

China Development Forum 2021

China on a New Journey of Modernisation

09:15-10:15 20 March 2021

Parallel Session 1 – Venue 1

A New Positive List for China-US Cooperation

Moderator

LU Mai, Vice Chairman, CDRF; Secretary General, CDF

Panelists

ZHU Min, Chairman, National Institution of Financial Research, Tsinghua University

David M. Rubenstein, Co-Founder & Co-Executive Chairman, The Carlyle Group

YAO Yunzhu, Senior Advisor, China Association of Military Sciences; Director Emeritus, Center on China-America Defense Relations, Academy of Military Sciences

William Cohen, Chairman & CEO, The Cohen Group

WU Xinbo, Dean, Institute of International Studies; Director, Center for American Studies, Fudan University

Graham Allison, Professor, Harvard University

Key points

- The high level of dependence between the US and China mean that the two countries have little choice not to cooperate.
- Critical global challenges such as climate change, COVID-19, economic volatility and nuclear proliferation can only be addressed under the global leadership of the US and China.
- China-US relations are likely to improve under the Biden administration, despite the toxic environment at Alaska.

Synopsis

Despite the immense differences and disagreements between China and the US in recent years, there is hope that the long list of shared global challenges can help give rise to greater cooperation between both sides. The two countries are now so closely entwined in the global system that they have no choice but to work together and cooperate. As Harvard University Professor Graham Allison described, the US and China have begun to resemble something akin to Siamese twins – they are condemned to coexist because the only alternative is to self-destruct.

The concept of mutually assured destruction – used to describe the ultimate outcome of nuclear war between the US and USSR during the height of the Cold War – now exists on multiple fronts in the US-China relationship. As the world's two biggest polluters and emitters of greenhouse gases, any global progress made towards combatting the devastating effects of climate change must require the US and China to come together and set standards for the rest of the world to follow. With the US having rejoined the Paris Agreement and climate change being a priority issue for the new Biden government, there is now greater hope among all the speakers for renewed cooperation in this critical area.

Bilateral and multilateral cooperation will also be essential in containing the global spread of COVID-19. Ensuring that the entire world gets vaccinated is a challenge of immense proportions, but the sharing of knowledge, distribution channels and best practice will help to vaccinate increasing numbers of people worldwide and ultimately stop the spread of the virus. This same degree of common interest will further support efforts towards nuclear non-proliferation by working together and with other nuclear powers such as Iran and North Korea to halt the growth of nuclear arsenals.

In dealing with the economic fallout of the pandemic, Zhu Min, Chairman of the National Institution of Financial Research at Tsinghua University, highlighted the importance of China-US cooperation on monetary policy to promote global growth and financial stability. Both sides must also collaborate to sustain smooth trade and financial flows, stabilize global supply chains, and support emerging markets in their recovery. Sound global governance will be the bedrock of global growth in the post-pandemic era and the US and China must sit down together to discuss and address these economic challenges.

US and China are destined to be the world's leading major powers for many decades to come and they must exert global leadership on these pressing issues if we are to have any chance at succeeding. Despite the frosty

atmosphere in Alaska, the panelists expressed hope for a greater improvement in China-US relations under President Biden.

However, while William Cohen, Chairman and CEO of The Cohen Group, believed Biden's China policy will be conducted at a more professional, diplomatic and civil level, Wu Xinbo, Dean of International Studies at Fudan University, noted that both sides still have a long way to go if we are to see any substantial thawing in relations. Restoring regular people-to-people exchanges, which were largely eroded under President Trump, would certainly be a positive start to increasing shared understanding and reducing the current levels of toxicity in the relationship.

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