

Bloomberg “On The Move Asia” – June 7, 2013

Xi Must Set Agenda for Next Decade: Kuhn



Dr. Robert Lawrence Kuhn, author of “*How China's Leaders Think*,” discusses President Barack Obama's meeting with Chinese President Xi Jinping. He speaks with Zeb Eckert on Bloomberg Television.



HOST: You're looking at live pictures. Chinese President Xi Jinping is now on the ground in the U.S. You see the U.S. flag, the arrival ceremony is just wrapping up, as his motorcade prepares to leave Ontario Intl Airport in Southern California. He's set for meetings with President Obama. They'll discuss a range of issues. It's a very significant trip, setting the agenda on the future of both countries. They'll be meeting at the Sunnylands estate in Southern California, Rancho Mirage. That's where world leaders for decades have met with U.S. presidents. For more on all of this, we're joined by a man who knows how China's leaders think, in fact, he's author of the book, “*How China's Leaders Think*.” Robert Kuhn joins us live. He's a noted authority and long-time advisor to the Chinese government. Good to see you, as always. We just saw pictures of President Xi arriving in California. What is at stake in this meeting? How critical is it to the future of relations between the two countries, Robert?



KUHN: History may look back to this meeting as one of the most important in Sino-American relations. It's important to realize the situation; China is at the cusp of the requirements of enormous reforms. It has broken through; it's the second-largest economy, but it is still dealing with many substantial and intrinsic problems – inequalities among different classes of people - rich-poor, inland-coastal, rural-urban - pollution, corruption. An economy that is really misaligned: a high percentage is in investment and exports, which, as we know, is unsustainable. So, China must have dramatic reform, but it cannot do so in an international environment that's unstable. China needs stability. Now, in order for stability to be maintained, China and the U.S. have to work together. That's why the summit is critical for China. It's certainly critical for the U.S., but for China, it affects its whole domestic picture. Now, China can't accommodate the U.S. by just bowing down to whatever the U.S. says. That would be tremendously disruptive domestically. So, Xi Jinping, after he was appointed China's senior leader, as head of the party, last November, has been really on a post-election campaign, if you will. In Western democracies, when we have an election, the campaign is before the office is assumed. In China, curiously, it's the reverse. Leaders still have to campaign: they have to win the hearts and the minds of the people. And so, Xi, over the last 6-8 months, has been doing just that. Putting in anti-corruption policies, cutting down the pomp and privilege of officials, talking about pollution in a very serious way, establishing his credentials as a strong nationalist, supporting the People's Liberation Army and the territorial claims against Japan and in the South China Sea. So, Xi comes into this meeting with a strong base, supported very strongly by his people.





Therefore, he is able to sit down with Obama and have a serious, personal conversation. So, I'm very excited about this summit because I know Xi Jinping. He is a warm, personable individual. He doesn't have to use talking points. He really knows what he wants to achieve and he likes to do that one-on-one. I think it'll be a very good summit.

HOST: Robert, again we are watching live pictures of Xi Jinping as he makes his way from Ontario Airport there in Southern California to the Sunnylands estate. Do the president of China and the U.S. president meet as equals on this trip? And what must they do to resolve some of these issues of the lack of strategic trust? Strategic trust, obviously, is important to make sure that these bilateral relations flourish.

KUHN: The most important thing to realize is that, as opposed to other rivalries in past history, the U.S. and China are really tied together in many ways. Certainly economically: the two countries' economies are intimately related, and one cannot succeed without the other. In international affairs, the U.S. has had the burden of policing the world, trying to make sure that no terrible things happen. In the past, China has largely resisted that, because it didn't know how to handle itself. China is in the maturing process and is now beginning to take more responsibility. Very difficult for China, because it is still a developing nation. So, there really should be strategic alignment. But, that said, there are really critical issues that divide the countries. If we look at some of the major issues – cyber espionage is a very serious problem; we can talk a lot about that. Secondly, are China's territorial claims – the South China Sea in particular and over islands with Japan. These resonate with the nationalistic feelings in the country. China suffered 150 years of opprobrium, humiliation and oppression and, horror, by Western countries and, of course, by Japan. All of that history is involved here. So, the two leaders must deal with the mutual problems that they have. China feels that the U.S. is “containing” China – working with South Korea, Japan, Philippines, Australia, Vietnam and then India – to contain them. The U.S. “pivot” to Asia is something that concerns China very much. So, you have to balance those issues. Those are the hard issues. But there are other issues the two countries need to address where their interests are more aligned – North Korea nuclear weapons, Iran, Syria; these are issues that affect the stability of the world. And, even though the U.S. and China have different positions, they need to harmonize that for the sake of stability. I must say, there will also be other issues on which the two countries can work together very easily and these should not be overlooked – disease control, clean technologies, organized crime, and international terrorism. There are many issues the two countries have in common that will also form part of the discussion.

HOST: Robert, we appreciate your views, as always. Robert Lawrence Kuhn joining us. He is the author of, “*How China's Leaders Think*,” certainly an authority on this. He has met the Chinese President, Xi Jinping. We thank you for your time.