The G20 Summit in Osaka

The most recent G20 summit, attended by heads of state of the 20 most important global economies, was held from June 28-29 in the Japanese city of Osaka. The G-20 format, as we have noted on previous occasions is, at present, possibly the only political platform that allows participants to discuss and try to resolve urgent global and “local” problems.

And, beyond any doubt, the most pressing of these problems relate to trade and economic relations between the major world powers. Issues of that type are exactly what the G-20 specializes in, and they dominated the discussions in the Osaka summit.

We should note however that, because of their sheer scale, these problems directly involve certain aspects of the new “Great Game” that has been developing in world politics since the end of the Cold War.

The situations in some of the regions where political tensions are most acute (the Korean Peninsula, Kashmir, Iran, Syria and Ukraine) were discussed on the sidelines of the main summit meeting, generally in personal meetings between the heads of state of the countries most directly interested in such situations.

In the view of the present author, the most recent G-20 summit went rather well. Firstly, no-one made a big show of staying away from the summit, and “everyone talked to everyone else”, in both one-to one and multi-party meetings. Given the current state of things, that is quite an achievement. Participants voiced their objections to each other directly, rather than through state-sponsored “disinformation” channels.

Secondly, the participants, by their combined efforts, were able to persuade the USA and China, the two leading
world powers, to continue their bilateral talks at the ministerial level in an attempt to resolve their differences concerning trade and economics. As a result, further escalation of the trade war between the USA and China - which is currently the main contributor to a dangerous turbulence in the global economy - has been postponed for the duration of the talks.

Christine Lagarde, the director of the International Monetary Fund, who has for the last year been at the head of an informal “outsiders’ team” of nations who would like to see an end to the trade war, welcomed the decision by Washington and Beijing and commented that “tariffs already implemented are holding back the global economy, and unresolved issues carry a great deal of uncertainty about the future”.

As readers will remember, the “tariffs already implemented” have affected half of all trade between the USA and China, which is worth some $600 billion dollars a year. As for the “unresolved issues”, these were caused by Washington, whose actions (for example, its campaign against the Chinese company Huawei) are dictated by its wish to retain its competitive advantage on international markets, especially in the IT sector.

At present it is not possible to say anything definite about the possible results of such talks as all the problems in the two countries’ trade and economic relations were defined a long time ago and have been discussed on a regular basis for more than a year. So far, as we have said, it has not been possible to prevent the imposition of higher tariffs on 50% of the trade between the two countries.

The Chinese newspaper Global Times commented on the result of the meeting, Donald Trump’s and Xi Jinping’s agreement to continue talks and, for the time being, to stop “exchanging blows” in their trade war. In its view, the new rounds of talks are likely to be more difficult than those that have already taken place. For example, it is still not clear whether the talks will cover the tariffs that have already been imposed.

The Final Communiqué adopted at the G-20 summit in Osaka, concludes that “growth remains low and risks remain tilted to the downside. Most importantly, trade and geopolitical tensions have intensified.”

Commentators have noted that the document does not use the word “protectionism” (and, for that matter, neither did the document adopted at the end of last year’s G-20 summit in Buenos Aires), even though, in recent years, the subject of protectionism has played a fairly central role in talks about the problems affecting the global economy.

It is clear why that word was not used in the Osaka Communiqué: the main source of “protectionist” measures is the current US administration. It was necessary to sacrifice principles, or otherwise the major world power would have just walked out, slamming the door, and no document at all would have been signed.

The present author has no intention of judging the US government’s position on this matter. Firstly, because the USA is, to a great extent, (for some reason) still carrying baggage left over from the global conflict that finished 30 years ago. And secondly, because the US is part of a world in which the international order is in the process of being rearranged, and in which all the players, even those that are a member of some union or grouping or other (the EU, for example) are increasingly adopting a policy of “every man for himself”.

And the above process is not restricted to the sphere of international economic relations, as was demonstrated by a particularly noteworthy incident that took place on the sidelines of the Osaka summit. The incident in question is Donald Trump’s outspoken comments (he has made such comments before, but this time he did so as soon as he arrived in Japan) in which he questioned the value of continuing with the military and political alliance between the USA and Japan.

The US president’s argument seems, at first sight, unanswerable: what kind of union is it in which one party is obliged to shed its blood to defend the interests of its partner, but if that same party is bombed by some other country, then its partner can just sit back and watch the events unfold on television?

The above situation, as well as other “illogical” foreign policy commitments, whether they involve bilateral relations between individual countries or the international situation as a whole, are a direct consequence of that same process of rearrangement, which is still affected by factors that have their roots in the long-finished Cold War.

The union between the USA and Japan, which dates back to 1952-60, was the result of factors that have long ceased to apply. At least implicitly, those factors included the so-called Yoshida Doctrine (named after Japan’s first post-war prime minister, Shigeru Yoshida), which turned out to be very beneficial for Japan. Both that doctrine and the political realities of the Cold War have now ceased to apply, but the union that was created against the backdrop of those factors is still officially in place, and one of the parties to that union has quite legitimate objections to its
The present author, however, considers that Donald Trump was speaking only partly in jest. And as time passes, that "part" is likely to get smaller and smaller.

That view is supported by a number of circumstances, including the clearly friendly meeting between Shinzo Abe and Xi Jinping that took place on the sidelines of the G-20 summit. China is opening up to Japan with a friendly embrace and warm, welcoming smile. This new relation with Beijing is a big temptation for Tokyo - and that is something that Washington cannot fail to have noticed.

However, Japan is becoming a leading world power, and a self-sufficient one, and there is far more to its foreign policy strategy than just switching one "patron" for another. That was made clear by the equally warm meeting, also in Osaka, between Shinzo Abe and the Indian prime minister Narendra Modi, whose country also has its eye on a place in the "First Division" of the global political game.

Finally, another much-discussed comment, which reflects the transitional character of the current international order, was made by Vladimir Putin, the Russian president. On the eve of the G-20 summit, he described the ideology of liberalism, which, 200 years ago, formed a basis for the development of the "civilized world", as "obsolete".

In a clear demonstration of the active role that Russia is playing in solving major global problems, the Russian president took part in a number of meetings with other participants in the Osaka summit.

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