



APEC Summit: Trade Not the Only Issue for China and the US

By [Anthea Mitchell](#)
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President Barack Obama met with Chinese President Xi Jinping at the Asia-Pacific Economic Cooperation (APEC) CEO Summit in Beijing on Monday and will continue to do so this week. The main topics of conversation have predictably been trade, business, and the economy, but those are hardly the only things under discussion, or even the most important things being discussed.

The meeting is a particularly important one, with the relationship between the United States and China far from perfect but with important security, economic, and international political significance. America's interactions with China are highlighted by two key political situations: The first is China's current controversy over the one person, one vote change to its electoral process, a democratizing change that — if properly enforced and legitimized — would be a substantial step toward electoral reform. Currently, the chief executive is picked by a committee of 1,200 individuals. The change has so far sparked a number of protests, sometimes violent, with citizens hoping to alter the socioeconomic stratification in China by way of the vote.

Richard Bush, director of the Center for Northeast Asian Policy Studies at the Brookings Institution, wrote about this with some concern, saying: “A [more democratic system](#) is now seen as the means to reduce inequality and increase social mobility. But instituting competitive elections will not guarantee effective social and economic policies,” he explained, pointing out that “without policy solutions, public frustrations and protests are likely to continue.”

The potential changes to government in China and the instability in the population as it relates to Western ideas, and the relationship between China and the U.S. are particularly important, as well. This is due to the difficult juncture at which the United States and Russia are. China and Russia have had a less-than-perfect relationship historically, but recent gas deals — prompted by issues with Europe over its involvement in Ukraine — between the two countries have indicated a more firmly entrenched relationship.

“Two prevailing sentiments — perceived U.S.-led containment of China and the threat posed to America by China's growing economic and military strength — have set the two major powers on a confrontational course,” wrote Cheng Li for the Brookings Institution; he is the organization's director of the John L. Thornton China Center.

In discussing the meeting and the week-long efforts with APEC, Obama [touched on everything](#) from “transparent political and economic systems,” undoubtedly a reference to the voting change and protests, to the United States’ desire for a trade agreement with China. “Deepening our economic ties is why I hope to make progress with President Xi toward an ambitious, high-standard, bilateral investment treaty that opens up China’s economy to American investors,” he said. The trade agreement and economic interests were hardly where he stopped.

Obama also discussed new visa rules that would extend the time visas can last, from one year to five or 10 years, and net neutrality issues surrounding Internet freedom, a big topic with the president this week, as he called on the FCC to install specific measures.

His rhetoric was one of comparison between the two nations, referring to the U.S. and China multiple times as “the world’s two largest economies,” also mentioning them as “the two largest carbon emitters.” He described the cooperative nature of various shared interests — the interest America has in China’s future, saying that “we compete for business” but adding that there is a “broad range of shared challenges and shared opportunities.”

Still, his speech was not without more critical segments. For example, he indirectly referenced [cyber espionage](#) of an economic sort that strained the two nations’ relationship in May. “We look to China to become an innovative economy that values the protection of intellectual property rights, and rejects cybertheft of trade secrets for commercial gain,” he said. “We don’t suggest these things because they’re good for us; we suggest that China do these things for the sake of sustainable growth in China, and the stability of the Asia-Pacific region.”

It’s safe to say the U.S. has a vested interest in China, its economy, its government, and its relationship with other countries in the region, but the less-than-friendly aspects of the shared history — and recent history, at that — are still quite apparent in Obama’s speech. William Watson, a trade policy analyst at the Herbert A. Stiefel Center for Trade Policy Studies, wrote a rather accusatory piece for the Cato Institute last month, pointing out that the United States isn’t always as in line with World Trade Organization rules as it should be.

“There is a [shameful history of law-breaking](#) by U.S. trade officials abusing the non-market economy methodology,” wrote Watson. “Both U.S. law and international trade rules have been consistently stretched or outright ignored for decades, and there is little indication that this trend will change.”

Ultimately, the week is still young and there’s a great deal to be done going forward if China and the U.S. are to find common ground, especially given some inherent and obvious disadvantages going into things.