

par Michel Rogalski

It is within major changes that new power struggles appear. Future reconstructions take shape. We have already moved from a unique polar world to a multi polar world with the prospect of a “XXI^e American century”. Between the international financial crisis, which started in Asia in 1997, and intervention in Iraq in 2004, all is played for the American project to collapse, in particular those thinking of reshaping the world.

It is in this context that one sees the emergence of great powers such as India or China whose impact goes beyond Asia, and changes the power struggle globally.

Immediate interests, remote competition

Economic crisis and political transition, symbolized by the election of Barack Obama, confirm the tendency towards a multi polar world with the first role held by Washington, but devote the arrival of China, which is accorded the status of principal interlocutor at the G20 Summit in London. What is at stake is the beginning of a partnership with immediate common interests against a background of rivalry. In short, loss of status and the ever-present crisis at the heart of the country, oblige the United States to sacrifice their remote interests for the benefit of immediate advantages, and therefore co-operation in the short term and return later to rivalry. The American obsession, to prevent the appearance of a “peer competitor” (a comparable rival), is being carried out. Unable to face the opponent immediately, it is better to join in an alliance and defer, if necessary, any confrontation until conditions are favorable. For China, access to a recognized second place, without conflict, is a major windfall and allows hope for the birth of a condominium. What we see here is the birth of “Chinamerica”.

The crisis is the driving force. Co-operation structures put in place by Bush in 2006 – “the strategic economic dialog” – will accelerate and take the form of an annual meeting for those in charge of diplomacy and economic affairs, which will be extended to security, energy and environmental issues. Barack Obama will make the announcement at the opening of the G20 Summit in April 2009. Before G20, American and Chinese State leaders had met separately to discuss their bilateral problems and have expressed agreement “to work together to actively support world trade, the flow of investments and to resist protectionism”.

Admittedly, differences in approach remain between the United States and China regarding their vision of the world, but they now share common interests on essential questions like the crisis and methods of facing the threat of climatic change or energy challenges resulting from it.

The crisis supports this collaboration

Common economic interest is at the centre of this collaboration. The two countries have a complementary asymmetry. The United States consumes too much and does not conserve and the Chinese do the reverse. US Commercial deficit reached \$680 billion in 2008 (\$80 billion in 1990). China played a central role in the increase of this deficit. Since 2000, it is responsible for 60% of this increase. In 2007, China exported five times more to the United States than it imported from this country.

Year after year, China garnered immense commercial surpluses. These foreign-exchange reserves are valued today at approximately \$2000 billion. At the same time, American federal debt increased in insupportable proportions forcing the United States to find external finance in exchange for US State bonds, which are largely subscribed to by China. Today, they hold nearly a quarter of American external debt. The SWFs overwhelmingly bought US assets and a mutual dependence was therefore set between the two countries. Chinese dynamism could not put up with the dollar collapsing or with the loss of an important export market. In the short term, China cannot get rid of its dollar assets, knowing that later on, it must emerge from the "dollar risk" by diversifying its portfolio. For this reason it calls for the establishment of another international currency. Meanwhile, it must stick its currency to the dollar, including de facto monetary union with America. China, formerly very closed commercially, saw its rate opening from 13% in 1980 to 64% in 2005. Since joining the OMC in 2001, China is completely involved in globalization and exports today a total value of 15% of high-tech products. American companies heavily invested in China and it is often from these joint companies that exports are organized.

In brief, China and the United States have common interests in trade and monetary matters, which force them to face the global economic crisis in close consultation.

Finding a common position on climate change

Co-operation between the two countries regarding energy, environment and climate change is not far behind. Bush who sought allies not to ratify the Kyoto Protocol initiated it. A group of six countries (United States, China, India, Japan, South Korea, Australia), and Canada come together in 2006 with the intention of cooperating towards climate change, but without engaging in the Kyoto mechanism. China has important coal reserves and does not intend to see itself prohibiting its exploitation and wishes to have technology transfers allowing the capture and storage of carbon to avoid emissions. Coal represents two thirds of its energy resources. A specific agreement between China and the United States should lead to Autumn 2009 allowing these two countries to approach the Copenhagen Conference in December with the same position. However, Copenhagen must decide the fate of the Kyoto Protocol after 2012 and these two countries are the largest transmitters of greenhouse gas (40% of total world emission). In this Protocol, China is regarded as a Third World country and must join after 2012. The United States did not ratify it and would only agree to enter under their conditions or to generate another structure of co-operation, with other countries, but out of the Protocol. China would be its closest ally. United States needs Chinese growth and China declares that strong pressure on its emissions would block its growth capacity. At same time, China is very aware of the impact of environmental pollution on its economic capacity and set its cost at 10% of GDP. Air and water quality in large cities are already severely degraded and affecting public health. Awareness of the threat of climate change is real in both countries. An American commission of scientists declared that greenhouse gas emissions posed a public health problem. Scientific controversy surrounding the origin of global warming is still strong in the United States and is no longer an obstacle to delay action. Massive technological aid from United States in this area would allow Beijing to face pollution damage and Washington to be less unbalanced with its partner on foreign trade.

Persisting disagreements

It would be naive however to think that this alloy would be free from contradiction or disputes and that competition from now on would be excluded between the two partners. American criticism of China remains numerous. It is criticized for not respecting intellectual property

thereby obstructing the possibilities of technological co-operation. American pressure to revalue Chinese currency is persistent. In the same way, Chinese acquisition of American credits is feared. The growing interest expressed by China for African mining and energy resources meets with hostility and is a considerable element in American decision to make the African military command (Africom) operational. Support expressed by China for many countries - Iran, Sudan, Burma, Zimbabwe irritates Washington. On the other hand, Beijing resents American interference in Tibet and in its relations with Taiwan. However, it is clear that human rights are no obstacles to good relations.

Therefore, thanks to the crisis, China finds itself "co-opted" by the United States as a privileged partner in the world arena. Beijing reaches this status without having to draw a gun and its economic power will catch up with its rival in less than a generation. The emergent power metamorphosed with emerged power. However, this new status will not present China as a leader or spokesperson for Southern countries.