

Chimerica Revisited

December 22, 2021 Terry SU

These days, one rarely hears about “Chimerica”, the phrase coined by historian Niall Ferguson and economist Moritz Schularick in 2007 to describe the symbiotic relationship between China and the United States.

Back then, elites in Washington harboured hopes that a rising China would subject itself to a “rules-based” world order dictated by the US. How times have changed.

With China increasingly deemed a revisionist power threatening America’s supremacy and values, Ferguson has emphasised in recent years that Chimerica was a chimera. Instead, a second cold war was coming, he declared in 2019, amid the Trump administration’s Chinabashing fervour.

Current US President Joe Biden’s approach to China is similar and has been described as “Trump lite”: just as confrontational, the only difference being that Biden’s team plays tough with more tact.

Of late, the rodeo has become frantic. The Taiwan issue has been fired up to the point of spurious speculation about Beijing’s imminent military action against the island. Former Pentagon official Elbridge Colby suggested that the US should ready itself to fight a “limited war”, and that, with China’s hegemonic ambitions, Taiwan could be a flash point.

And perhaps it is not inconceivable for some in Washington that Beijing could be baited into attacking Taiwan, giving America a chance to mould its rivalry with China back into all-out sanctions and decoupling – as was the case with the Soviet Union, in which case the hope is that the Cold War toolkit could be dusted off and put to victorious use again.

If only minds could be made up that easily. Too much is at stake for the two nuclear-armed superpowers to even contemplate war, and indeed, for the world as a whole.

Hence Biden’s wavering mixed messages about Taiwan while his administration remains hawkish towards Beijing: Washington’s actions, over Taiwan in particular, have angered Beijing even as Biden urged, during the virtual summit with President Xi Jinping last month, the establishment of commonsense “guardrails” on areas where the two nations disagree.

America’s hesitancy and reluctance are understandable. The US finds it unbearably gutwrenching to even contemplate that Pax Americana – with its genuinely (if naively) held belief in the so-called liberal democratic order of its own making – could one day be overturned, possibly soon.

History admonishes against wishful thinking, however. For example, St Augustine, in North Africa in the 5th century, remained a staunch admirer of imperial Rome even as the empire was succumbing to decay from within and under attack from Germanic tribesmen.

And, after the fall of the Ming dynasty in the mid-17th century, Korea continued to pledge allegiance, keeping records under the last Ming emperor’s reign title. Nonetheless, imperial Rome and the Ming dynasty are gone.

Swiss psychiatrist Elisabeth Kübler-Ross introduced the five stages of grief in her 1969 book, *On Death and Dying*. They are denial, anger, bargaining, depression and acceptance. In writing about America's loss of supremacy, the Atlantic Council's Robert Manning observed in a *Foreign Policy* article earlier this month that the recent virtual summit between Biden and Xi marked America's effort to move to the third stage of grief: bargaining.

Yet, I am not sure that bargaining is truly on America's mind, given that the administration has continued with anti-China policies and regulation, adding Chinese companies to its export blacklist, finalising rules that could see hundreds of Chinese companies having to delist, and leading a diplomatic boycott of the Beijing Winter Olympics.

Still, Manning hit the nail on the head in saying that following the Biden-Xi summit, diplomacy will be "a test of intentions", advising that it "will necessarily be an incremental and protracted process".

I would suggest that this process should include a "grand interim arrangement" whereby America agrees to anchor its dollar to China's production prowess and economic growth for a defined period of time.

During this time, the United States could look to make up for the time it has lost during its erstwhile misjudgement of China, and try instead to reinvigorate itself and shore up the world order it helped to create and has maintained since 1945.

At the same time, this would allow China to make its fair share of adjustments to substantiate its repeated protests that it has no intention of challenging the international order and seeks only its own improvement.

At the end of the agreed period, whether it be 10, 20 or 30 years, the two sides could take stock and decide whether the arrangement is working. Accordingly, they could prepare for the next stage in their relationship – which of course could still deteriorate or it could, with good faith, hard work and providence, advance towards mutual acceptance.

So, yes, I am advocating Chimerica as a *modus vivendi*, to go beyond the unilateral implications that were originally read into it (from China's perspective at least) to incorporate Beijing's inputs, to America's benefit.

Back in June 2019, Ferguson was asked: "What will future generations judge us most harshly for?" He replied: "Losing the second cold war to China." The United States and China can and should work together to make his answer irrelevant – for all the world's sake.

Commentaries by Mr. Terry Su, Silk Road Economic Development Research Center Secretary-General, in SCMP.