

## **The Fragile and Vulnerable Foundation of the Sino-US Relationship** by Hoang Anh Tuan

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Most optimists would compare the recent Xi-Obama summit in Sunnylands, California, with Nixon's historic meeting with Mao Zedong in 1972 or Jimmy Carter's rendezvous with Deng Xiaoping in 1979. Indeed, the nuances and impact of the latter two meetings were only fully comprehended years if not decades later.

However, the pessimists did not have to wait long. The undesirable outcomes of the Xi-Obama meeting have already begun to manifest themselves. Immediately after the summit, the Snowden saga shook the US-Chinese relationship to its core and threatened to undermine the foundation for a new approach built upon the 90-plus channels of communication. It also cast a shadow on the positive signs of the recent Xi-Obama meeting, despite President Obama's pledge to prevent the crumbling of US-China relations because of a "29-year-old hacker." Nevertheless, the significant impact of the spying incident has become obvious, as former Secretary of State Hillary Clinton commented, "China damaged its relations with the US by allowing National Security Agency leaker Edward Snowden to flee Hong Kong, despite US request to arrest him for extradition."

Clearly, one should avoid the tendency to speak of "new type of great power relationship" between the US and China in terms that tend toward hyperbole. Although the two sides have agreed to establish a new framework for the bilateral relationship, Chinese insistence on the phrase of "new type of great power relationship" as opposed to the US's "new model of cooperation" suggests that the two giants are still lying in "same bed," but experiencing very "different dreams." In short, the US and China still have a long way to go before there is agreement regarding the shape, form, and substance of the "new relationship."

In comparison with what appears to be China's enthusiasm about forging a "new type of great power relationship," the US seems relatively aloof about the idea that was first propounded by Xi Jinping during his visit to the US in February 2012, and developed further as a framework in an essay by Cui Tiankai, former deputy minister of foreign affairs and current Chinese ambassador to the US.

It is important to understand what the Chinese had in mind when the idea was first advanced, and equally important

to look closely at what they have said about the construct in the first formal attempts to develop the idea.

First, China only offered to establish this "new type of great power relationship" with the US, not with any other powers – the "new type of relationship" was not intended to alter Beijing's ties with India, Russia, or Japan. This suggests that the Middle Kingdom views itself as an equal with the US, and sees the "new type of great power relationship" as a step in the direction of building a "mini order" that could be conveniently employed to resolve bilateral, regional, and global issues.

Second, China seems determined to draw attention to the element of "mutual consensus" that emerged from the summit, a goal that was given emphasis in a speech by State Councilor for Foreign Affairs Yang Jiechi to the diplomatic corps in Beijing immediately after the Xi-Obama meeting.

This means that there are two versions of the new partnership being presented. China's depiction of the consensus that has emerged on the concept of "new type of great power relationship" is offset by the US emphasis on disagreements that emerged from the summit while playing down or even neglecting any "agreement" that might have emerged from the Xi-Obama meeting.

Importantly, following the meeting, Obama personally called South Korean President Park Geun-hye and Japanese Prime Minister Abe Shinzo to assure them that throughout the course of the dialogue with Beijing the US did not compromise the security interests of Washington's two most important allies in any way. The US may have been concerned at the prospect of a repeat of the 1979 mistake when the visiting Deng Xiaoping told US host Jimmy Carter that China would "teach Vietnam a lesson," an unfortunate episode that resulted in the US being seen as colluding with China in the latter's military campaign against Vietnam a month later.

Is the "new type of great power relationship" feasible and if so, is it a cause for concern among friends and allies of the US and China? The short answer is "no," and the Snowden incident has shown that the seemingly extensive and firm US-China relationship is no less than a palace made out of glass – thin and delicate. The rifts are deep. *Bilaterally*, the 2008-2009 financial crisis amplified the frictions between these two countries and offered some clear signs of an impending "divorce of Chimerica" in the words of Niall Ferguson, a British financial historian. As the leverage China derived from being the principal buyer of US treasury bills and government bonds decreases, the knot that once tightly bound China and the US together financially and economically will slowly loosen. This could make the US more aggressive and decisive as Washington will have diminishing reasons to concern itself with the possible economic repercussions of its China policy.

*In the international arena*, competition between China and the US over influence, markets, and natural resources is heating up in the Middle East, Europe, South America, and most recently, Central America – the US’s traditional backyard. It is telling that when China’s President Xi Jinping held the China-Africa Summit on the sidelines of the BRICS gathering in Durban, South Africa this March, President Obama also convened four heads of African states in Washington DC to discuss economic cooperation and development. In Central America, Xi Jinping’s visits to Mexico, Costa Rica, and Trinidad and Tobago shows China’s departure from the static policy. China is taking active measures to react to the US “rebalancing” strategy in the Asia-Pacific, which Beijing views as aimed at containing China and putting it on the defensive. Today, China is targeting a region where the US has proclaimed and preserved dominance since the 19<sup>th</sup> century with a second “Charm Offensive” intended to position the People’s Republic as the region’s economic hub and the primary force in advancing regional commerce and investment. These developments are eerily reminiscent of the Cold War at its heights during the late 1970’s – minus the proxy wars that were the means by which the US and Soviet Union projected power and flexed their muscles – in the contest for influence in the Third World.

From a long term perspective, the relative power gap between a rising China and the US as an established power is narrowing. The result will be an intensification of the competition between these two giants. In that context, the new framework for US-Sino relations seems unlikely to solve the problems brewing between Beijing and Washington in a comprehensive manner.

In the short term, a new détente would give both countries more breathing room to solve their pressing domestic issues. For China, this would mean finding ways to suppress, manage, and resolve issues that threaten to sweep away the success of its 30-year-old-plus reform effort. The challenges are profound: economic and financial maladies that mirror those that plagued the US prior to the Great Depression from 1929-1933; corruption, income inequality, and the sluggish speed of institutional reform that fails to keep up with the rapid economic growth - a familiar urgency that has swept through the Arab world and shaken India, Chile, Turkey, and Brazil. For the US, the principal concerns are sustaining the shaky economic recovery, reducing unemployment rates, and downsizing both the public debt and federal budget deficits.

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