordinated stance. Even if there is some unease underlying that cooperation.

The second factor I want to talk about is climate change. The UN's intergovernmental panel on climate changes fourth assessment report that came out in 2007 concluded that warming of the climate system is unequivocal as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice and rising global average sea levels.

These changes in temperature are having a major negative impact on human security in many parts of the world and they will further distort patterns of economic development. A series of official Chinese documents and policy statement acknowledge that fact. Beijing's October 2008 white paper entitled "China's Policies and Actions for Addressing Climate Change" outlines the widespread problems climate change poses for the country. It says that China is most susceptible to the adverse effects of climate change mainly in the fields of agriculture, livestock breeding, forestry, natural ecosystem, water resources and coastal zones.

The US department of defence and US intelligence agencies have elevated the discussion of global warming to a security issue and they are working on ways to incorporate that new thinking into the next US National Security strategy. At the same time we have to acknowledge that the US and China are at the heart of this problem they are the world's two largest energy consumers and the two largest producers of green house gases and together they account for about 40 percent of all global emissions. According to one 2009 report whereas the US has been responsible for approximately 29% of energy related carbon dioxide emissions since 1850 and China for only 8% over that same period. Some estimates now show that China's annual emissions in 2007 have been 14% higher than those in America and that they are growing four to six times as fast. Whereas China has put per capita emissions are only a quarter of America's they are nevertheless above the world average.

The American and Chinese positions have also been significantly and for the most part negatively influenced over the past two decades by the stances the other has taken in climate change negotiations. Each side has been reluctant to play a substantive if differentiated role in strengthening its commitment to reducing CO2 emissions unless the other has also accepted that it too must play its part. Particularly during the George W Bush administration but also earlier the arguments that tended to dominate in the US with regard to Beijing were threefold.

First of all there is the matter of effectiveness. Some in the US argue that unless you can get China to agree to reduce its own absolute level of emissions any efforts that the US or others made would be rendered meaningless.

Secondly others argued that any US effort to control emissions would lead manufacturers to move operations to states like China where controls were fewer with a consequent negative impact on US employment rates.

And then thirdly there were those who stated that unilateral efforts on America's part would reduce its negotiating leverage with China.

China's reluctance to participate in these negotiations more actively has also been partly built on suspicions of US motives. First China has long refused to move beyond some voluntary national constraints on the grounds of equity since it is the industrial world and especially the US that have been the chief culprits in creating the problem of global warming. To give up this argument would not only acceptance of this lack of fairness but also serve to reduce the pressure on the US to adopt mandatory emission targets.

Moreover Beijing argues that for it to become at least a middle income country by 2030 it has to be allowed to continue to grow and thus to emit. China often voice suspicions that the US government's real aim in calling for China's participation in post Kyoto emission targets is to increase its economic costs and thus constrain its rise.

Finally Beijing has sometimes suspected that any US attempt to deal with China on climate change issues on a bilateral basis outside the Kyoto framework is part of an attempt to break down solidarity within the developing world. Solidarity from which China has benefited and which has been important in keeping attention directed away from China and onto the US particularly after the George W Bush administration withdrew from the Kyoto process.

However climate change negotiations have shown that these perceptions are in flux. Obama has made a commitment to mandatory abatement targets, the Chinese chief spokesperson on climate change has described climate change as a more serious issue for China even than the global economic crisis and Beijing has published national targets to improve the efficiency of its energy use and to increase its use of renewable fuels.

At the UN climate summit in 2009 President Hu Jin Tao added carbon to the mix, "We will endeavour" he said "to cut carbon dioxide emissions per unit of GDP by a notable margin by 2020 from the 2005 levels." Note that he didn't actually specify a figure but at least he mentioned carbon dioxide and the need to cut.

Were there to be positive outcomes to a bilateral US China dialog on climate change and energy use leading to a real and productive partnership in this domain it could have an important snowball effect on other states positions. As William Chandler has put it "If either fails to act conversely then mitigation strategies adopted by the rest of the world will fall far short of averting disaster for large parts of the world."

My third issue where we would benefit from Sino American cooperation relates to the question of a non proliferation in nuclear weapons.

The behaviour of the two States in reference to this issue is an important factor in the debate about how to strengthen the damaged nuclear non proliferation regime. The two countries have worked cooperatively to roll back the North Korean nuclear weapons programme but they have been less in step over the putity of uranium programme. Both have signed but neither has ratified the comprehensive nuclear test ban treaty but both say ratification is a near term goal. Both state that they will work together to negotiate a global fissile material cut off treaty.

There are real opportunities to the two governments to exceed to the test ban treaty in the next year or so and that could increase the pressure on other states such as India, Pakistan and Israel to do so as well. If these two governments were to work together cooperatively on these issues, new

life could be breathed into the nuclear non proliferation norm perhaps increasing global pressure on North Korea and Iran to reverse or limit their nuclear programmes.

Then there is the matter of nuclear disarmament. Already President Obama has made some progress in this area with the signature of an interim agreement with the Russian government to reduce the number of nuclear warheads and delivery vehicles. Undoubtedly Russian/American success in finalising this agreement will put additional pressure on China to enter into nuclear disarmament negotiations. This is important because while China is far behind the US and Russia in terms of the numbers of its warheads, it has been modernising and improving the quality of its nuclear weapons arsenal.

Thus in this first talk I've outlined three areas where cooperation between these two significant states would be beneficial to global order. I have also hinted at areas of difficulties and mutual suspicions but I will go into that a great deal more detail in my second talk.

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