

Time to Rewrite the US-China Relations Narrative?

By
Zarina Zainuddin
Analyst, ISIS Malaysia



From left: Yuan Peng, Steven Wong and Vikram Singh

Various aspects of US-China relations are often discussed in negative terms. It is perhaps a prolonged leftover from the Cold War 'Us versus Them' mentality, where the main two rival powers, namely the United States and the Soviet Union, were polar opposites in ideology and economic practices.

The United States is a democracy with a free market economy while the Soviet Union was a communist government with a central planning economy and as both countries vied for influence they divided the rest of the world into alliances. The fact that their economic systems differed on how they operated maintained the division between the two factions. Despite efforts of many developing countries to remain unaligned, in reality, very few could stay completely neutral.

The collapse of the Soviet Union and the country's failure to reform its economy prompted the other communist countries, including China, to adjust their economic policies. In China's case, its effort met with success when it evolved gradually into a free market economy.

Japanese business practices created a massive supply chain within the East Asia region and, China, by opening its economy, inadvertently linked its economy to the path of economic globalisation. China's economy became increasingly integrated and interdependent with those within the region and the world at large.

Hence China presents a paradox. On the one hand, it is a communist power that is a natural rival to the political ideologies of the United States. On the other hand, its economy is fully engaged in a positive way with the United States and the rest of the global economy. The new realities of an increasingly globalised world offer plenty of opportunities to change the way rival powers interact with each other; from one that is often contentious to one that is cooperative. It is important for the United States and China to establish a habit of engaging in cooperation and consultation

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with each other, whether it is to react to a specific event or crisis or as part of a process in formulating policies. Cooperation and consultation can be the foundation for confidence and trust building between the two nations.

Cooperation as the new norm

Disaster relief and humanitarian aid are two of the most promising areas for potential cooperation. For most catastrophic events, a concerted effort involving cooperation by various countries is needed to effectively and efficiently tackle the problem, particularly if the event affects more than one country.

The Asia Pacific region is rife with natural and manmade disasters such as earthquakes, floods, tsunamis and typhoons, as well as pandemic outbreaks and environment related problems such as trans-border pollution. The 2005 tsunami that wracked the region was a prime example of how cooperation between various countries can be effective in logistics and the timely dispensing of aid and medical assistance.

If there is a silver lining in the tragic loss of Malaysia Airlines flight MH370, it is that the incident afforded many countries, including the United States and China, opportunities to cooperate and coordinate their resources during the search, rescue and recovery efforts. Despite some shortcomings, the MH370 incident provided valuable lessons for improving such coordinated efforts in the event that such cooperation is needed in the future.

Cooperation in areas of mutual interest, such as energy (clean energy development) and environment (where the US Environment Protection Agency has established relations with various levels of government in China to confront issues such as pollution at the domestic level as well as managing climate change at the global level), should be emphasised and expanded to cover wider areas. Most recently, the successful conclusion of the historic Iranian nuclear agreement of 14 July 2015 between Iran and six major powers can be largely attributed to the close communication and collaboration efforts between the United States and China throughout the negotiation process.

Third-country cooperation between the United States and China is another avenue to explore. In recent years, the United States and China have begun to consider various cooperative ventures to assist countries in Africa, in the security and economic development fields. However, despite a strong momentum, the United States and China are still at the discussion stage and have yet to collaborate on a substantial programme, a situation that should be rectified as soon as possible.

Aiding the cooperation move are the efforts of a number of US and China think tanks and other non-government organisations (NGOs). Chief among the Track Two participants are the National Security and International Policy at the Center for American Progress and China Institutes of Contemporary International Relations. They are actively engaged in dialogue in trying to identify areas of cooperation between the two countries.

The two organisations have recently approached members of the Association of Southeast Asian Nations (ASEAN) through the ASEAN Institutes of Strategic and International Studies network, co-organised seminars and forums in attempts to identify areas within ASEAN where the United States and China could cooperate and render assistance. Track Two efforts could play a vital role in building up trust and

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confidence between the two nations as Track Two processes typically involve a wider segment of society — the government, businesses, academicians, NGOs, and other stakeholders. Hence the Track Two processes could help build networks, improve communication and instill a consultative habit between the United States and China.

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The United States and China have also played important roles to ensure a stable global economic growth through strengthening relevant institutions, including the International Development Association, International Monetary Fund, Asian Development Fund, and World Bank, either through financial contributions or through reform initiatives. It is particularly timely for China to step up given that Europe is currently struggling to grapple with various internal problems ranging from the economy to refugee crises and terrorist threats.

Challenges within the region

There are a number of challenges facing the United States and China, which may hinder closer cooperation efforts (for example, domestic politics and demands from various stakeholders). One particular challenge is the existing rivalry between the two countries in East Asia and the Asia Pacific as a whole. While it is easier for the United States and China to cooperate in places where mutual interests overlap, such as the Middle East or Africa, it may not be so easy to do so in East Asia or Asia Pacific. East Asia is in China's backyard, where it may prefer to have a stronger influence.

East Asia is also a region of great interest for the United States mainly because it is now the main engine of global economic growth and a major source of capital and investment, where a massive labour force and consumer market reside. It is also growing in importance as the source of research and development, and technology and innovation. In short, East Asia and the Asia Pacific in general are fast becoming the centres of global trade and commerce. It is not surprising that major powers, established or rising, would want to stake their presence and exert a degree of influence within the region.

Hence as America unveiled its policy of rebalancing towards Asia, mainly as recognition on the part of Obama's administration of the region's growing importance to America's future wellbeing, many in China and the region see it as a bid to contain China's rise to power. Likewise, as China unveiled its One Belt, One Road strategy, it was met with similar scepticism and suspicion on the part of the United States and its allies.

As a consequence, there was a lack of enthusiasm towards each other's initiatives, even though the initiatives could contribute greatly to the welfare of the region. America endorsed the Trans-Pacific Partnership Agreement (TPPA) but it lacked participation from China and there was a lack of US support towards China's proposed Asian Infrastructure Investment Bank (AIIB).

The successful conclusion of the TPPA could present another challenge in the relationship between the two countries. China seems to be shifting its priority from its preferred rival agreement, the Regional Comprehensive Economic Partnership (RCEP), and is pursuing the Free Trade Area of the Asia-Pacific (FTAAP) instead. The reality is that any trade agreement that falls short of the TPPA standards would be perceived as a second class agreement, and to have an Asia Pacific Economic Cooperation (APEC)-wide agreement that adheres to the TPPA standards would be challenging, to say the least.



Participants at the forum held in Sheraton Imperial Kuala Lumpur

There are also the whole South China Sea issue and China's increasing activities in the area to take into consideration. Depending on the source, such activities can be perceived as China's attempts to ensure its access to resources and defend its maritime trade lanes or as China's attempts to flex its military muscles and extend its sphere of influence within Asia and beyond.

The somewhat aggressive activities of the Chinese in the South China Sea have alarmed a number of ASEAN countries, especially the Philippines and Vietnam, as well as China's historical rivals, Japan and Taiwan. China's actions have left the United States little choice but to respond by increasing its naval presence within the area as well as strengthening ties with East Asian countries. Such developments have created tension and fear of possible flashpoints in the region. Regular dialogues between the two major powers could go a long way to mitigate such tension.

ASEAN countries typically utilise a hedging strategy when dealing with rival powers. Malaysia, in particular, is a prime example of such a strategy. During Tun Dr Mahathir Mohammad's administration, despite the former prime minister's anti-West rhetoric, Malaysia still cultivated a strong relationship with the United States. More recently, despite the verbal strife between China and Malaysia due to the MH370 tragedy, Sino-Malaysian relations have been unaffected. For Malaysia, aside from security considerations, friendly and strong ties with various countries, big or small, help smooth the path towards export success. Good ties with the United States and China also ensure, to some degree, Malaysia's relevance to both countries.

The hedging behaviour among ASEAN countries may actually be a good thing as it prevents ASEAN from taking sides and this could lead to more stability in the region. Hedging gives a country a degree of leverage when dealing with major powers, so it would be interesting indeed to see how ASEAN countries react to a united US-China front.

All in all, ASEAN is likely to welcome limited cooperation between the two major powers especially if their cooperation benefits ASEAN as a whole. It is also likely to fear strong US-China bilateral relations as this may render ASEAN irrelevant. Nonetheless, ASEAN is likely to be more welcoming of strong US-China ties if it could be included in the process — if confidence and trust building exercises between the

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United States and China were to take place within ASEAN processes or within other processes where ASEAN's presence is strong.

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Conclusion

The world has experienced unprecedented peace and a prolonged period of economic prosperity although many challenges remain. There are opportunities for shaping a new era, where global powers such as the United States and China deal with each other in more constructive ways — consultation, dialogue, and cooperation. In order to change the narrative of US-China relations, it is vital to increase the degree of comfort between the two countries and to deepen ties beyond the two national leaders.

Additionally, a simultaneous two-pronged approach would be ideal where: (i) the United States and China enhance bilateral relations with each other at various segments of society via Track Two processes; and (ii) consultation and dialogue among the two countries were to take place in a multilateral setting, such as the East Asia Summit or the APEC meeting, to ensure that big and small powers are part of the process. The involvement of other regional countries in the consultation and dialogue process will help lessen their fear of the two major powers colluding. Ultimately the world would benefit from improved relations between the United States and China.

This article highlights issues from an ISIS International Affairs Forum on 'The United States and China in Southeast Asia: Strategies for Collaborative Engagement', by Mr Vikram Singh, Vice President, National Security and International Policy, Center for American Progress (CAP), and Dr Yuan Peng, Vice President, China Institutes of Contemporary International Relations (CICR), on 6 August 2015.