

G2 : as simple as a phone call?

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A former student of the École Normale Supérieure and Peking University, Jean-François Di Meglio spent more than twenty years in a major French financial institution, working internationally – more specifically in Asia. From 2005 to 2008 he in charge of the energy and raw materials sector in China for BNP Paribas. He joined Asia Centre in May 2008 to apply his knowledge of the business world and Asia before becoming President in 2009.

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The Chinese doctrine towards international affairs had been anchored until Xi in a multipolar vision, proclaimed loud and clear, guaranteed in the efficacy of its pragmatic decision making. What they sought to gain from this neutralist stance was an image of irreproachable impartiality, which in its projection of harmlessness would, in theory, quell tensions with the United States when its moment to rise as a global power came.

But, April 2nd's telephone call with president Joe Biden fortified the mutual tone of respect struck in the bilateral commitments made during the successful China-US San Francisco summit in November of last year. The call was apparently so amicable that it imparted a clear desire to create a joint roadmap between the two powers, signaling a departure from the high tensions of recent years. Although areas for cooperation remain modest in ambition, the U.S. signaled its intent to deescalate communication between the two militaries, and hopes to cooperate on key issues, such as the climate, narcotics trafficking, and the risks posed by artificial intelligence. While the call should generally be understood as a positive development, discrepancies in the two countries' reports on exactly which areas for co-management were emphasized on the call, may be cause for pause.

In this light, the call for cooperation appears, therefore, more about risk mitigation, in which it would make sense that each power highlighted areas in which they are respectively vulnerable, rather than being indicative of a genuine consensus on areas of concern. There is no doubt that the emergence of clear risk mitigation strategies can be attributed to respective fears as to how rising tensions are growing and risk negatively impacting each power. The recent visit by Janet Yellen, and imminent increase in announced visits by U.S. Secretary of State, Anthony Blinken, and possible phone call from Loyd Austin, respectively, underscore this point. There appears to be some greater awareness of the threat of potential emergencies.

What risk-management priorities, therefore, do each respective power's phone call reports shed light on. China's main priority appears to be excluding any foreign interference in the Taiwan issue. This includes encouraging any calls for Taiwanese independence, or direct U.S. military presence in the South China Sea. Perhaps even more importantly though, the report targets U.S. sanctions restricting China's access to Taiwan's crucial chip technology. In the face of the embarrassing delays suffered by its partially state-owned chip manufacturer, SMIC, China's ability to dominate the Taiwanese, TSMC, is deeply tied to its geopolitical success. On the precipice of the 45th anniversary of the Taiwan Relations Act and inauguration of incoming President Lai it makes sense that China would want to quell the potential for

further slippage on the Taiwan issue. Additionally, in the domestic realm, the continuation of U.S. sanctions and particularly U.S. pressure on its European allies to implement similar measures, threatens the continuation of China's economic slowdown and as such its stability. From a risk perspective it therefore makes sense that China would publish these interrelated issues as target areas for increased cooperation with the U.S.

While the U.S.'s report certainly does not ignore the issues so central to the Chinese report surrounding Taiwan, they are also not its focus. Further, the phone call could possibly be a response to Chinese relations in the Middle East -- a potential partnering with the Houthis to disrupt U.S. power there, for example -- and with Russia, which has the potential to threaten U.S. economic and security interests, by strengthening a "Chinese offensive." Additionally, Xi's secrecy about his geopolitical agenda, preceding recent meetings between him and Biden, make Chinese intentions appear more all the more worrisome from a U.S. perspective. In the context of potentially destabilizing, upcoming American presidential elections and rising geopolitical tensions, in which China appears to be a destabilizing force, the phone call could be understood as a crisis communication.

The culmination of these trends associated risks in the U.S. and China, respectively, threaten the constructive tone indicated in San Francisco. This must undoubtedly be avoided and should insinuate more calls from Xi to the U.S, in order to manage risk, rather than to Brasilia, Moscow, Delhi, Riyadh