Q & A

The Wire China

### Susan Thornton on Escaping the Zero-Sum Mindset in U.S.-China Relations

Archives

The lifelong diplomat talks about how domestic politics has impacted the U.S.-China relationship, why not everything should be done in a bilateral context, and why commercial ties are the ties that bind.

BY GARRETT O'BRIEN - AUGUST 28, 2022

Susan Thornton is a former U.S. diplomat and acting assistant secretary of state for east Asian and pacific affairs. Thornton was with the State Department for nearly 30 years working in Beijing, Chengdu, Turkmenistan, Armenia, and Kazakhstan. She was nominated to be assistant secretary of state for east Asian and pacific affairs in 2018 but was not confirmed. She led east Asia policymaking at the State Department during negotiations of North Korea's nuclear arsenal and the trade war with China. In previous State Department roles, she worked on issues related to China, Korea and the former Soviet Union countries. Thornton speaks both Mandarin and Russian. She is currently a senior fellow and visiting lecturer at the Yale Law School Paul Tsai China Center.



Susan Thornton.

Illustration by Kate Copeland

Q: You have experienced several different administrations and different relationships with China during your time in the State Department. Why do you think this past decade has been so unstable and what has changed in the relationship to cause this?

A: It's really important to step back. We get caught up in the day to day of what China is doing, and what the U.S. is doing. But if you look at U.S.-China relations over the last 40 years, it does appear that there's a pattern to the relationship. These kinds of cycles that happen are oftentimes somewhat aligned with U.S. political cycles. When candidates in the U.S. are running for office, it's very easy to hold up China as a target. That's exactly what President Reagan did with Taiwan when he got elected. Most of the Presidents who didn't have any China background came in pretty hardline on China and then moderated over time, mostly due to outside

factors intervening because the U.S. is the global leader. So we always have had a lot of crises to deal with and these various administrations have found that China becomes important to helping deal with some of the things that come on the plate of the President of the United States.

In addition to <u>George H.W. Bush</u>, maybe Obama was an exception because he came into office and he campaigned during this immense financial meltdown and worked immediately with <u>China</u> to stop the bleeding there. So that was a little bit of a different dynamic. Then Trump campaigned very ostentatiously against China. He came into office not actually that anti-China, and it was funny that he campaigned so vigorously in rhetoric against China and then when he came in, he was actually looking to do <u>deals</u> with China. So he is also an

exception.

The huge rift really started with COVID-19, when Trump saw that his electoral fortunes were being what he would consider sabotaged by China unleashing this pandemic on his electoral chances. He could have played that differently and it might have turned out differently, but that was definitely his mindset and he unleashed a barrage against China in the last year of his presidency.

On the Chinese side, what we saw during the Obama administration, and since then, is this feeling that the Chinese need to stand up more against the U.S. and the West for their interests and that their interests are being undermined. It's no longer "keep a low profile



A quote from Donald Trump, from his <u>remarks to the</u>
<u>75th Session of the UN General Assembly</u>, September

and work on your internal development." It's more, "we have to push back because now we're stronger and we need to be respected" and you see this very much under Xi Jinping. That trajectory, together with this U.S. trajectory, has led us to the present moment.

#### What specific instances act as a point of inflection in the U.S.-China relations?

The global financial crisis was a turning point. That was the first time when the Chinese really stepped into being a major player on the global stage. It's also when the U.S. began a bout of insecurity that we're still living through, but we didn't recognize it. People talk about it now all the time, that we're still living with the consequences of the financial crisis. That was the real turning point.

#### Click here to read Bob Davis' Q&A with Robert Zoellick on 'Accepting China as It Is'.

Before that, when Robert Zoellick made his 2005 "responsible stakeholder" speech , China didn't see itself as a global contributor to public goods or as a global stakeholder and they were worried about being tagged with that responsibility. The 2008 financial crisis really started the Thucydides Trap psychology of fearing the rising power. Certainly there are things that the Chinese were doing in the period following that, during the Obama administration, which became seeds of concern about China's rise. The South China Sea was a major narrative point that became a symbol of China's more aggressive outlook on the world and how that might imperil its neighbors and take a more militaristic form. Up to then China was mostly seen as an economic juggernaut. The military modernization was going along with it, but it really manifested itself in the South China Sea issues.

Members of the Trump administration have this narrative that the U.S. allowed China to run <u>rampant</u>, get away with everything, and tried to avoid conflict with China. Do you think that evaluation has any merit and how do you respond to claims that U.S. diplomacy and action towards China before the Trump administration was generally soft?



The then U.S. Trade Representative Robert Lighthizer meeting with Chinese Vice Premier Liu He for U.S.-China trade talks, January 30, 2019. *Credit:*Official White House Photo by Andrea Hanks via Flickr.

It's an exaggeration to say that everyone was saying that, but certainly people like Steve Bannon and Peter Navarro, who were mostly thinking about the economic side of the equation, were saying it. When Robert Lighthizer came in [as U.S. Trade Representative] in late 2017, he picked up that theme and ran his trade negotiation with the Chinese based on the 301 investigation about intellectual property theft and subsidies and other non-market factors and the problematic aspects of China's

implementation of its WTO commitments.

If you talk to trade experts, one thing that they would say is that we did not bring enough trade actions against China in the wake of its <a href="WTO accession">WTO accession</a>. Sometimes people forget that we were prosecuting the <a href="Global War on Terror">Global War on Terror</a> with a crisis atmosphere in the George W. Bush White House, and they did refrain from bringing some trade actions. But that was a pretty formative time right after China's WTO accession where we would have had to do a lot more to put what China was doing into a tighter frame. China's system of implementing laws is different, so you would have had to do a lot of work with the Chinese government on local level implementation. So, some of this criticism is warranted. We have <a href="trade disputes">trade disputes</a> with every country in the world. Given the size of China's economy and the differences in their system, the problems are magnified. But the narrative that emerged on this was overblown.



U.S.-China relations are not a zero-sum game. Neither country is going to come out on top and neither country is going to "win." We're both going to be around and be very strong for a long time to come.

Do you think that the hardball rhetoric from the Trump administration was needed in U.S.-China relations and what needed to happen eventually? Essentially, was the intention right of holding China accountable but the execution a bit wrong? Or, was it a big mistake that did away with decades of American diplomacy?

In a relationship between countries like the U.S. and China, the two most important economies in the world and the two biggest powers in the world, doing away with diplomacy is a mistake. We're very different systems so doing away with diplomacy just lends itself to misperceptions, miscommunication, gratuitous increasing of tensions, and a downward spiral that can't really be stopped and still hasn't really been stopped. We really haven't found the floor and now everyone's talking about conflict. So do I think it's a mistake? Yeah, it's a mistake.

Does there need to be some sort of recalibration in the relationship?

Sure, but the recalibration should come through more intensive diplomacy, better coordination with other countries and trying not to do everything in a bilateral context. The economic picture is so complicated. What Trump tried to do was to bilateralize everything, which is exactly the wrong answer. If you have bilateralism in the trade space then other countries just gain from your losses and that's what we've seen. The tariffs on Chinese goods have been a disaster for the U.S. economy and for U.S. businesses as market share has gone to other countries that don't have these unilateral tariffs. People like Gary Cohn tried to keep us from declaring a



Gary Cohn served as the 11th Director of the National Economic Council and chief economic advisor to Donald Trump from 2017 to 2018. He <u>announced his resignation</u> on March 6, 2018, after Trump imposed tariffs on steel and aluminum which Cohn opposed.

Credit: Official White House Photo by Evan Walker via <u>Flickr</u>.

trade war, but Trump would not listen. And now, we still have the tariffs because of the political difficulties of lifting them.

# Do you think there was a larger strategy behind the Trump administration's China approach beyond rallying the domestic base?

I would hesitate to call it a China policy or a China strategy. Each person in the Trump White House had a different idea of what they were doing and a lot of them were very much, or maybe only attuned to the political environment. Some others were trying to move the ball forward on things that they thought would be in American interests. But it was just a chaotic environment. So I would hesitate to posit a guess as to what the underlying strategy was aimed at.

#### Why do you think the pandemic has been so tough on U.S.-China relations?

It served in the Trump administration as a catalyst for unleashing every potential negative action toward China, including the invective that we saw from the Trump administration toward China in that period as well as the tit-for-tat sanctions and extremely sharp decline in and interest in the relationship.



Top: General Mark Milley. Bottom: Chinese Chief of the Joint Staff Department, General Li Guocheng. Credit: <u>Flickr</u>, <u>Wikimedia Commons</u>.

The pandemic hit in January 2020. In January 2020, the Trump administration also finally signed the China trade deal, basically the week before the Chinese government shut down Wuhan. The U.S.-China relationship was not that bad at that point, but the following year and then through our election, things really went south. Remember the Chinese Chief of the Joint Staff Department called General Mark Milley to try to find out if we were going to attack China, which is pretty hair raising. Then again, Xi Jinping hasn't left China for two and a half years. We have not had regular in-person meetings with people in China. Our embassy staff has been depleted because of the pandemic. We didn't have an ambassador for a long time in China. The access for the Chinese embassy staff and the ambassador was extremely limited during the pandemic. We had no channels of communication. Meanwhile things were flying around in the rhetorical sphere that were going unanswered and uncontained. The absence of communication explains a lot.

There is an understanding among certain people that study China that there can only be one winner in the U.S.-China relationship. Is the U.S.-China relationship a zero sum game? Will this attitude inevitably lead to conflict?

U.S.-China relations are not a zero-sum game. Neither country is going to come out on top and neither country is going to "win." We're both going to be around and be very strong for a long time to come. Neither one of us is going anywhere. I see people say, "What is the point of the U.S.-China competition? The point is for the U.S. to win." I don't understand that and I don't think it makes a lot of sense, frankly. If that's the way people are picturing it, we're going to do a lot of things that are going to end up being the wrong things, and we're going to end up weakening ourselves rather than strengthening ourselves. People in power in the United States and in China do understand this and at the root of it, they do understand that that's not where we're going and what we're aiming at. Even if they can't say it in public.

The most fundamental thing always in the U.S.-China relationship has been signaling from the very top in both countries. The fact that the two leaders haven't met in person since Biden came into office is a real inhibitor to this.

We, in the current moment, are headed for conflict. Narrative in U.S.-China relations is extremely important, especially in the current context, to keep us from driving to conflict. We should remember that <u>U.S.-China relations</u> have never been smooth sailing. I love how people now talk about this past era of engagement as if it was brotherly love. We've never had a steady state relationship with China. At least working it from the inside, it didn't feel that way. But it was always recognized that it would be important to emphasize the constructive, cooperative aspects of the relationship in addition to the differences. Otherwise, the differences will just be magnified and overtake the narrative and the relationship. That's what we've seen recently and the idea that we have to get back to talking about what it is that we need to do together that's constructive and trying to do those things is really important for rebalancing the narrative and allowing people on both sides to not think of the other as an enemy, because otherwise they will.

# Is there a reality where U.S.-China relations get back on track? Or is this tension insurmountable?

It depends on leadership. It depends a lot on how things develop in domestic politics in both countries. You can't overstate the impact of domestic politics on many things but especially on U.S.-China relations. It will take quite some time before we can really work on getting back to a visibly constructive and productive relationship, but I hope we can stabilize things at the current very low level. It's going to be difficult to get there because I don't see much prospect for the domestic situation in the U.S to settle and it would probably have to come from the Chinese side and their domestic political situation is also pretty fraught right now. Maybe it will settle after the 20th Party Congress and we could see some more efforts from the Chinese side to move this in a more constructive direction. But that would be a lot to ask of them since they feel they've been on the receiving end for the last five years. We may not think that's fair, but that's how they definitely see it and how people in China see it. So to think that they're going to get their domestic house in order and then be able to move first and repair things is a big question mark in my mind.



A CTGN video covering the upcoming 20th CPC National Congress, featuring an address from Xi Jinping. Credit: CGTN

The most fundamental thing in the U.S.-China relationship has always been signaling from the very top in both countries. The fact that the two leaders haven't met in person since Biden came into office is a real inhibitor to this. Step number one is pretty easy and pretty obvious: the two leaders need to meet in person. Then, hopefully, when they meet in person, they can come away from the meeting and send out some signal that gives some diplomatic space to people to work on issues and make progress on them. We haven't had any of that coming out of meetings that have taken place over video during the pandemic. What we've had up to now is: they meet and they talk and it reminds people that it is important and normal for the U.S. and China to talk to each other. But that's about it. There's no real concrete agenda that comes out.

# Do you think that Xi Jinping's undetermined amount of time in power is actually a stabilizing factor in the U.S. China relationship? Or is it more dangerous for the U.S. to deal with an autocrat?

I am certainly not a fan of people staying in power for 20 years and we see in Russia what happens when you have that situation. It's extremely destabilizing for China to not know what the leadership transition is going to look like now or have no real certainty around it. But in terms of U.S. leaders knowing somebody, perhaps that could be helpful. What it also means is that the Chinese have a much better grasp on where we've been in the relationship generally speaking. That's always the case because their people stay longer and they don't have the revolving door that we have. They always have a better grasp on where we've been and it gives them a bit of an upper hand in any diplomatic or official meetings. In that sense, there is an element of "better the devil you know than the devil you don't."







Do you think that the U.S. and China can cooperate in certain areas or are we chained to competition for the foreseeable future?

We have to cooperate. Every single country in the world is telling us "look, we agree that China has objectionable practices, we agree that we have to be concerned about them, keep an eye on them." The <a href="NATO strategic concept">NATO strategic concept</a> that just came out called China a 'systemic challenge.' But others don't want to challenge and confront China. They have important economic relationships with China and see that we need China to contribute in the international system in confronting global challenges. The notion that we're going to be able to, on our own, pursue this extremely hostile confrontational policy toward China and think

we're going to bring everybody on board is really unrealistic and wishful thinking. We're hearing that from other countries who are concerned about the stability of U.S. policy after Trump. There's a lot of inhibitors right now in the international conversations that happen with the United States. No one knows what's going to happen in 2024. But the notion that we're not going to cooperate with China — it's the second largest economy in the world — it's just a fantasy. The sooner we dispense with that fantasy and get on with it, the better off we'll be.



# ...if the U.S. shuts itself off from the China market, we're going to end up hurting ourselves.

It was <u>reported</u> that Janet Yellen approached Chinese officials seeking to agree on a price cap for Russian oil to curb revenues that are funding the invasion of Ukraine. Do you think there is space for U.S.-China cooperation when it comes to the Russian invasion of Ukraine?

That's going to be very tricky. We do see cooperation with China in various areas, but they will not call it cooperation with the United States against Russia. For example, we've seen the Chinese <u>release</u> reserves from their strategic petroleum reserve earlier on when gas prices started going up. So we do see productive conversations about things that concern both of us.



A Type-96B tank operated by a crew of China's People's Liberation Army (PLA) competing during the Tank Biathlon semi-final competition at the International Army Games 2022 in Alabino, Russia. August 24, 2022. Credit: Kirill Kallinikov/Sputnik via AP

Beijing will resist cooperation with the West against Russia, however. China has been building its relationship back with Russia for the last more than 20 years since the collapse of the Soviet Union. They live in a pretty difficult neighborhood and the Chinese see little potential gain from crossing Putin. They also have a lot of common interests with Russia. They feel mutual beleaguerment at the hands of the West and both have grievances over the post World

War II settlement in the international system. The <u>relationship</u> will continue to be important to both China and Russia, but is not as tight and as sweeping and broad as we make it out to be. China will give things up and do favors for Russia. At the same time, they are in the crosshairs of the United States and do not believe that their actions with respect to Russia can change that dynamic.

# Where do you see the best opportunities for the U.S. and China to cooperate in the immediate future?

Commercial ties. It's so obvious but people don't even talk about it anymore. Global commerce is a fact of the future and it may be rolled back in some select areas, but we are not going to go back to an autarkic 19th century protected market . Commercial cooperation needs to be done in a much more communicative environment, a much more government involved environment, but is not going away. And if the U.S. shuts itself off from the China market, we're going to end up hurting ourselves. We need to get very realistic very quickly on this issue of our commercial cooperation with China.

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There's also the macro-economic cooperation picture, which is the place where we still see cooperation going on in the most robust way. We're all facing similar challenges like <u>energy</u>, <u>markets</u>, food <u>supply</u>, and food <u>security</u>, <u>inflation</u>, <u>imbalances</u> in the global economy — all of these things are crucial for the U.S. and China to be working on. That's the most obvious thing to me. Other transnational challenges are also obvious, but may be more difficult, to figure out where the exact cooperation pieces are. But we certainly have parallel interests in areas like global <u>health</u>, <u>climate change</u>, countering <u>terrorism</u> and other transnational challenges.



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#### BY ELIOT CHEN

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