

ISAS Brief

No. 186 – 27 January 2011

469A Bukit Timah Road
#07-01, Tower Block, Singapore 259770
Tel: 6516 6179 / 6516 4239
Fax: 6776 7505 / 6314 5447
Email: isasec@nus.edu.sg
Website: www.isas.nus.edu.sg



Global Realignment: Significance of Hu Jintao's Visit to the United States for South Asia

Shahid Javed Burki¹

Abstract

The recently concluded visit by the Chinese President Hu Jintao to the United States (US) is significant for South Asia. The main purpose of the visit was to reset the relations between these two global powers – one that was unchallenged for a couple of decades as the sole superpower, and the other that is surging ahead economically and militarily – with the aim of producing a more stable global order. The American tone at the formal meetings in Washington was very different from the one used by President Barack Obama during his visit to Beijing in November 2009. Then he had welcomed China to a shared position with the US in the emerging world order, a kind of G2 arrangement. This time the American President talked about cooperation and competition between the dominant powers. The Hu visit came after Mr Obama's trip to India in which he promised a larger role in world affairs to the other rising Asian power. Washington seems to be moving away from a G2 world to a multipolar world. The paper examines the reasons for the shift in tone and the implications for South Asia.

¹ Mr Shahid Javed Burki is Visiting Senior Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. He can be reached at sjburki@yahoo.com. The views reflected in the paper are those of the author and not of the institute.

Introduction

President Barack Obama's state visit to China in November 2009 was meant to introduce a new economic and political order in which most of the direction would be provided by Washington and Beijing working together within a new framework dubbed the G2. China seemed less willing to play the role that was being assigned to it by the new US leadership. Neither side made much progress after the Obama visit. There were few breakthroughs but also many differences lending edginess to the bilateral relationship. The Americans wanted the Chinese to adopt a tougher stance towards North Korea whose activities on uranium enrichment has caused great anxiety in the US. On economic issues, there was the perennial US concern about an undervalued Chinese currency that gave the country tremendous advantage in international trade. The Chinese were less welcoming of American investments and less open to allowing US companies to bid for government contracts than Washington had expected. The US also continued to worry about China's lax attitude towards protection of intellectual property. Washington was also concerned about the aggressive posture adopted by the Chinese military. There were also usual concerns about human rights in China, exacerbated by the way Beijing reacted to the award of the latest Nobel Peace Prize to dissident Liu Xiaobo, who was serving an eleven-year prison term in China.

On the Chinese side, worries and complaints were equally long. They included Washington's failure to bring under control its large fiscal deficit which, Beijing believed, was the main cause of the trade imbalance between the two countries. Sale of American arms to Taiwan and Washington's continued support to the Dalai Lama were even bigger thorns in the relationship. The year 2010 ended with both sides wary and suspicious of each other's intentions. As a Chinese journalist put it at the joint press conference addressed by Presidents Hu and Obama, there was 'strategic mistrust' between the two countries.² There was apprehension in Beijing that the US was seeking to encircle China and suppress its rise.

The India Factor

There was some fear in Beijing that in dealing with China, Washington was using the tactics it had employed during the height of the Cold War against the Soviet Union. Then, Washington had established a series of formal alliances involving countries around the periphery of the Soviet Union. This time around, Washington seemed to be concentrating its attention on India, Asia's other rising economic and military power. President George W. Bush had initially adopted that approach. President Obama was initially reluctant to follow his predecessor. However, he appears to have changed his mind midway through his first term. He went to India exactly a year after his visit to China and indicated that America's

² Michael Wines, 'In words at least, subtle signs of progress in U.S.-China relations', *The New York Times* (20 January 2011), p.A12.

relations with India would shape the 21st century. In Mumbai and New Delhi, the two cities on his itinerary, the American President repeatedly declared that India was no longer rising, but had already risen.

These messages were not lost on Beijing which launched its own efforts to cultivate the large Asian neighbours. In December 2010, a month after President Obama's visit to India, Wen Jiabao, the Chinese Prime Minister, visited India and Pakistan for reminding the two countries about what China's growing economic strength could do for them.³ During the visits the Prime Minister announced large investment programmes by China in several sectors of the two South Asian economies. The message was clear: unlike the US that faced many economic and financial difficulties, China had necessary resources for developing South Asia.

The Hu Visit

There were several aspects of the visit by President Hu Jintao that pleased the US government as well as analysts. The US under President Obama changed its earlier position with respect to pressurising the Chinese leadership for greater progress on human rights. Earlier in the Obama presidency, the US administration had adopted a soft approach towards China on this issue. In 2009, soon after assuming office, Secretary of State Hillary Clinton had said that advocacy for human rights in China should not interfere with negotiations over climate change and the global financial crisis. These two problems, Washington believed, were much more important and needed China's cooperation. The dialogue with Beijing had to focus on these and was not to be distracted by other concerns.

Subsequently, the Obama administration seems to have concluded that given China's rising economic stature, it was essential to focus on human rights, not because it was the right thing to do, but also because it would bring political and social stability to the country. According to some observers, 'Obama's shift on human rights reflects a realisation among administration officials that a rising China that remains a one-party state could ultimately be more unstable and more unpredictable than a nation moving ahead with democratic reforms.'⁴ President Hu also recognised that it was important for his country to move towards a more open society. But he argued that more time was needed before that journey could begin. 'China is a developing country with a large population, and also a developing country in a crucial stage of reform', he told reporters at a joint press conference addressed by the two

³ See, Shahid Javed Burki, 'China's play in South Asia', *ISAS Working Paper* No.120 (20 January 2011), for a discussion of the Chinese Prime Minister's visit to South Asia. http://www.isas.nus.edu.sg/Attachments/PublisherAttachment/ISAS_Working_Paper_120_-_Email_-_China%27s_Play_in_South_Asia_24012011124058.pdf. Accessed on 26 January 2011.

⁴ John Pomfret and Scott Wilson, 'Obama presses China leader on rights', *The Washington Post* (20 January 2011), pp.A1 and A6.

leaders. 'In this context, China still faces many challenges in economic and social development. And a lot still needs to be done in China in terms of human rights.'⁵ These remarks were meant for his Western audience. While reporting to the domestic audience on the Hu visit, the state-controlled Chinese media censored his statement by excluding the reference to human rights.⁶

China made several small concessions to the US. These were reflected in the joint statement issued by the two countries following the discussions in Washington⁷ as well as in the agreements signed by various Chinese entities for importing American products. Among the deals announced was one in which China authorised various airlines in the country to buy 200 airplanes from Boeing. Chinese firms also signed railway and energy contracts with General Electric and concluded a joint venture agreement between Honeywell and Haier, a Chinese appliance maker. Beijing also agreed to relax controls over government procurement for allowing American companies with operations in China to bid for government contracts. 'All told the [American] officials claimed that these deals would support 235,000 jobs in 12 states, but the precise nature of each deal was unknown.'⁸

Conclusion

Most observers gave the Hu state visit a passing grade. According to Michael Green, a former National Security Council Advisor, 'the most important thing they did was, for the time being, put a floor under the relationship after a very bad year. No one expected a transformational summit, but if you graded it pass-fail, I say they passed.'⁹

From a South Asian perspective, the most important outcome of the visit was the signal that went out to India that President Obama and his administration were prepared to correct the course they had set earlier. They were persuaded that they had moved in the wrong direction. Upon taking office, the first impulse on the part of the new administration was to step back and allow Beijing to have greater economic and political space. This message was read by the Chinese as Washington's recognition that it was a declining power. It was also seen as a weakness on Washington's part in its dealings with Beijing. President Obama's pronouncement during his first official visit to Asia in November 2009 might have contributed to greater assertiveness on China's part in international affairs. A year later, in November 2010, especially during his stay in India, the American President sent a different

⁵ *Ibid.*

⁶ Keith B. Richburg, 'Hu's remarks censored back home', *The Washington Post* (21 January 2011), p.A6.

⁷ The White House, 'U.S. & China: Building a Positive, Cooperative and Comprehensive Relationship', www.whitehouse.gov/the-press-office/2011/01/21. Accessed on 3 January 2010.

⁸ Helen Cooper and Mark Lander, 'Obama raises human rights, pressing China', *The New York Times* (20 January, 2010), p.A1 and A12.

⁹ John Pomfret, 'For China and U.S summit gets a passing grade', *The Washington Post* (21 January 2011), pp.A1 and A10.

signal by recognising the global importance of a rising India. He and his advisors appear to have concluded that in the new international economic and political order being fashioned, greater space had to be allowed to other rising countries such as India than was the case in the G2 configuration earlier espoused. It was clear that China had read the new message. During his stay in the US, Hu Jintao displayed much greater humility in his pronouncements than he had done during President Obama's visit to Beijing in November 2009. He also recognised that China had a long way to go before it reaches the pinnacle of global power.

The new governing elite in Washington were slow to recognise that an international order not accommodating global diversity will be inherently unstable. India offers not just a counterpoint to China, but an entirely different approach to statecraft. Its active participation in the new global order would bring stability. As Pankaj Mishra notes in his review of a number of new books on India for the *Financial Times*: 'According to the west, India is a vibrantly democratic country full of confident tycoons, adventurous entrepreneurs and friendly English speakers, which will counterbalance vaguely menacing China and assist the economic recovery of the west.'¹⁰ This recognition was on display during the recently concluded state visit by President Hu Jintao to the US.

.....

¹⁰ Pankaj Mishra, 'Caste adrift', *Financial Times* (22 January 2011), p.11.