

Terry Su

For all the Bali optimism, the US and China are only digging their heels in

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A warm handshake in front of the cameras, followed by a three-hour simultaneously interpreted session termed “in-depth, candid and constructive” by the Chinese side, after which US President Joe Biden said there was no immediate prospect of Beijing retaking Taiwan by force and no need for a new cold war.

Biden’s meeting with Chinese President Xi Jinping in Bali, Indonesia, ahead of the G20 summit last week, was their first face-to-face meeting since Biden moved into the Oval Office. It seems to have served the purpose declared by the American side: to build “a floor” for the bilateral relationship, that is, to arrest its free fall into a state of war.

So, all good it seems. However, one needs to be aware of just how slim the margin is for relief and optimism. This is despite subsequent developments such as reaching a G20 Declaration – to the surprise of many – in which Russia was condemned, albeit not without terminological engineering, for the war in Ukraine.

That Beijing chose not to obstruct the manifesto, and Moscow acquiesced, encourages many to see a rosy picture ahead, even to the extent of contemplating a scenario where China abandons Russia in exchange

for Washington's good faith, amid its mounting domestic and international problems. My fear is that such sanguine thoughts may soon be frustrated.

When China's monumental 20th party congress convened last month and the new ruling team – the seven members of the Politburo Standing Committee – debuted in Beijing, the world knew that the rising superpower was going down the same path it had trodden for the past 10 years under Xi's leadership – the party's general secretary was set to lead China for the next five years, and possibly beyond.

This was followed by the US midterm elections, in which Biden's Democratic Party suffered only a mild defeat: the House of Representatives was lost to the Republicans by a smaller margin than expected and the Democrats kept control of the Senate, albeit by a razor-thin margin.

The Democrats, one might say, succeeded despite Biden, given his less-than-satisfactory performance to date. He called it “a good day for democracy” and said that his position was strengthened for his meeting with Xi in Bali – words reminiscent of his talk of “democracy versus autocracy” rivalry.

The juxtaposition of these two important events highlights that the two sides are only digging in their heels. The conciliatory gestures seen in Bali will serve as a respite, but no more, as neither Washington nor Beijing harbours any illusion about the other's position even as they avert an immediate head-on collision.

Yet, even a brief respite could prove shaky. For one thing, the Taiwan Policy Act looms large as January draws nearer. With Republicans in control of the House of Representatives, no one knows when Kevin McCarthy, the House speaker-in-waiting – who is as hawkish on China as his predecessor Nancy Pelosi, if not more so – will announce a trip to Taiwan. But Xi has specifically drawn a red line over Taiwan during his face-to-face meeting with Biden in Bali, according to the Chinese media.

Amid the tremors, however, there is a flicker of hope in the form of second-tier players positioned between the superpowers, notably the European Union – led by France and Germany – plus Japan in East Asia and Asean members in Southeast Asia.

America's antipathy for a rising China and its urge to go to extremes to contain its rival may only be blunted if a conflict between the two benefits third parties, that is, America's Western allies who may seek to distance themselves from US influence. Washington's dilemma is analogous to one in which a gang leader is unable to keep his group together if he fails to fend off an outside challenge.

Beijing might be counting on this. At the end of last month, right after the party congress, Xi rolled out the red carpet for Nguyen Phu Trong, the general secretary of Vietnam's ruling Communist Party. The visit sent a clear message that Vietnam would not be jumping on the US bandwagon and end up estranged from its giant neighbour to the north.

German Chancellor Olaf Scholz followed suit, visiting Beijing early this month, taking with him an entourage of top-tier business executives, and declared that decoupling with China was out of the question while proclaiming continued solidarity with the US on values.

French President Emmanuel Macron's rejection of “confrontation” between Washington and Beijing in the region at the Asia-Pacific Economic Cooperation (Apec) summit in Bangkok last week would surely not have escaped Beijing's attention. And Japanese officials were reportedly impressed that Xi was “constantly grinning” during his meeting with Prime Minister Fumio Kishida at the Apec summit.

Of course, it may be a long, drawn-out process for the US-led alliance to fall apart, if it happens at all. As German diplomat Wolfgang Ischinger put it, Europe is still “light years away from strategic autonomy”.

And Biden and his administration seem to have made it clear that they're determined to fight it out with China in this “decisive decade” and get their allies onside. The world had better fasten its seat belt for a bumpy road ahead, despite Bali.

Terry Su is president of Lulu Derivation Data Ltd, a Hong-Kong-based online publishing house and think tank specialising in geopolitics