

ASIA SINCE THE SUMMITS: THE GOOD, THE BAD, AND THE UNCERTAIN AT APEC AND THE G20

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As host of this year's Asia Pacific Economic Cooperation (APEC) summit, Beijing spared no effort to ensure the safety and comfort of the dignitaries who would attend. Alternate day driving restrictions were imposed in order to reduce Beijing's infamously polluted air; civil servants received a six-day holiday along with encouragement to leave the city, and schools and kindergartens were closed during meeting days. Major roads were repaired; buildings in the area of the conference site were refurbished. Already stringent security measures were tightened, including equipping police stations with heavy body armor and bomb disposal equipment, x-ray machines, security gates, and helicopters on standby.¹ Rumors circulated that Xinjiang dissidents were planning terrorist attacks and that Hong Kong pro-democracy elements would hold disruptive demonstrations. Whether because of or in spite of the precautions, neither of these occurred.

The aesthetic aspect of the occasion also received attention: 450,000 flowerpots were replanted with blooms symbolizing APEC themes, and the architecturally innovative Water Cube, built for the 2008 Olympics and later re-opened as a public swimming pool, was transformed into a Chinese garden that served as the backdrop for a grand banquet. Limousines approached the venue along an LED-created red carpet route, with dancers in traditional costumes performing on either side. Each head of state received a maroon silk tunic carefully tailored to his or her size.

Pageantry aside, there were grounds for optimism. Average income in the region has tripled, from about \$5,000 in 1989 to over \$15,000 today, making it the world's strongest growth center. The region's average growth rate is also the world's highest. The number of people living on less than \$2 a day has dropped from nearly 1.2 billion to 412 million.² The uncontested star performer on all of these criteria is clearly the People's Republic of China (PRC). Delegates' speeches praised APEC's contribution to this development, crediting it to a unique APEC approach that combines voluntary action, consensus, flexibility, and pragmatism. In this spirit of unity, mutual respect, win-win cooperation and trust, they pledged to continue to promote sustainable, inclusive, and secure growth. Members also declared their intention to foster regional economic integration through pursuing free, open trade and investment, advancing global supply chain connectivity, and technological innovation. APEC members would, they pledged, work together to combat pandemic diseases, terrorism, natural disasters, and climate change.

These worthy, though predictable, goals aside, all eyes were on the principal states in the region—China, Japan, Russia, and the

¹ *Xinhua*, October 14, 2014; November 5 2014.

² *The Jakarta Post*, November 3, 2014.

United States—since the prickly relations among them threaten to constrain future progress. On the positive side, Chinese President Xi Jinping and US President Barack Obama discussed measures to avoid escalation of tensions caused by unexpected air and maritime incidents, and agreed on ten-year, multiple entry visas for business people and five-year visas for students, in an effort to promote people-to-people exchanges and enhance mutual trust.

As representatives of the world's two leading polluters, the two announced that the U.S. would emit 26 to 28 percent less carbon in 2025 than it did in 2005, while the PRC pledged to reach peak carbon emissions by 2030, with clean energy sources such as solar and wind power to account for 20 percent of China's total energy production by 2030.³ Results may, however, fall short of promises. Obama's stature has been weakened by anemic domestic popularity ratings and his party's losses in the November mid-term elections: his plans for climate-change funding are expected to face stiff opposition now that Republicans control both houses of Congress. While Xi's primacy as leader of the PRC is unassailable, the PRC may also not be able to deliver on its environmental promises: too many of the country's citizens have found creative ways to evade their government's directives.

Beyond this, there were few deliverables from the meeting. Paying careful attention to the symbolism of handshakes, the media noted that, in greeting Obama, Xi Jinping had stood on the right with his body toward photographers, requiring Obama to approach on the left, assuming a deferential posture. In the case of Japan, both Xi and Japanese Prime Minister Abe Shinzō faced the camera in an awkward posture with expressions so pained that the picture of what became referred to simply as “the handshake” made front pages around the world. Differences between the two on the sovereignty of territories in the East China Sea and on the issue of Japanese actions in World War II remain contentious.

Russian President Vladimir Putin was in subtle ways odd man out. His apparent act of gallantry in slipping a shawl over Madame Xi's shoulders was politely rebuffed when she shrugged the shawl off and handed it over to a subordinate. To considerable foreign amusement, Chinese censors quickly deleted video footage of the incident. Somewhat later, Putin's companionable tap on Obama's shoulder brought no response. The two, both stone-faced, met fleetingly on three occasions for what was described as a total of fifteen to twenty minutes of conversation on Syria, Iran, and Russian support for Ukrainian separatists. Russo-Japanese encounters were no more cordial: Japan has an irredentist claim on the Kuril Islands, removed from its control after World War II, which continues to hinder relations between the two.

Xi used the meeting as a platform to further his China Dream, which now includes both land and maritime silk routes of commerce centered on China, with himself as its avatar. His book, in at least eight languages—Chinese, English, French, Russian, Arabic, Spanish, Japanese, and German—was prominently on display at the entrance of the APEC media center. Journalists were encouraged to take a free copy. The effort to create—or, if one accepts Beijing's view of history, re-create—a Sino-centric world order is multifaceted, including among other initiatives, establishing a New Development Bank (also known as a BRICS bank) with its headquarters in Beijing and a Free Trade Area of the Asia-Pacific (FTAAP). Washington, meanwhile, has been pushing for an alternative Trans-Pacific Partnership (TPP), based on market liberalization and minimal government interference. TPP pointedly does not include the PRC. Chinese analysts have interpreted this as part of Obama's pivot toward Asia, which they see as a strategy to contain China. Separately from U.S. opposition, there is considerable skepticism about Xi's plans, which include consolidation of China's self-proclaimed nine-dash line that encompasses eighty percent of the East China and South China seas. This has implications for freedom of navigation in the area in addition to confronting jurisdictional disputes with six other nations.

India, not one of the six claimants, has produced documentation showing that pre-modern maritime trade was centered not on China but on India.⁴ While participating in the New Development/BRICS bank, it has expressed public dissatisfaction that the bank's headquarters will be in Beijing rather than Delhi or Mumbai. As well, the armies of the two sides continue to skirmish over disputed land territories in the Himalayas. Russia's Putin has been unenthusiastic about China's overland silk route, envisioning a more protectionist economic solution for enhancing connectivity in Central Asia, the Eurasian Economic Union (EEU).⁵ What may matter most is money: the PRC is providing most of the startup capital for the New Development Bank and, in a meeting with officials of seven Asian states just prior to the APEC summit, pledged an additional \$40 billion to further the infrastructure goals of the Silk Road. At meeting's end, world leaders affirmed their fealty to the lofty purposes of the organization, with those whose economies qualified them to participate departing for the G20 summit in Brisbane, Australia.

³ *New York Times*, November 11, 2014.

⁴ *The Times of India* (Mumbai), September 16, 2014.

⁵ *Eurasianet.org*, November 12, 2014. <http://www.eurasianet.org/print/70891>

Brisbane: November 15-16

There, amid considerably less pomp and security—though those in central Brisbane were warned against carrying eggs or bottles without a valid reason—a far lower-key meeting took place. The major drama was provided by Putin, who arrived along with Russian warships, infuriating host country Prime Minister Tony Abbott. Putin was also criticized by German Chancellor Angela Merkel and Canadian Prime Minister Stephen Harper, with the latter telling him to “get out” of the Ukraine. A defiant Putin replied that Russia could not leave somewhere it hadn’t been, and left the conference early, explaining that he needed sleep.

In an otherwise fairly amicable atmosphere, G20 delegates committed their countries to raise their collective economic growth by an ambitious 2.1 percent per year, create millions of jobs, take effective action on climate change, work together to end the Ebola epidemic and finalize measures to eliminate double taxation.

Xi Jinping promised to avoid confrontations while overseeing his country’s “great renewal,” saying that China was committed to peaceful resolution of the area’s maritime disputes.⁶ This was in sharp contrast to the Chinese foreign minister stomping out of a 2010 meeting of Asian ministers in Hanoi after then-American Secretary of State Hillary Clinton urged peaceful resolution of the very same issues.⁷ Xi also urged swift movement on the Chinese-inspired New Development Bank as an alternative to the Western-dominated International Monetary Fund and World Bank,⁸ and said that the PRC would continue to maintain powerful, sustainable development under a “new normal” characterized by slower growth but reforms that would provide improved structural conditions.

Chinese media praised his performance as having bolstered the country’s global influence, even as the Australian Broadcasting System urged that the world not forget the PRC’s dark side of pollution, crime, corruption, human rights abuses and the absence of the rule of law.⁹ Although the Australian press was critical of Prime Minister Abbott’s failure to give more attention to the pollution issue, Obama pledged \$3 billion to a UN-administered Green Development Fund—the largest donation so far—to enable poorer countries to better protect their environments.

The Aftermath

While most world leaders returned home after the conference, Xi Jinping visited New Zealand and Fiji. In the latter, meeting with the heads of the seven South Pacific states with which Beijing has diplomatic relations, he continued to promise largesse and further the image of the PRC as regional leader. Beijing has been chosen to host the 2016 meeting of the G20.

Apart from Xi successfully asserting his primacy, the Asia-Pacific sphere was in the end scarcely changed by the summits. There is little flexibility in its leaders’ positions: an appearance of harmony has been achieved by placing contentious issues on hold for an undetermined future time when, presumably, their divergent visions of the future can be reconciled.

⁶ *Straits Times* (Singapore), November 18, 2014.

⁷ *Washington Post*, July 30, 2010.

⁸ *Agence France Presse* (Paris), November 15, 2014.

⁹ *Australian Broadcasting System*, November 16, 2014.