



Center for a
New American
Security

CHINA'S ARRIVAL: THE LONG MARCH TO GLOBAL POWER

INTRODUCTION AND OPENING REMARKS BY:

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Ladies and Gentlemen, good morning and thanks for coming to this release of our report titled *China's Arrival*.

I'm Nate Fick, the CEO of the Center for a New American Security.

I'm especially pleased that we're here today, this week, because of a lesson in distraction I learned as a kid. I was in a snowball fight with my older cousin—a big, hulking guy who went on to wrestle for UVA, and I'll never forget watching him pack a nice big round snowball, cock his arm way back, and heave it up into the blue sky. I leaned back—I was maybe six or seven years old—, watching it arc slowly toward me....and then was knocked flat on my back by a fastball he threw at my head. The perils of distraction make it especially important that we gather here now, as the war in Afghanistan consumes so much of the foreign policy debate. I served in Afghanistan in uniform and as a civilian. Our mission there is critical, but I can't help thinking that we're watching the arcing snowball while other issues are hurtling toward our heads.

We at CNAS work hard to develop pragmatic and innovative policies on our country's most challenging national security issues. Our efforts reflect the current and future challenges facing our nation, with major programs on our current wars, on the relationship between security and energy, resources, and climate change—what we call natural security, and a broad range of work in the Asia-Pacific region.

Dr. John Nagl, President of CNAS, former Army officer and veteran of our ongoing wars, has been leading a national discussion on the future of warfare. He often lets slip that his dissertation at Oxford was the best dissertation written in the 1990s on counterinsurgency.

One of our researchers did a little digging, and let us know, John, that yours was the **only** dissertation on counterinsurgency written in the 1990s.

But this very fact demonstrates the importance that John has played in our national security debate and perfectly illustrates what any of us in this field should be trying to do: recognizing the importance of something early and then migrating it from the intellectual fringe to the center of the national conversation at a time of great importance.

As a sidebar, I should note to this crowd that John's master's thesis was actually on Japan – which always comes as a surprise to those who equate his name with eating soup with knives.

CNAS is also a pioneer on the issue of Natural Security, the nexus of natural resources and security. Our Vice President for Natural Security, Sharon Burke, has been a leader in shaping this new field, informing our national security establishment on this subject as others finally start to say “hey, there may be some security elements to all this resource and climate change stuff.”

Finally, our co-founder, my predecessor as CEO, and current Assistant Secretary of State Kurt Campbell, established our Asia program as a leading voice on this dynamic region. Fundamental to the program's success was our Fellow, Nirav Patel. Michele Flournoy and Kurt established CNAS in part to help train and develop the next generation of our country's national

security leadership, and Nirav is a shining example of their success. We all treat him well in the hope that he'll return the favor when we're working for him.

And our Asia program continues to expand and innovate. Our influential June report on North Korea will be followed up in a few weeks with recommendations for future negotiations with the DPRK. The Asia program now has 14 ongoing projects covering a diverse set of issues, including the transfer of operational control in South Korea, the emerging strategic significance of Indonesia, the future of US-India relations, the future of US-Japan relations, and several strategic dialogues with senior members of governments throughout East Asia.

Many of these efforts have been designed and are being led by Abe Denmark, who joined us earlier this year from OSD and the intelligence community, and who brings great energy and nuance to our work.

Today, we're pleased to release a major report on US-China relations, which includes contributions from some of our nation's leading experts on China and East Asia, and we're honored to welcome Deputy Secretary of State James Steinberg, who plays an important part in shaping the Obama administration's approach to China and its vision for China's future role in the world.

President Obama referred to the US-China relationship as as important as any other in the world, and this is certainly true. From the global economic crisis to climate change, from nonproliferation to the ongoing instability in Afghanistan and Pakistan, China has arrived as a major regional power with global influence.

One week from today, Beijing will celebrate the 60th anniversary of the founding of the People's Republic of China. On top of Tiananmen Gate 60 years ago, Mao Zedong declared that "the Chinese people have stood up," ending what had been more than a century of rebellion, occupation, and devastating civil war. Yet, China's travails didn't end 60 years ago. In fact, China did not truly "stand up" until two important events in 1973 and 1980.

President Nixon's 1973 decision to engage China out of shared animosity with the Soviet Union inaugurated the American policy of encouraging China's integration into the international system and supporting its stability and economic development.

1980 saw the rise of Deng Xiaoping (SHAO-PING) and the initiation of his "opening and reform" policies. By decentralizing China's economic system, by allowing for private economic activity, and encouraging foreign trade and investment, Deng sparked a series of industrial and financial revolutions inside China, rapidly transforming it from a poor country into one of the world's leading economic powers.

Think of how far China has come since 1980. At that time, per capita GDP was 410 dollars. Now it's over 6,000. When Deng took power, China consumed 290 billion Kilowatt hours of electricity; last year it was 3.5 trillion. It is almost unimaginable to think of today's global economic system without China, yet trade in 1980 amounted to only 38 billion dollars.

As we conclude the first decade of the twenty-first century, China has become a regional power with global influence and ambition. As the world's third-largest economy, the leading recipient of foreign direct investment and the world's leader in foreign exchange reserves, China's economy is inextricably interwoven with that of the United States and the international system. From Taikonauts orbiting the earth, to PLA Navy ships patrolling off the coast of Somalia, to Chinese development assistance programs funding infrastructure development projects in Africa, Beijing is taking steps to become a global power.

China's global presence has been enabled and facilitated by an international architecture developed and defended by the United States and its allies since the end of World War II. Without a globalized economy, free and open access to the global commons—outer-space, cyber-space, the seas-- , and a supportive international investing environment, China wouldn't be the global power it is today. Likewise, and of great personal interest to all of us here and our children, China's destiny is now coupled to the destiny of the international economic and political order.

For almost 40 years, the United States has encouraged China's development as a peaceful, prosperous, and stable partner in the international system. America's political, economic, and cultural engagement with the PRC during the Cold War underscored the strategic importance of China beyond concerns about ideology.

To be sure, China's arrival is a tribute to its people and its government; yet it is also a tribute to the wisdom and foresight of every American President from Nixon to Obama. Encouraging China's peaceful rise has been and should continue to be the policy of the United States. Indeed, the US has facilitated and encouraged China's economic development and integration into the international system – no other country has invested more in China's success.

Given these ties, China finds itself in a position not so different in many ways from that of the United States. For decades, American power and influence has been derived from providing public goods that overlap with U.S. values and interests: stability in key regions; the promotion of liberal-democratic norms; a vibrant global economy; and fair access to the global commons. Joe Nye has argued that considering the relationship of American power to global public goods helps to unveil “an important strategic principle that could help America reconcile its national interests with a broader global perspective and assert effective leadership.” So it is with China.

With the Cold War long over and several other countries emerging as regional powers in their own right, the United States and the international system face a broad set of shared challenges to global stability and prosperity: the ongoing economic crisis, the long-term threats of climate change and resource scarcity, the spectre of nuclear proliferation, the ever-present threat of international terrorism, and the continued oppression of our fellow human beings.

We saw this shared dynamic in the past few days at the UN General Assembly, where both President Obama and President Hu outlined an ambitious agenda to combat global climate change. President Obama has recognized the domestic difficulties we face, and yet has committed to the United States making the largest-ever investment in renewable energy, setting

new standards for reducing pollution from vehicles and making clean energy profitable. He has also called for developed nations to provide financial and technical assistance to help developing countries adapt to the impact of climate change and to pursue low-carbon development.

President Hu's address to the General Assembly was also an important step toward cooperation. While he continued to call for the need to strike a balance between economic growth, social development and environmental protection, President Hu's pledge to take steps to improve China's emissions footprint was promising.

When President Obama spoke two days ago about the need to get beyond the old divisions that have characterized the climate debate for so many years, he was speaking directly to the PRC. Combating global climate change is just an example of how the US and China must work together to tackle global problems. Yesterday in New York, President Obama called for "a new era of engagement based on mutual interest and mutual respect." As China's international power continues to expand, the international community will increasingly look to Beijing both for leadership and contribution.

From now on, in most cases, we can't address the challenges we face without the PRC. China must be more than a responsible stakeholder. It must be a shareholder. The world now looks to China to be a substantial contributor to the health and success of the international system.

To be sure, the future of US-China relations is one of the most important and complex challenges we currently face. To address this issue, CNAS has assembled a diverse group of experts—who don't always agree with each other-- to examine the future of US-China relations. The report we release today, *China's Arrival*, describes the next evolution in America's thinking about this vital relationship.

With that, I would like to introduce The Honorable Dr. Patrick Cronin, who will be chairing our panel this morning. Patrick is the Director of the Institute for National Strategic Studies at National Defense University, and previously served as Director of Studies at IISS, Director of Research at CSIS, Assistant Administrator at USAID, and Director of Research at the US Institute of Peace. He is a prolific and forward-leaning strategist, and a leading voice on national security issues in Asia and around the world, and just generally a great person to share a room with. I think we're in for a treat.