

The G-2 Framing & Its Implications on US-China Relations

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- U.S. President Donald Trump's reference to a "G-2" with China has revived debates about a potential U.S.-China duopoly, raising concerns among allies.

Introduction

- When U.S. President Donald Trump announced before meeting Chinese President Xi Jinping that "**THE G2 WILL BE CONVENING SHORTLY!**", it reignited debates about the future of U.S.-China relations and the possible sidelining of key allies.
- The reference to the **G-2**, a concept implying a U.S.-China duopoly in global leadership, signals a shift in tone that could unsettle Washington's partners in Asia and beyond.
- At a time when geopolitical fault lines are already deep, this framing challenges the balance built through multilateral institutions and strategic groupings like the **Quad**.

The Origin of the G-2 Concept

- The idea of a “G-2” was first introduced in 2005 by economist **C. Fred Bergsten**, then Director of the Peterson Institute for International Economics.
- He proposed that the United States must prioritise bilateral relationships with key global actors, the **European Union, China, Japan, and Saudi Arabia**, to stabilise global economic systems and energy flows.
- Following the **2008 global financial crisis**, the G-2 idea gained momentum, with Bergsten arguing that effective global economic recovery and climate action would be impossible without U.S.-China cooperation.
- The concept was not intended to replace the **G-20** or institutions like the IMF or WTO, but to “**supplement and strengthen global governance through pre-coordination**” between the two biggest economies.
- Prominent thinkers also supported the idea, and even the **Obama administration** explored its feasibility during the early years of U.S.-China engagement under Hu Jintao.

The Changing Nature of China’s Global Posture

- Two decades later, the global order has shifted dramatically.
- China is no longer the cautious power that once adhered to Deng Xiaoping’s dictum to “hide your strength and bide your time.”
- Under **President Xi Jinping**, Beijing has asserted itself across multiple domains, from the **South China Sea** to the **Taiwan Strait** and **global technology infrastructure**.
- This transformation has redefined China’s interactions with the U.S. and its allies.
- China’s **Belt and Road Initiative (BRI)** has expanded its economic footprint, while its military modernisation has challenged American dominance in the Indo-Pacific.
- Consequently, the **Trump administration (2017-2021)** was pivotal in reframing China from a “strategic partner” to a “**strategic competitor**.”
- The 2017 U.S. National Security Strategy explicitly identified China’s actions as threats to the rules-based international order, leading to trade wars, tariff barriers, and renewed security cooperation in the Indo-Pacific.

Trump’s G-2 Framing: A Return to Bilateralism

- Trump’s recent embrace of the **G-2 language** marks a sharp contrast to his earlier confrontational stance.
- While the 2017-2021 phase was characterised by decoupling and trade hostilities, the “**G-2 framing**” suggests recognition of China’s great-power status and potential equal footing in global decision-making.
- For many U.S. partners, this framing raises concerns of **strategic ambiguity**.
- It could signal a transactional pivot, where Washington negotiates directly with Beijing on key issues such as trade, technology, and security, potentially marginalising traditional allies.
- Such bilateral prioritisation contradicts the **multilateral Indo-Pacific vision** promoted through the **Quad (U.S., India, Japan, and Australia)** and other alliances aimed at countering China’s regional assertiveness.

Global Reactions: Allies’ Concerns and Diplomatic Ripples

- **India**

- India faces a complex diplomatic recalibration.
- The imposition of **50% tariffs on Indian goods** by the Trump administration strained bilateral trade ties, leading to the postponement of the planned **Quad Leaders' Summit**.
- Diplomatic discussions even hinted at a potential Quad restructuring where **the Philippines** could temporarily replace India, a move that reflects both India's independent stance on global issues and Washington's evolving calculus.
- However, given India's growing economic and strategic weight, many observers argue that any sustainable Indo-Pacific architecture **cannot exclude India**.

- **Japan and Australia**

- Both have expressed unease over the G-2 rhetoric.
- For them, the revival of the Quad in 2017 was a direct response to Beijing's aggression in the **South China Sea** and its growing military presence.
- A U.S.-China rapprochement could dilute Washington's commitments and leave allies vulnerable to unilateral shifts in American policy.

- **ASEAN States**

- Southeast Asian countries, particularly those within the **ASEAN bloc**, view the development cautiously.
- While they welcome reduced tensions between Washington and Beijing, they fear that a bilateral G-2 understanding could come at their expense, potentially undermining their regional autonomy and interests.

Implications for the Global Order

- If the U.S. and China move toward a G-2 model, smaller states could face strategic marginalisation.
- The **rules-based order**, which relies on consensus-building through global institutions, may weaken as decision-making becomes concentrated between two superpowers.
- Conversely, some analysts argue that even a temporary U.S.-China conciliation could help stabilise trade flows and de-escalate tensions, especially in areas such as **semiconductor supply chains, climate negotiations, and global economic governance**.

Source: **IE** | **TH**

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