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# RSIS COMMENTARIES

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## **G2 or Chimerica? The Growing Institutionalisation of US-China Relations**

By Hoo Tiang Boon

### **Synopsis**

*The US-China Strategic and Economic Dialogue epitomises the growing institutionalisation of relations between Washington and Beijing. Such US-China dialogue mechanisms are more important and useful than their critics assume.*

### **Commentary**

AS A FRAMEWORK for managing a multifaceted and complex relationship, the Strategic and Economic Dialogue (S&ED) is the leading government-to-government summit between the United States and China. Coming about a month after the informal Obama-Xi meeting, the fifth S&ED this month was an opportune occasion for both sides to follow up on the broad 'consensus' reached by Presidents Obama and Xi Jinping, and to discuss more substantively the core issues confronting the world's two largest economies.

This year's talks encompassed discussions on cyber security—a positive development which signals that emerging areas of contention can be quickly brought into existing bilateral channels. And for the first time in such talks, the sensitive topic of missile defence was raised. In many respects, the S&ED epitomises the growing institutionalisation of the relationship between Washington and Beijing.

### **G2 or Chimerica?**

This institutionalisation is also seen in an increasing range of dialogue mechanisms and functional arrangements complementing the S&ED. These include but are not limited to: the more than a dozen regular sub-dialogues on regional and global issues of bilateral concern; the many working groups of the US-China Joint Commission on Commerce and Trade; and the consultative talks on defence and defence policy. Regular engagement between the Chinese and American governments now span over more than 50 dialogues, forums and working groups. Last year, then US Secretary of State Hillary Clinton asserted that both powers 'literally consult with each other almost on a daily basis about every consequential issue' confronting them and the world.

Critics argue that US-China architectures such as the S&ED are nothing more than glorified talk-shops. They argue that these mechanisms have thus far failed to produce any real progress in cooperation and have little to show other than general statements and pledges. They point to growing Chinese assertiveness, China's military expansion and opacity, as well as perceived Chinese 'irresponsible' behaviour in cyber security, maritime

security, international trade, among others, as evidence that such talks have accomplished little in influencing Beijing.

Idealists on the other hand see US-China summitry as forming the basis of a new 'Group of Two' or a budding great power concert, one around which a potentially more beneficent global order is being shaped and pursued. The neologism 'Chimerica' is emblematic of such an impression.

Both aforementioned perspectives do not fully appreciate the complexity and nuances of the US-China relationship. Dialogue mechanisms, even one as comprehensive and high-level as the S&ED, are not some diplomatic panacea that will easily eliminate the challenges of the Sino-American relationship. It is worth noting that dedicated US-China institutions are a relatively new phenomenon (with many created only in the past decade) and their relative youthfulness should not be understated.

Moreover, the nature of the US-China relationship is such that it will always be characterised by a degree of friction—not least because of differences in national systems and political values—and no amount of sophisticated diplomacy will be able to easily remove these differences.

### **Value of big power bilateralism**

What then is the utility of these dialogue mechanisms? For a start, they act as information-sharing sessions that may help reduce uncertainty and manage expectations. They also help facilitate circumstances under which reciprocity and collaboration may more easily occur. As Robert Keohane mused: "In order to cooperate in world politics on more than a sporadic basis, human beings have to use institutions." This condition is especially applicable to relations between the US and China where a considerable trust deficit exists.

But perhaps the most useful thing about these mechanisms is that they help create a certain baseline of predictability and structure to the tricky US-China relationship. The relative permanence and regularity of these channels offer a degree of assurance that diplomatic relations would not be allowed to regress beyond a certain point. Certainly, the hope is that regular, face-to-face meetings will help Chinese and American decision makers forge closer personal relations that will eventually translate to a mutually profitable working relationship.

Seen in such a context, mechanisms like the S&ED are not as unproductive as some would aver. A year after the S&ED was first inaugurated, then US Deputy Secretary of State James Steinberg told audiences in Washington that the 'balance sheet' on Sino-American collaboration could be considered a 'pretty positive one.' In 2012, the fourth S&ED produced some 50 tangible outcomes even as the Chen Guangcheng embassy incident threatened to overshadow the event.

### **Bigger than the Snowden affair**

At this year's S&ED, the Snowden affair did not prevent both sides from reaching a 'significant breakthrough'—in the words of US Treasury Secretary Jacob Lew—in agreeing to begin negotiations on an unprecedented bilateral investment treaty.

The Obama administration clearly considers US-China dialogue structures as useful platforms for managing bilateral relations and, increasingly, for coordinating responses on a range of regional and global issues. For the Chinese, many view such dialogues as indicating the prevailing hegemon, the US, is increasingly willing to engage a rising China on an equal basis.

Both sides of course still have considerable distance to go in terms of converging expectations of each other's conduct. But short of concrete alternatives, sustained institutionalised bilateral engagement is perhaps the best way for navigating the trials and tribulations of the US-China relationship.

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