The China – United States relationship: twist and turns

Introduction:

The history of the China-US relationship has been fraught with twist and turns. In the past few months, tensions between China and the United States have dramatically worsened. Yet, the power game between them is structural and precedes the Trump era. A relationship that has swung between outbreaks of hostility and grudging collaboration is now settling into long-term estrangement. America and China are the two most powerful states in the world today. Each has massive economic, politic, and military capacities that allow each to project power and influence around the world. For almost a century now, the United States has been the leading world power overcoming its rivals in two World Wars and a Cold War. In the decades since the end of the Cold War, the United States has reigned in world politics as a unipolar state unrivalled by other competitors. Indeed, the end of the Cold War left American power unchallenged. For China, the rise to global power has been more recent and sudden, beginning with the post Mao economic reforms of the 1980s. The country embarked on 3 decades of unprecedented economic growth and modernisation. China's opening-up in 1976 has led the path to expansion. Through trade, investment, diplomacy, Chinese power increasingly has global reach. Now China enjoys the 2nd largest economy and the 2nd largest military. On one side the long-standing world's leading superpower, and on the other its rising challenger. **The 20th century was American, will the 21st century be Chinese?**

I – The Thucydides trap:

1 – What power means for states?

In the first lines of his book "Politics among nations", Hans Morgenthau wrote in 1948 that "International politics, like all politics, is a struggle for power. Whatever the ultimate aims of international politics, power is always the immediate aim.". But what is power? It is together a mysterious and a banal concept. Banal because it is so familiar to us: news and history are full of references to it. Mysterious because power refers to a kind of somewhat worrisome omnipotence carried by dark forces for undeclared, shameful goals. But power is neither of them. Power is a political concept. Power is a multiform, evolutive and complex concept. Power is more than executive capability: power is a dynamic for it is a practice, a scheme, and a strategy. Power is not a perennial, global state, rather it is a temporary, incomplete, disputed state. In international relations, power is a status that enjoy states depending on their varying degrees of influence within the international system. It can be defined as an actor's ability to exercise influence over other actors within the international system. This influence can be coercive, attractive, cooperative, or competitive. Mechanisms of influence can include the use of force or threat, economic interaction or pressure, diplomacy, and cultural exchange. Power can be measured quantitatively and qualitatively. Joseph Nye, a leading American political scientist, has distinguished between two types of power: hard power and soft power. Hard power refers to coercive tactics. Soft power includes cultural values, ideology, cultural programming to achieve geopolitical ends through attractive means. Some have argued that hard and soft power are part of the smart

power, that is a large range of statecraft tools, ranging from soft to hard, to reach political goals and objectives. Thus, the concept of power provides a way of understanding the system of international relations.

2 – Competing for global might

Power can be measured and various terms in geopolitics are used to describe states according to their level of power: for instance, from hyperpower (the term was coined in 1991 to depict a state that dominates all other states in every domain, that is the world sole superpower) to small power (the most part of the world is made up by small, that is dominated, powers). The Thucydides trap is a term coined by the American political scientist Graham Allison (professor of political science at Harvard University) to show an apparent tendency toward war when an emerging power threatens to displace an existing great power as the international world leader. It was coined and is primarily used to describe the actual, tense relations between the United States and China. The term is based on a quote by ancient Athenian historian Thucydides (465 BC – 395 BC). The author of “History of the Peloponnesian war” focused his writings on understanding the structural tensions caused by the change in balance of power between rivals. He pointed out to two main factors that finally led to war: the rising power’s demand for greater voice and place in international affairs and the current, dominant but declining power’s will and determination to defend its status. Thucydides argued that the real cause of the Peloponnesian War was the rapid increase in the power of Athens and the fear this aroused in Sparta, which had dominated Greece thus far. Author Graham Allison used this concept in his book “Destined for War,” in which he described the relationship between the United States and China as an example of this “Thucydides trap” – the idea that the decline of a dominant power and the rise of a competing power makes war between the two inevitable.

3 – A 2nd Cold War?

The 2nd Cold War is a term occasionally used to refer to the growing tensions between China and the United States. Since President Trump took office, the relationship between the US and China has rapidly deteriorated. In May 2020, the tensions between the United States and China deteriorated rapidly when President Trump blamed China for the COVID-19 pandemic. He accused Beijing of concealing the outbreak of the epidemic in Wuhan. In the meanwhile, China retaliated stating that the US military deliberately unleashed the virus on China. Soon after, Hong Kong offered a new line of attack to Washington. In August 2020, President Trump decided to impose sanctions on 11 Hong Kong and Chinese officials for their role in curtailing freedoms in Hong Kong through the imposition of the Hong Kong national security law. For months there have been in Hong Kong widespread, sometimes violent, pro-democracy protests. New security measures were enforced to prevent more protests from the Chinese government. Beijing bypassed the Hong Kong legislature to impose the bill itself. The law has curtailed liberties. It is a source of contention and tensions between China and the United States. Trump announced that Hong Kong was no longer a free city. Again, Beijing retaliated by sanctioning 11 American individuals. In September, Congress passed a bill that bans imports produced by Uighur forced labourers. On 5 December 2020, the US government cancelled 5 cultural exchange programs with China that were then described as propaganda tools of the Chinese government. More than 1,000 Chinese students and researchers have had their visas

revoked for allegedly their ties to the Chinese military in order to prevent them from stealing sensitive technology. US Representative Scott Perry, a Republican, has introduced a bill to add the Chinese Communist Party (CCP) to the US list of criminal organisations.

II – The Beautiful Country and the Middle Kingdom[1]: understanding the changes in the Sino-American relations

1 – China – US trade relations: accords and discords

The pandemic and the concerns over freedom in East Asia are only the backdrop to the tensions between China and America. Since 2018, Beijing and Washington have been fighting a vicious, costly trade war. In March 2018, President Trump set up duties and trade barriers on China due to their "unfair trade practices" and robberies of intellectual property. Yet during his presidential campaign in 2016, Trump had clearly painted China as the enemy with respect to US jobs. China responded by imposing new tariffs on American products as well. On 15 June 2018, Trump declared that he would impose a 25% tariff on $50 billion Chinese imports with further $16 billion at a later date. He declared that he would impose an additional 10% tariff on another $200 billion worth of Chinese goods if Beijing retaliated which indeed, in return, responded in kind on 19 June. Trade between the US and China has grown rapidly since China's economic first reforms in 1978, becoming one another's most important trade partners. Chinese goods have flooded in the US pushing up its trade deficit more than fourfold to $375 billion in 2017. Chinese President Xi Jinping was caught off guard by Trump's commercial war. It has had a tremendous impact on China and beyond in Asia. If the commercial war had strong impacts on the Chinese growth, the Chinese counter measures damaged even more the US economy and mostly American farmers. For instance, soja sales decreased from $12,5 billion in 2017 to 3.1 billion in 2018. In 2019, the US industrial sector has suffered its worst slump ever since the Great Depression. Eventually, the 2 countries hold talks to try to reach a compromise on their trade links. On 15 January 2020, they signed a deal to stop their commercial feud. China has pledged to buy $200 billion more in the US in the coming years (especially $40 billion more agriculture goods) while the US administration has agreed to reduce by 7.5% its duties on $120 billion of Chinese imports. President Trump presented the deal as the best ever. Many analysts and media outlets criticized it heavily for they said it's very unlikely that China would actually buy the stipulated quantities. Contrary to what President Trump expected waging this trade war, China did not collapse, quite the opposite even though its growth rate has moderated to around 6% in 2019. Indeed, China's economy did not rely anymore only on its exports for a long time. Domestic sales represent 43% of its GDP.

2 – Changing times looming on the horizon: a structural competition between China and the United States

When the Cold War ended in 1991, the US government's main objective was to expand the US model worldwide through free trade and free market to secure its leadership and to safeguard its security. It urged for reduced welfare state, deregulation, and

[1] In mandarin language, China calls itself "Zhong Guo" which can literally be translated as the "middle kingdom". Indeed, China sees itself at the centre of the world. On the other hand, in Mandarin, the United States is called colloquially "Meiguo" which stands for the Beautiful Nation.

privatisation worldwide, reshaping the world economy into a more global, interdependent system with the US as its centre shaping rules through multilateral organisations. China was then seen much more as an ally and an opportunity rather than a competitor. Indeed, from the late 1970s, under Deng Xiaoping's leadership, China began a limited economic liberalisation of its domestic market and an opening-up to foreign investments that were further expanded from 1992 transforming the country into the workshop of the world. China's booming economy has come to be seen by America first as a huge opportunity and soon as the possible biggest threat ever. In Washington, the question came to be how to keep the Chinese doors wide open while preventing it from becoming so powerful and harmful as to challenge the US world leadership. Policymaking about China had a remarkable continuity from Bill Clinton to Barack Obama based on its deeper integration into the global economic system while in the meantime maintaining a strong military presence and fostering alliance in East Asia. Thus, Washington helped China's integration in the global economic system on the assumption that economic freedom always goes with more liberties and political rights. 2001 was a milestone when China entered the WTO. The US administrations thought then it could through free trade reshape the Chinese political system and bring down the leadership of the Chinese Communist Party as it happened in the USSR in the late 1980s. The idea was to keep China under control through a structural dependence on US investments and technologies. Foreign Direct Investments (FDI) in China only amounted to $2.2 billion in 1984 but had reached $30.8 billion per year between 1992 and 2000 and $170 billion from 2000 to 2013! America wanted then to benefit from the Chinese low-paid workforce, to purchase cheap goods, to outsource pollution while in the meantime China agreed to fund America's trade deficits. Nowadays, China owns for $1.2 trillion of the US debts. At the same time China set up a strategy of industrial and technological development. China began to close its power gap with the US: economically in the world, militarily in its strategic backyard, the western Pacific. As long as the US was more concerned by its fight against terrorism in the years after 9/11, China found it easy to cultivate its stakes across the world without raising too many alarms. Indeed, the war on terror distracted the US attention, allowing a more open field for China to increase its influence worldwide. Since 2011 awareness has risen in the US that China's growth and development has become a huge threat for the US, thus prompting President Obama to promote his "pivot" policy to East Asia. Under Barack Obama, America's foreign policy shifted its geographical focus from the Middle East to South and South-eastern Asia formulating the "Asia Pivot" theory. The main pillar of this policy had to be the Trans Pacific Partnership (TPP). It was intended less to engage than to exclude China, seeking to make other countries in the region follow America and thus preventing the rise of a Sinocentric area. With Donald Trump, the stage was set for more rivalry between the 2 countries: China has become too big, too rich, too quick. Indeed, there is a bipartisan consensus that it's now time to stand up to China even if many oppose Trump's tactics. Senate minority leader the democrat Chuck Schumer even attacked Trump for not being tougher on China.

3 – Made in China 2025

Now the 2 countries, China and the United States, find themselves in a conflict logic. For both the Republicans and the Democrats, China has become the greatest threat to America's global superpower. Former Chairman of the Chiefs of Staff, General Joseph Dunford, predicted that Beijing would become the major threat to the United

States. The idea is based on the assumption that China has diluted America's economic power with unfair practices robbing its technologies and imposing illegal trade rules and that finally the economic development won't bring political change in China. According to Washington's opinion, China's aggressive policies threaten most countries. Trump's commercial war with China enjoyed a large support from the American public opinion, while China saw it as a way to undermine its legitimate rights to become again a world leader. With a roughly $13 trillion economy and expanding wealth, China is now going head to head with the United States. China has made rapid technological progress, and particularly with military technologies that has begun to pose a strategic challenge in Asia for the United States. Xi Jinping assumed the post of the Communist Party of China general secretary in 2012. Since then, he has promoted the Chinese dream. He has developed a global geopolitical strategy whose purpose is the rejuvenation of China's power. Xi Jinping is the 1st ever Party's crown prince to come to power in China. He is the son of a former senior member of the Chinese Communist Party (CCP). He is the President of nearly everything: no Chinese leader has enjoyed so many power and cult of personality since Mao Zedong. The 19th Congress of the CCP decided to enshrine Xi Jinping's thought into the Chinese Constitution. His thought is now the core of the curriculum in many Chinese universities. Under Barack Obama, Xi Jinping asked the US for "equal treatment". Indeed, in the summer 2014, he promoted a new strategic and economic dialogue with the United States based on parity and respect. He wanted Obama's recognition of China's new strength and power. He also had domestic goals and wanted to gain political advantage to consolidate his own power at home. The White House was not fond of such a support and saw the demand as a trap. Xi Jinping came to power with an ambitious agenda. He wanted to transform China from a manufacturing workshop into a wealthy technology-driven global economic power. He has set targets to double the Chinese GDP from its 2010 levels by 2021 and re-fashion China into a powerhouse, competitive in robotics, new energy, software, chips, and other advanced technological industries. He has set China ruling in AI by 2030. Made in China 2025 is a strategic plan to further develop the manufacturing sector of China. The goal is to increase the domestic content of core materials to 40% to 70% by 2025 and achieve independence from foreign suppliers. The initiative encourages the development of high-tech products and services. In 2018 the Chinese government committed to investing roughly $300 billion into achieving this plan and decided to add $1.4 trillion more in 2019. In the meantime, Xi Jinping has implemented another key project: the Belt and Road Initiative (BRI) who was initially announced as the "Silk Road Economic Belt". It is the "project of the century" according to the Chinese leader. The aim of the BRI project is to create a network of infrastructures (roads, rails, ports, and maritime routes) incorporating more than 60 countries across Asia, Africa, the Middle East and Europe with China at its heart. In 2017 it was said that $125 billion were to fund the project. It was designed to tackle 3 different domestic concerns: overproduction, unemployment, under-development of China's western areas. Other sources of concern in Washington is China's new foreign policy under Xi Jinping. China has shifted from keeping a low profile to key, pro-active player in world politics. Indeed, in recent years China has increased its international voice becoming more and more a rule shaper in the United Nations instead of being a rule taker. Particularly, tensions are growing with the United States in the South China Sea and East China Sea areas where China reclaims land by building and expanding (sometimes artificial) islands where installing airstrips and military bases, where China uncompromisingly claims

sovereignty over Taiwan, where China has launched a new arm race (cyberwarfare, space warfare, aeronaval warfare…).

Conclusion:

The distribution of power is constantly shifting. Great powers are always rising and declining. Analysing US-China relationship remains, of course, highly speculative pending on the unfolding of world affairs. For decades to come, the United States and China appear uniquely positioned to dominate and shape world politics. A rebalancing of power between them could be the most important issue of the 21st century. There is an escalating economic and military rivalry between the two powers. It is a clash between 2 divergent systems (one state-directed, the other market driven) with different world and national aspirations. Tensions seem likely to intensify. It is a battle for global influence. Whereas the US has long sought to spread democracy and free market to other countries, China's ruling Communist party is just starting to pitch to developing nations its growth model as an alternative. There is today a new environment of uncertainty and belligerence between China and the US. The talk of a new Cold War is overblown. Nevertheless, the situation is quite different from the Cold War for the USSR was not part of the global economic system while China is one of its key players. Today's battlefields are not literal but technological, its frontlines are 5G, AI and supply chain along with trade and investment flows.