

## Towards closer ties



By Bunn Nagara

***President Xi Jinping's first state visit to the United States may mean vastly improved China-US relations, with key agreements signed ahead to mark the occasion.***

IF timing is a significant factor in shaping important events, what has it done to Chinese President Xi Jinping's first state visit to the United States?

That the visit came at the same time as the first-ever papal address to the US Congress meant that media attention was effectively halved. Xi and Pope Francis had to share the media blitz; prime-time and front-page priorities were split.

But while the Pope's visit was imbued with spirituality, Xi's was rich in material significance and consequence. The Xi-Obama huddle was a meeting between leaders of the world's two largest economies with much to discuss on economic and security matters.

More significantly, the Chinese leader, who is still in the early years of his decade in office, has come to visit his US counterpart in the twilight of the latter's tenure. Yet China's state media have no qualms about calling the visit "historic".

President Barack Obama leaves office in January 2017. Although that is still more than a year away, it takes time for two distant yet interrelated, lumbering giants – China and the United States – to size each other up to work effectively together.

Not that Xi and Obama are total strangers. They have met repeatedly since 2009, some of those times only incidentally "on the sidelines" of a larger conference.

Still, much is assumed about the decisive nature of personal rapport between leaders. What impact does it have on bilateral relations between nations?

Western societies generally prefer formal agreements such as treaties to benchmark external relations.

For Asian countries such as China, unilateral pledges work as well and their voluntary observance deserves plaudits.

But Asian cultures also value personal connections, such that know-who is at least as important as know-how. Thus, Xi's careful cultivation of Obama is nearing its end.

That cultivation has included the development of relations between the two First Ladies, and Xi's affinity with Lincoln High School and Tacoma from early personal associations.

These are human touches, not simply frivolous details. For millions of Americans, they help to flesh out the character of the leader of an otherwise faceless, alien monolith that is China.

The importance of a personable character and thus of personal ties is also more important in the United States than is generally supposed. How can the personal imprint of any particular president on policy be denied?

It is unlikely for US policy on China to be identical with George W. Bush, Barack Obama or Hillary Clinton in the White House. Election impresario and political mud wrestler Donald Trump will want it to be different again in his White House.

The US election season has begun, and among the seasonal domestic bloodsports is China bashing. How will the next president honour any deals Obama now makes with China?

The soothing argument is that however much a maverick a presidential candidate may be, the heft of political realities and high office will weigh on the incoming president to ensure a pragmatic moderation.

The problem is that nothing can guarantee that outcome.

Consistency in China's external policymaking is less of a problem. A one-party state ensures that regardless of the personal style or preference of the leader of the day, the collective outlook is constant.

Barring unforeseen circumstances and contingencies, the ends and means in China's long-term plans are reasonably clear. Individual leaders bring only a certain accent or tenor to dealmaking, with certain emphases such as eliminating corruption.

Xi has also called for a major reset in relations with the United States since at least 2013. No country can reasonably reject that call so there has been progress, even if it has been slow.

Xi's first state visit is particularly significant in tackling three main themes head-on: essential new major-power bilateral relations, economic cooperation whose need is obvious enough, and military cooperation, which is as important as it may seem unlikely.

In mid-2013, just months into his new presidency, Xi flew to California for a working meeting with Obama to jointly design a new style of US-China relations. They agreed on the importance of that task and on its follow-through.

This month's summit is the next big step on that road. In the intervening two years, officials on both sides had been working on consolidating that agreement.

The economic aspects of the reset in relations are the most evident. So are their limitations.

The US Foreign Investment and National Security Act (2007) constrains China's investments in certain key sectors deemed to impinge on key US infrastructure or other national security interests. Foreign enterprises are known to face difficulties in acquiring stakes in US "strategic industries" – oil or high technology assets.

China followed the US example this year with a draft of its own Foreign Investment Law (2015). During the Seattle trip, Xi pledged to facilitate US investments in China, but it was not clear if any aspect of the FIL would be compromised.

Meanwhile, reports of mergers and acquisitions between China and the United States continue to show promise.

The value of M&A deals in the first half of this year exceeded US\$300bil (RM1.3 trillion), an increase of more than 60% over the same period last year, which had already set the record for the first half year.

Perhaps most significantly, China and the United States signed annexes to two agreements on major military operations, as well as air and sea encounters.

With China's growing naval reach and US naval "rebalancing", sea lanes in the Western Pacific are becoming more traversed as routes tend to overlap. The agreements signed just days before are intended to improve operational coordination and avoid misunderstanding and false alarms.

The first annex covers a telephone hotline between both countries' defence ministries and mutual notification of an impending crisis. The second relates to airborne encounters, improved communication and better coordination in emergencies.

These are still early days in such China-US cooperation, but a promising start has been made in addressing the most pressing concerns. More cooperation and coordination can be expected.

More broadly, China-US cooperation has yielded results in environmental management and the Iran nuclear deal. More progress may be envisaged over North Korea, anti-terrorism measures and even improved US-Russia relations.

In already focusing on security provisions for the Western Pacific, with all its implications for the South China Sea and the East China Sea, Beijing and Washington have taken the bull by the horns.

This is surely the better and bolder way. The alternative is a somewhat indecisive and half-hearted attempt to face the issues, in part by deferring them to a later time that may never come.

Now that a bold start has been made, the follow-up has to be at least as gutsy. The momentum, once created, has to be maintained and built on to reach satisfactory policy conclusions.

Chinese commentaries have largely pronounced Xi's state visit as momentous, in terms of China's intent in soliciting a positive US response to redefining their bilateral relations. That will also require China's continued commitment to the cause.

Xi's objectives should also be Obama's, as evidenced in their discussions for two years now, particularly since these objectives equally serve US and Chinese interests. To help realise them, the United States needs to contribute its share of commitment.

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