G20: Climate deal overshadowed by US-China tensions

Dave Stockton, Red Flag 7, September 2016 Thu, 15/09/2016 - 12:40

First, the good news from Hangzhou; the US and China have adopted the international climate change agreement reached in Paris in December 2015. The bad news; none of the provisions of the Treaty are enforceable. Ironically, the G20 reportedly met in Hangzhou because of the dire air quality in Beijing.

The meeting of the 20 states that account for 85 per cent of the world's GDP began on an inauspicious note. In the run up, US President Barack Obama was publicly critical of China's foreign trade policy. In response, he received an unprecedented snub from his hosts. Not only was there no red carpet, there was no staircase and Obama had to use an emergency exit or, as the New York Times put it, leave through the ass of Airforce One?. China's President, Xi Jinping, was not going to be insulted on his home turf.

This reception accurately symbolised the rising tensions between the world's two economic superpowers that provided the subtext for the entire summit.

Snubs

Of course, US presidents think they have a right to publicly rebuke the countries they are visiting without suffering any consequences for their rudeness. As President Bill Clinton's first Secretary of State, Madeleine Albright, famously put it ?We stand tall and we see further than other countries into the future?.

The problem is that, although America now stands rather less tall and China stands much taller, the US has made it clear by its ?Pivot towards Asia? that it has no intention of voluntarily vacating the top perch. The ?Pivot? is openly seen as a policy to contain the new giant, both economically and militarily. On the economic front, the US has delayed China's membership of OECD and recognition by the WTO as having ?market economy status?. Xi Jinping intended the Hangzhou Summit to show that China, is now an ?indispensable nation? as far as the world economy goes.

Doldrums

Though one of the main mission statements of the G20 was to coordinate responses to global economic problems, it is plain from Xi's final speech that nothing of substance was agreed between the big hitters; the US, EU, China and Japan. All they could do was to blame one another or, rather, the others all blamed China.

Their biggest complaint was that China's state subsidised steel industry is responsible for undercutting plants in the United States, Europe and Japan. China, meanwhile, points out that the real problem for producers in those countries is the weakness of their economic recovery, their failure to stimulate and invest in their own industries.

In fact, the worldwide ?glut of steel? is proof of the stagnation of the capitalist system since 2008. There is
no shortage of need for steel for infrastructure projects even in the imperialist heartlands, let alone in the
underdeveloped world? or the countries ravaged by Nato-inspired wars. Nor is there a shortage of capital.
Central banks have pumped trillions into their economies, but the capitalists stubbornly refuse to invest in
production.

For all Obama?s pleas to put the TTIP back on track, it is likely that protectionist political pressures in
Europe will make this impossible, at least until after the French and German elections. Part of Obama?s
visible displeasure with Theresa May over Brexit was due to thwarted US hopes that UK influence would
help overcome the EU resistance to TTIP.

May, a newcomer to the gathering, found herself between a rock and a hard place with both the American
and the Chinese presidents. At a press conference after they met, Obama publicly reiterated his warning
that Brexit would be damaging for all concerned; adding that helping Britain was second priority to ?figuring
out what Brexit means with respect to Europe?. The Japanese, half of whose investment in the EU goes
via the UK, also gave an undiplomatic warning that ?if EU laws cease to be applicable in the UK? there
would be an exodus by its major corporations; Honda, Mitsubishi and Nissan.

Nor did May get a warmer welcome from Xi Jinping. Her decision to freeze the £18 billion contract to build
a nuclear power station at Hinkley Point, has led to a frostiness in Chinese attitudes. It is likely that one
reason for May's unexpected decision was Washington?s displeasure at giving China leverage over the
UK?s energy supply. It looks as if May will have to choose between a ?golden era? in UK/Chinese
relations and a special relationship in trade with the Transatlantic giant. Neither is likely to make things
easy for her.

TPP vs Silk Roads
The Trans Pacific Partnership, TPP, involving 12 countries in the Asia-Pacific region, excludes China. It is
the economic underpinning for the Pivot to Asia. The US is also presently engaged in courting Narendra
Modi, with promises to invest in India?s supposedly burgeoning economic miracle. Modi in turn wants to
extend India?s economic and military influence eastwards.

At a summit in May, the US and Japan, along with other G7 countries, voiced concern over the artificial
islands China has been constructing in the South China Sea. Before the conference, Obama visited Hanoi
to lift the long-standing US arms embargo against Vietnam and after it Japanese Prime Minister Shinz?
Abe welcomed a Vietnamese delegation to Tokyo to discuss military cooperation. This is all part of Abe?s
remilitarisation of Japan, which includes deployment of a new type of missile to the East China Sea, where
Tokyo has its own tense territorial dispute with Beijing.

As against this, Xi Jinping has launched his One Belt-One Road policy. On land, this involves the
construction of transport links across central Asia and Siberia to allow China direct access to the markets
of Europe. This would avoid the maritime bottlenecks, such as the Strait of Malacca, through which most of
the oil, minerals, and finished goods of East Asian trade pass. Another part of this project, the $46 billion
China-Pakistan Economic Corridor, is seen as a threat by India.

At sea, the Maritime Silk Road is a project to involve the South East Asian states plus Indonesia in trading
agreements, binding them to the Chinese economy, and to build or modernise port facilities and
infrastructure all the way to East Africa. The overall strategy is to allow continued Chinese economic
growth while breaking the chain of encirclement.

Militarism
Two years ago, China deployed the Jin-class ballistic missile submarine for the first time, patrolling the
South China Sea. China's plans are obviously for a submarine force able to enter the Pacific Ocean undetected and thus provide a credible nuclear deterrent to the United States.

This month, Russian naval forces plan to join Chinese warships for a joint exercise in the South China Sea, highlighting Moscow's partnership with Beijing after a recent international legal ruling underlined rifts between China and Southeast Asian nations over rival claims to ownership of the sea lanes through which more than $5 trillion of trade moves annually.

China has also shown a recent interest in the Syrian conflict. Rear Admiral Guan Youfei visited Damascus this summer and Chinese warships have participated in joint exercises with Russian vessels in the Mediterranean. Though minor irritants in themselves, these moves are doubtless an indication that two can play at the game of pivoting to areas far from home.

All these developments in East Asia, quite as much as the obvious powder keg in Syria and Nato's New Cold War, launched with the pretext of defending Ukraine, should be a warning to the workers of Europe and North America, indeed, of the whole world. After the long nuclear standoff of the Cold War and the short high noon of American world domination, our rulers and exploiters have entered into another period of sharp inter-imperialist rivalries.

Set against that background, the meeting of the G20, created originally to symbolise the supposed benefits of globalisation to smaller nations than those admitted to the G8, amounted to little more than grand speechifying to little effect. Its greatest significance was its location, not its decisions.

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