

# Why America and China will clash



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Google's clash with China is about much more than the fate of a single, powerful firm. The company's decision to pull out of China, unless the government there changes its policies on censorship, is a harbinger of increasingly stormy relations between the US and China.

The reason that the Google case is so significant is because it suggests that the assumptions on which US policy to China have been based since the Tiananmen massacre of 1989 could be plain wrong. The US has accepted - even welcomed - China's emergence as a giant economic power because American policymakers convinced themselves that economic opening would lead to political liberalisation in China.

If that assumption changes, American policy towards China could change with it. Welcoming the rise of a giant Asian economy that is also turning into a liberal democracy is one thing. Sponsoring the rise of a Leninist one-party state, that is America's only plausible geopolitical rival, is a different proposition. Combine this political disillusionment with double-digit unemployment in the US that is widely blamed on Chinese currency manipulation, and you have the formula for an anti-China backlash.

Both Bill Clinton and George W. Bush firmly believed that free trade and, in particular, the information age would make political change in China irresistible. On a visit to China in 1998, Mr Clinton proclaimed: "In this global information age, when economic success is built on ideas, personal freedom is essential to the greatness of any nation." A year later, Mr Bush made a similar point: "Economic freedom creates habits of liberty. And habits of liberty create expectations of democracy... Trade freely with the Chinese and time is on our side."

The two presidents were reflecting the conventional wisdom among America's most influential pundits. Tom Friedman, New York Times columnist and author of best-selling books on globalisation, once proclaimed bluntly: "China's going to have a free press. Globalisation will drive it." Robert Wright, one of Mr Clinton's favourite thinkers, argued that if China chose to block free access to the internet, "the price would be dismal economic failure".

So far, the facts are refusing to conform to the theory. China has continued to censor new and old

media, but this has hardly condemned it to "dismal economic failure". On the contrary, China is now the world's second largest economy and its largest exporter, with foreign reserves above \$2,000bn. But all this economic growth shows little sign of provoking the political changes anticipated by Bush and Clinton. If anything, the Chinese government seems to be getting more repressive. Liu Xiaobo, a leading Chinese dissident, was recently sentenced to 11 years in prison for his involvement in the Charter 08 movement that advocates democratic reforms.

Google's decision to confront the Chinese government is an early sign that the Americans are getting fed up with dealing with Chinese authoritarianism. But the biggest pressures are likely to come from politicians rather than businessmen. Google is an unusual company in an unusually politicised industry. If the Googlers do indeed head for the exits in China, they are unlikely to be crushed by a stampede of other multinationals rushing to follow them. To most big companies the country's market is too large and tempting to ignore. Despite Google, US business is likely to remain the lobby that argues hardest for continuing engagement with China.

The pressures for disengagement will come from labour activists, security hawks and politicians - particularly in Congress. To date, the Obama administration has based its policy firmly on the assumptions that have governed America's approach to China for a generation. The president's recent set-piece speech on Asia was a classic statement of the case for US engagement with China - complete with the ritualistic assertion that America welcomes China's rise. But, after being censored by Chinese television in Shanghai and harangued by a junior Chinese official at the Copenhagen climate talks, Barack Obama may be feeling less warm towards Beijing. An early sign that the White House is hardening its policy could come in the next few months, with an official decision to label China a "currency manipulator".

Even if the administration itself does not move, the voices calling for tougher policies against China are likely to get louder in Congress. Google's decision to highlight the dangers of cyberattack from China will play to growing American security fears about China. The development of Chinese missile systems that threaten US naval dominance in the Pacific are also causing concern in Washington. Impending US arms sales to Taiwan are already provoking a dispute.

Meanwhile, protectionism seems to be becoming intellectually respectable in the US in ways that

should worry China.

A trade war between America and China is hardly to be welcomed. It could tip the world back into recession and inject dangerous new tensions into international politics. If it happens, both sides will share the blame. The US has been almost wilfully naive about the connections between free trade and democracy. The Chinese have been provocative over currency and human rights. If they want to head off a damaging clash with America, changes in policy would be well advised.



Perché America e Cina finiranno per scontrarsi (pds)