•	ISSN-p: 2791-0237	•	<b>ISSN-e:</b> 2791-0202		DOI: 10.55737/qjss.627388910
---	-------------------	---	--------------------------	--	------------------------------

■ **Pages:** 1 – 12

• Vol. 2, No. 2 (Fall 2021)

# The Current Dynamics of Us-China Trade and its Implications for the Developing Countries



#### Aizaz<sup>1</sup>



Abstract: There has been a lot of acclaim for Presidents Trump and Xi Jinping's strong friendship, as well as support for improving US-Chinese relations. Both leaders can take a variety of steps to safeguard their connections without jeopardising their stated objectives. The causes for the worsening of relations are a source of contention between the two countries. Frustration is growing in the United States as a result of China's apparent disregard for international pleas for Beijing to change its unfair economic practises. Due to the worsening of relations between the two countries, both leaders must make a decision. By portraying the other as the problem, they can achieve their short-term political objectives. The most effective way for Washington to influence how Beijing frames its interests is through regular meetings between leaders. Preventing an unforeseen escalation in tensions may be a major priority for both presidents. Assume that neither side sees an advantage in starting a dispute with the other to reduce the chance of escalation. As a result, the scope of this work is somewhat constrained. That is the goal of this report: to identify tangible initiatives that both governments may take to stabilise their bilateral relationship and avoid a Cold War-style rivalry that benefits neither side but costs both a lot of money. Antagonizing each other in this way increases the potential of conflict and obstructs efforts to address shared problems.

Key Words: US-China Trade, Donald Trump, Xi Jinping

### Introduction

Trump and Xi Jinping have both lauded US-China relations, expressing support for the two nations' friendship's healthy development. Despite these public pronouncements to the contrary, the link has worsened at a rate and magnitude never witnessed before since the official connections were created in 1979. Each country believes the other is to responsible for the current economic crisis as well as any attempts to reverse it. Without presidential involvement, the relationship is likely to deteriorate even further, raising the risk of a future confrontation or conflict (Economy, 2010).

It is impossible to have premeditated hostility. It's also feasible that both presidents will band together and embrace guidelines to keep the competition between the US and China under control. In this situation, the purpose would be to create safeguards around the link rather than to limit competition. As a result, both parties will be able to freely voice their displeasure with the behaviour of the other.

<sup>&</sup>lt;sup>1</sup> MPhil Scholar, Department of Political Science, University of Peshawar, KP, Pakistan.

Both leaders can take a variety of steps to safeguard their connections while remaining true to their stated objectives. They could achieve this in a variety of ways, including by developing a shared storey for the collaboration. If they do, they may be able to resurrect the long-standing practise of utilising summits as vehicles for enforcing action rather than merely staged pageants to produce real conclusions and understandings. In order to avoid misunderstandings, a policy of "no surprises" for actions affecting bilateral relations could be reestablished. Workstreams for risk reduction that have been in place for a long time may benefit from being re-energized to lower the danger of unplanned occurrences rapidly increasing. Another alternative is to employ practical measures like commerce, cybersecurity, and dealing with Taiwan and North Korea to better manage the relationship in the medium term and avoid it becoming hostile (Gill, 2014).

Over the next 18 months, there is little hope that the leaders of both capitals will take the actions necessary to improve their relationship. Mutual suspicions will increase, and conflict perceptions will harden, if both leaders decide to score points at the expense of the other. Instead of being a foregone conclusion, this outcome would be a choice.

#### **Divergent Narratives**

Despite the fact that trade tensions between the US and China are rising, President Donald Trump continues to praise Chinese President Xi Jinping and his desire for better connections between the two countries. President Xi is quoted in Chinese media as saying, "There are a thousand reasons to make the China-US relationship work, and none to dissolve it." Despite both governments' apparent shows of goodwill and promises of tight relationships, US-China relations have been more adversarial than at any time since they were normalised in 1979. Rivalry between the countries is intensifying in all areas, including social and economic, diplomatic, military, and political ones. We cannot overlook the fact that ignoring this dynamic might lead to increasingly adversarial positions between the world's two most powerful nations, as well as the potential of making a mistake that would be detrimental to neither side's interests (Economy, 2010).

The causes for the worsening of relations are a source of contention between the two countries. China's policy toward the United States has remained unchanged. In this view, it is the United States, not China, that has altered and so contributed to a worsening in relations. China's citizenry regard the US's growing antagonism toward their country as the predictable behaviour of a dying power attempting to contain a rising one. As the globe changes from a US-led unipolar system to a multipolar one, an increase in tensions is widely recognised in Beijing as a structural trait that must be managed. Beijing has no motive to comply with Washington's demands on trade or other matters, according to this thinking. There would be an escalation in enmity due to the ongoing power transfer from Washington to Beijing (Office 2015).

In Beijing, it is commonly assumed that Trump's principal purpose as president is to "destroy" China's Communist Party. According to some analysts, if Washington believes Beijing is weak and unwilling to respond to American pressure, accommodation will not reduce American pressure on China, but will instead promote further coercion.

In Washington, there is a divide of opinion. Many Americans regard China as an opponent because of its authoritarian leadership and economic domination by the state. China has been accused of, among other things, violating international standards, stealing jobs, destroying American companies, and weakening universal values. Despite Beijing's claims that its policies are constant, Washington claims that Beijing has become more forceful and authoritarian both externally and internally. Beijing's expanding use of ideology in both domestic and foreign affairs, as well as Beijing's efforts to influence public opinion around the world, has disturbed a rising number of Americans in Washington (Economy, 2010)

## **Growing Tensions**

Frustration is growing in the United States as a result of China's apparent disregard for international pleas for Beijing to change its unfair economic practises. In industries ranging from steel to solar panels, Chinese rules have had an impact on global markets. As a result of reform vows, there has been no major increase in market access, intellectual property protection, or the avoidance of forced technology transfers. They have a coDecisions must be made by both leaders in order to stop the degradation of relations. By portraying the other as the problem, they can achieve their short-term political objectives. They have the ability to recognise that a large-scale conflict is unavoidable. When they have control of the relationship, they may work together to enhance it. If Trump or Xi decide to intervene personally in the relationship, they should follow a few rules (USNI News. 2015).

Both leaders have an opportunity to show their common desire to see the partnership thrive and last. In this context, their opposition to the relationship being defined only by mutual animosity, as well as their rejection of the notion that conflict between the US and China is unavoidable, may be emphasised. Human decision-making leads to conflict, not a formula that forecasts the behaviour of massive institutions (Elis, 2018).

A framework that is adopted at the highest levels of government by both administrations would serve as a guide and compass. To give both leaders a sellable purpose for supporting healthy bilateral ties, the public narrative might be founded on shared ideas, such as aiming for fairness and outcomes (USNI News. 2015).

In dealing with the bilateral relationship, both administrations might recommit to the "no surprises" principle. Under President Trump, this tenet, which was formerly customary practise between the US and China, has fallen out of favour. The implications of forgoing private notifications in favour of public ones include a lack of confidence, less incentive to work together on crises such as North Korea, and a higher likelihood of misinterpretation of the other side's activities (Reuters 2018).

The most effective way for Washington to influence how Beijing frames its interests is through regular meetings between leaders. As a result of its cooperation, Washington gains power with China's government by swapping procedure for substance. Simply put, the US and China conduct business through presidential summits. There is no alternative for a summit's action-inspiring component when it comes to concluding deals. Leaders' agreements on sensitive matters (including cyber security, North Korea, and maritime security) are typically more important than cooperative

agreements. When a professional relationship devolves into enmity, it's essential for both leaders to get down and discuss what they need to see from the other in order to acquire trust that the other isn't an adversary.

In the usual course of events, the US would hold a series of Cabinet or sub-Cabinet-level meetings with China on a variety of areas where Beijing's actions threaten the US' most essential national interests. Such exchanges would aid Beijing in better understanding its own objectives and the impact of its actions on the US-China relationship (Chen, 2018).

International norms and standards governing international loans and aid, as well as global governance in general, should be the focus of bilateral discussions. Instead of overselling its own small projects, the United States should immediately confront China with empirical analysis and clear concerns about China's Belt and Road Initiative and the debt traps it is creating for recipient nations. When dealing with concerns such as Iran, North Korea, and maritime security; Africa; counterterrorism; counternarcotics; and climate change, both parties would benefit from understanding each other's strategic imperatives and expectations. After the Trump administration's apparent readiness to engage directly with the Taliban, something Beijing has long sought for, collaboration between the US and China in Afghanistan may take a new turn (Diamond, 2018).

Both parties must work together to resolve domestic difficulties. Both sides are experimenting with regulatory reform in urban growth to handle the social, environmental, and economic consequences of population transfers to metro areas. A comparable dynamic exists in the sphere of health care. In light of both countries' ageing populations, exchanging care model experiences and striving to accelerate the development of big data tools for diagnosing and treating illnesses could be advantageous." Because China is the world's second-largest market for medical care and pharmaceuticals, health-care cooperation between the US and China might present tremendous commercial potential for prominent American companies (<u>Biesheuvel, 2018</u>).

In terms of technological research and deployment, the United States and China lead the rest of the globe. Autonomous vehicles are an example of a new product development that could benefit from more bilateral standard-setting discussion.

China is the world's largest importer of agricultural products, with the United States exporting more than any other country. Both countries are cooperating to enhance global markets in order to safeguard the safety of the world's food supply. The same may be said for our energy supply's security. China's demand for liquefied natural gas (LNG) is increasing in line with the increase of US LNG export capacity. In order to reach China's global climate change mitigation targets, the country's domestic energy infrastructure must be improved as it transitions from coal to natural gas. When it comes to establishing storage and distribution networks, American firms have a comparative edge, and both countries would profit from more cooperation (Blair 2017).

Both countries are also major contributors to international development aid. Healthy competition should flourish in development for the benefit of all parties concerned. Working together to eliminate duplication and develop criteria for evaluating aid performance cooperatively is in everyone's best interest. It is a good thing if China's ability to respond in the case of natural or man-made disasters decreases the burden on the United States (Pham, 2018).

On a global basis, both countries play a vital role in development assistance. To create a competitive atmosphere for development, both parties must agree. Both parties would benefit from more cooperation in removing redundancy, developing criteria for evaluating the effectiveness of assistance, and strengthening international disaster relief coordination. The less China is forced to bear in the event of natural or man-made disasters, the better off the US will be (Pham, 2018).

There are two types of government engagement in cyberspace: acceptable and undesired. Previous bilateral cooperation on cyber espionage for economic benefit resulted in specific behavioural improvements, but it didn't address the bigger question of where to draw the line on such activities. Is cyber-espionage against defence contractors considered conventional espionage or cyber-espionage for profit, for example? Do cyber-espionage attempts to sway public opinion fall under the criteria of classical espionage, or are they an unacceptably intrusive incursion into domestic affairs? A lack of clarity about how cyber capabilities can be used to advance national interests now will only lead to further instability in the future (Rauhala, E. 2018). ncluded that an aggressive communication plan is required to convey that the status quo is untenable and that US-China relations are no longer "business as usual" (Axe, 2015).

Some Americans feel China's ambitions are incompatible with fundamental American national interests, and that the two countries would eventually reach a deadlock. These individuals feel that the US should challenge China while it is still the world's most powerful nation. They've been relegated to the sidelines so far. President Trump, who is more concerned with concentrating resources at home to put "America First," does not support an expensive battle with America's most serious opponent.

The contradictory narratives of Beijing and Washington have the effect of making each side feel that the other is to blame for the deterioration of relations and that the other is accountable for their restoration. As a result of all of this strain and friction, mutual dissatisfaction grew, friction increased, collaboration diminished, and bilateral communication fell below the level of the president. There will be limited possibility for compromise between the two parties on topics of conflicting interests because of the current trend. Both countries will be compelled to make difficult decisions on a more frequent basis as an option to submission or escalating conflict. Both leaders are almost certain to prefer escalation to attempting to negotiate their way out of a situation (Kissinger, 2012).

### **Practical Steps to Manage Relations**

Both leaders must make a decision in order to address the continuous deterioration in relations. By portraying the other as the problem, they can achieve their own short-term political ambitions. They feel that a huge power conflict is unavoidable. On the other side, they could seize control of the relationship and work together to strengthen it. There's no reason to assume Trump or Xi will interfere personally to put the relationship on a firmer footing, but if they do, they should follow a few ground rules (USNI News. 2015).

Both leaders might show their shared commitment to the long-term viability and fruitfulness of the relationship. They might emphasise their objection to the relationship being defined purely by enmity, as well as their rejection of the simplistic assumption that confrontation between the US and China is inevitability. Conflict is a decision, not a result of a formula that predicts strong people's behaviour (Elis, 2018).

Reciprocal support for such a framework at the level of public leaders would give both governments with direction and orientation. Both leaders may give their respective audiences a sellable basis for supporting effective bilateral ties by developing the public narrative on shared ideas, such as agreeing to strive for justice and outcomes (USNI News. 2015).

In dealing with the bilateral relationship, both administrations could adhere to the "no surprises" policy. Under President Trump, this tenet, which was once customary practise between Washington and Beijing, has fallen out of favour. Choosing public statements over private notifications may not give either side with a large tactical advantage, but it can undermine confidence, weaken motivation to engage on common concerns like North Korea, and increase the possibility of one side misinterpreting the other's intentions (Reuters 2018).

The most direct and successful approach for Washington to influence how Beijing portrays its interests is through regular encounters between leaders. Washington gets leverage over China's image-conscious leadership by allowing it to substitute protocol for content. Simply put, the US and China conduct commerce through presidential meetings. There is no alternative for a summit's action-inspiring component when it comes to closing deals. Leaders' agreements on sensitive matters (such as cyber security, North Korea, and maritime security) are frequently more crucial than cooperative agreements. When a relationship begins to deteriorate, both leaders should engage in a lengthy discussion to determine what they need to see from the other in order to believe that the other is not an adversary.

Under normal circumstances, the US would also pursue a comprehensive set of Cabinet or sub-Cabinet-level conversations on a variety of areas where Beijing's actions put top US interests at risk. Such debates would provide insight into China's objectives and allow Beijing to assess the impact of its actions on the US-China relationship (Chen, 2018).

Global norms and standards governing international loans and foreign aid, as well as global governance in general, are relevant themes of attention for ongoing bilateral discussions. If the US is concerned about China's lack of transparency in its global infrastructure project, the Belt and Road Initiative, and the debt traps it is creating for recipient countries, directly engaging the Chinese with empirical analysis and concrete concerns may have a greater impact than overselling its own insignificant initiatives. On topics like Iran, North Korea, maritime security, Africa, counterterrorism, counternarcotics, and climate change, both parties would benefit from a deeper knowledge of each other's strategic imperatives and expectations. With Trump's surprising willingness to engage directly with the Taliban, something Beijing has long advocated for, there may be room for further US-China cooperation in ending the Afghan war (Diamond, 2018).

To address household conflicts, both sides should work together. Both sides are experimenting with regulatory reform in the domain of urban growth, with the goal of managing the social, environmental, and economic implications of population transfers to metropolitan areas. A comparable dynamic exists in the field of health care. Given both countries' ageing populations, exchanging care model experiences and striving to speed up the development of big data technology

for diagnosing and treating illnesses could be beneficial. China is the world's second-largest market for medical care and medications, and US-China health-care cooperation might provide enormous commercial prospects for leading American firms (Biesheuvel, 2018).

In terms of technology development and application, the United States and China are far ahead of the rest of the globe. Higher bilateral communication on standard-setting for new product development (for example, autonomous cars) could lead to greater efficiencies in the market introduction of new products.

Similarly, China is the largest importer of agricultural products in the world, while the United States is the largest exporter. Both countries aim to guarantee that global markets are efficient in order to assure food security. In terms of energy security, the same argument applies. China's demand for liquefied natural gas (LNG) is expanding in lockstep with US LNG export capacity construction. In order to reach its climate change mitigation goals, China will also need to update its domestic energy infrastructure as it transitions from coal to natural gas. Building storage and distribution networks gives American companies a competitive advantage, and both countries would profit from further cooperation (Blair 2017).

Both countries are also major contributors to international development assistance. Both sides should strive to make development a place where healthy competition thrives. Both would benefit from increasing collaboration to avoid repetition, developing criteria for jointly evaluating aid performance, and strengthening international disaster relief coordination. The less blame the US bears for China's ability to respond to natural or man-made calamities, the better (Pham, 2018).

On a worldwide basis, both countries are key participants in the sphere of development assistance. Both sides must commit to providing a development environment that is competitive. More collaboration to reduce redundancy, shared formulation of criteria to assess help performance, and greater international disaster relief coordination will be beneficial to both. The less weight the US will have to bear in the event of natural or man-made disasters, the better (Pham, 2018).

A clearer understanding of what constitutes acceptable and undesirable state participation in cyberspace will benefit both parties. Previous bilateral engagement on state-sponsored, cyberenabled economic espionage for commercial benefit resulted in a specific behavioural change, but did not address the larger question of where to draw the line on cyber operations. Is cyber-espionage against defence contractors categorised as traditional espionage or cyber-espionage for profit, for instance? Do cyber-espionage attempts to sway public opinion count as traditional espionage, or are they an unacceptably intrusive intrusion into internal affairs? Failure to set clear expectations for how cyber capabilities should be used to serve national interests now will only lead to further instability in the future (Rauhala, E. 2018).

### **Addressing Major Bilateral Challenges**

These efforts alone would not be enough to reverse the general downturn in US-China bilateral relations if they were to be resurrected, built up, and reduced in danger. To accomplish so, concerted efforts would be required to solve or at the very least manage major difficulties in the bilateral relationship constructively (Gill, 2014).

The most critical issue that requires the president's immediate attention is trade. According to the US, concerns regarding China's market access limitations and forced technology transfers are genuine. Nonetheless, China's practises are increasingly at contrast with global norms, notwithstanding its WTO commitments. China is the G-20 country with the most restrictive foreign investment policies. China is the most restricted of the G-20 developing countries (Reuters 2018).

The United States and China are stuck in a deadlock that is inflicting significant harm to both countries. Neither side can impose its will on the other in this circumstance, and neither is ready to back down. We'll need to take real efforts in the near future to indicate that we care about what each other has to say if we want to climb out of this rut. Beijing will have to adopt more active measures from the start to begin opening up formerly restricted parts of the Chinese market, such as the automobile, financial services, health care, and entertainment industries. Both leaders must accept unilateral policy actions by the other as a statement of intent to lessen bilateral trade tensions in order to avoid appearing to make concessions to the other's demands (Chang, 2018). 17

When China improves intellectual property protection, prevents Chinese companies from demanding technology transfer from U.S. joint venture partners, lowers auto tariff rates to match U.S. rates, and enacts concrete market opening measures in areas of interest to the US, such as financial services and health care, Washington may agree to postpone future tariffs that have been threatened, and both sides may be able to come up with a set of common p The following are examples of a shared understanding:

- Non-reciprocal market access is not sustainable and, left unchecked, will push the relationship in a confrontational direction;
- Both countries should grow trade to shrink the trade imbalance, rather than choke trade to collapse the trade imbalance;
- Both countries will move continually in the direction of exposing more of their economies to competition;
- Both countries recognize that the WTO lacks answers to pressing challenges facing the 21st century global economy and, as such, both will support efforts to update WTO rules to establish new global disciplines for forced technology transfer, protection of intellectual property, and government subsidies to state-owned enterprises (Gill, 2014).

Furthermore, Washington will need to cooperate with like-minded partners to garner international support for new disciplines at the World Trade Organization and through new trade agreements. By adopting an agreed set of economic principles, both leaders may limit competition, stop regarding the other as a "existential danger," and demonstrate to the markets that they can work together within a specified framework to narrow disparities over time (Office 2015).

Both sides could cite a similar justification in the case of Taiwan. There are no realistic chances of a breakthrough between the US and China. For nearly 40 years, this kind of debate has been avoided through diplomatic means, thanks in part to public shows of American strength and consistent policy articulation by the US. The notion that clarity leads to predictability connects predictability with stability.

The US is committed to maintaining stable cross-Strait relations and rejects unilateral moves on any side. President Trump may dispel doubts about his intentions toward Taiwan by stating unequivocally that US policy will not change. Trump should make a clear and unequivocal statement about his intentions regarding Taiwan to assuage Beijing's anxieties. If Trump makes this request to Chinese President Xi, he will be in a better position to insist on Beijing's tension-inducing actions, such as the invasion of Taiwan's diplomatic space and efforts to force foreign companies to accept Beijing's preferred nomenclature for Taiwan, as well as Beijing's interference in Taiwan's political system and the expansion of military operations around Taiwan (Elis, N. 2018).

Separating the North Korean issue from the rest of the relationship should be a priority. Both parties profit from cooperation and suffer from disunity when dealing with Pyongyang's threat. advancing contingency planning discussions in coordination with Seoul; (4) advancing contingency planning discussions to match expectations on each side's planned response to unanticipated events in North Korea. (Wei, 2018).

#### Conclusion

The study's overall purpose isn't to provide a comprehensive US response to China's ascent. To address this question, an analysis of China's impact on US interests, as well as the role of collaboration with like-minded countries in influencing Chinese policy, is required.

For this one, we just have a tiny window of opportunity. The commission's purpose is to find feasible actions that both governments can take to stabilise the bilateral relationship in order to avoid a Cold War-style rivalry that would benefit neither side and cost both governments a lot of money. If such a rivalry develops, the United States' security will be jeopardised (Lawder, 2018).

As perceptions of the US abandoning the previous framework for managing US-China ties harden, pressure on China to forsake restraint in its contacts with the US and its partners will grow in Beijing. The US referred to China as the "Great Satan" when it was threatening Taiwan, fighting its neighbours, actively disseminating its ideology, forcefully isolating US allies like Israel and South Korea, and operating as a prominent global proliferator. If Beijing believes the US is dedicated to a hostile relationship with China, it has a number of alternatives for retribution (Smith, 2018).

The purpose of this paper is not to restrict competition between the US and China. Competition is unavoidable in any relationship, and ignoring or downplaying it would be detrimental. Competition does not have to be disruptive if it is conducted according to mutually agreed-upon norms. In a relationship, a healthy degree of rivalry allows both parties to openly discuss difficulties without fear of rising conflict. Openness is required to deal with real challenges, such as trade, which will only worsen if not addressed appropriately today (Wei, 2018).

For a number of reasons, authorities in both capitals may reject these or comparable initiatives. They may see the rise in bilateral tensions as a short-term political benefit because it shows a willingness to retaliate. They could chose to exit rather than focusing on US-China ties (USNI News. 2015).

The two leaders must choose between two options. If they choose to invest in order to lay the groundwork for a bilateral partnership, they have a variety of alternatives. If they stick to their guns and continue to push the relationship down, they will be doing so voluntarily rather than because they have no other option. Berkeley, Jr. was born in the year 2018.

China is establishing itself as a key global power. The United States of America is the present occupant. The destructive potential of the two titans seemed to have no bounds. The two, however, are inexorably intertwined. They have the ability to destroy not only each other, but the entire globe, if they don't work together more often. On two fronts, China poses a challenge to the United States: might and ideology. These qualities may evoke memories of the fight between the Axis countries during WWII or the Cold War with the Soviet Union (Michael, 2018).

China, on the other hand, is a one-of-a-kind case study in international politics and culture. It may not be as strong as the original, but it has the potential to be far more so. China's economic and political ascent is undeniable. According to the International Monetary Fund, its GDP per capita in 2017 was 14 percent that of the United States at market prices, and 28 percent at purchasing power parity, up from 3% and 8% in 2000, respectively (IMF). As a result, China's GDP in 2017 was 62 percent of that of the United States, and 119 percent when measured in terms of purchasing power parity.

China's GDP per capita will have increased by 34% at current market prices and 50% at purchasing power parity by 2040. (PPP). This would signal a major slowing in the rate of catch-up (a fall of around 70 per cent from the rate since 2000, starting in 2023). If measured in purchasing power parity (PPP), China's GDP would be nearly two times that of the US, and about 30% bigger if valued according to market forces.

I've set a target of 34%, which I believe is similar to Portugal's current target. Portugal's relative success is difficult to accept, given China's massive savings, highly motivated population, vast markets, and consistent dedication. Even yet, it would be significantly less rich than Japan or South Korea at the time, two of East Asia's fastest-growing economies (Sheetz, 2018).

Even if Americans as a whole are still substantially wealthier than Chinese, China's GDP will almost probably surpass that of the US in the near future. China is viewed as a more vital export market than the United States by a number of important countries, particularly in East Asia. It's also worth mentioning that China spends about the same percentage of GDP on research and development as the world's wealthiest nations. As I recently observed when visiting Alibaba's headquarters in Hangzhou, this is a driving force in Chinese innovation. China is becoming a more strong military force as a result of its economic growth and technological advancements. This may be frowned upon by the United States of America. Despite this, it lacks moral authority to act in this manner. Internationally, nations' right to self-defense is recognised.

On two fronts, China and the United States are ideological foes. It functions in a market economy that can be classified as planned. Furthermore, its political system is undemocratic. The lustre of the former has grown since recent free market high-income economies have failed. Despotism has become even more alluring as a result of Trump's triumph (Elliott, 2018). 25

One may claim that the US has a number of dependable and loyal partners. Mr. Trump's economic battle, on the other hand, is focused squarely at them. Seoul and Tokyo would be devastated, and the United States' military alliances would be broken, if the US opted to strike North Korea. On the other hand, an alliance is not a death pact.

The battle between these two superpowers will be difficult to keep up with. Harvard's Graham Allison expresses fear in his book Destined for War that confrontation between the incumbent and developing countries is almost unavoidable. At first appearance, a nuclear conflict between nuclear-armed nations may appear improbable (Smith, 2018) 21

However, due to large-scale conflict, the end of vital economic collaboration is on the horizon. The outcome of today's trade wars remains unknown. The Trump administration's denial of climate change has already shattered global collaboration in the commons.

In the end, China must determine for itself what kind of country it wants to be. The West's relations with China, on the other hand, are up to the task. The United States demands that China keep its promises. Furthermore, the US and other Western countries must follow suit. If the norms are forced on China by a country that despises them, China will be under no obligation to follow them. In any case, China is not the main threat to the United States. There's no doubting that forging that connection is possible (Dhue, S. 2018).

The West, which includes the United States, is threatened by rent extraction as a way of life, indifference to many of its citizens' destiny, the corrupting role of money in politics, and the sacrifice of long-term investment to individual and public consumption. In the face of a financial crisis, the only option was to pursue monetary measures that risked producing fresh bubbles. We are capable of a great deal more. China's expansion must and may be tolerated by the West. It is, however, vital to be honest with ourselves and our higher selves. If it is to deal with this new chapter in history, it must turn inward (Elis, 2018). At the time of writing (Elis, 2018).

#### References

- Axe, D. (2015). Why China is far from ready to meet the U.S. on a global battlefront. U.S. https://www.reuters.com/article/idUK137738130520150622
- Biesheuvel, T. (2018). As China Fires Back in Trade War, Here Are the Winners and Losers. Bloomberg.
- Blair, D. & Alexander, K. (2017). *China's Intellectual Property Theft Must Stop*. The New York Times.
- Chang, E. (2018). Global Soybean Trade Suffers from the US-China Trade War. Tridge.
- Chen, Y. & Lawder, D. (2018). *China says Trump forces its hand, will retaliate against new U.S. tariffs*. Reuters.
- Dhue, S. (2018). Wide range of businesses step up campaign against Trump's tariffs. CNBC.
- Diamond, J. (2018). Trump hits China with tariffs, heightening concerns of global trade war. CNN.
- Economy, E. (2010). The Game Changer. Foreign Affairs, 89(6).
- Elis, N. (2018). *Navarro contradicts Mnuchin's assertion that trade war with China is on hold*. The Hill.
- Elis, N. (2018, August 8). *Trump to hit China with \$16B in tariffs on Aug. 23*. TheHill. https://thehill.com/policy/finance/400791-trump-to-hit-china-with-16b-in-tariffs-on-aug-23
- Elliott, A. R. (2018). *Stocks Open Mixed On Payrolls Data, Trade War; This Big Biotech Spikes*. Investor's Business Daily.
- Gill, B., & Small, A. (2014). Untapped Trilateralism: Common Economic and Security Interests of the European Union, the United States and China. *China and the EU in Context*, 214–250. <u>https://doi.org/10.1057/9781137351869\_7</u>.
- Jr., Berkeley, L. (2018). Commerce Secretary Wilbur Ross: China tariffs amount to only 0.3% of US GDP. CNBC.
- Kissinger, H. (2012). The Future of US-Chinese Relations. Foreign Affairs, 91(2).
- Lawder, D. (2018). U.S. finalizes next China tariff list targeting \$16 billion in imports. Reuters.
- Michael, M, & David, L. (2018). U.S.-China trade war escalates as new tariffs kick in. Reuters.
- Pham, S. (2018). How much has the US lost from China's intellectual property theft?. CNNMoney.
- Rauhala, E. (2018). China fires back at Trump with the threat of tariffs on 106 U.S. products, including soybeans. The Washington Post.
- Reuters. (2018, August 23). US, China impose further tariffs, escalating trade war. VnExpress International – Latest News, Business, Travel and Analysis from Vietnam. <u>https://e.vnexpress.net/news/world/us-china-impose-further-tariffs-escalating-trade-war-3796949.html</u>
- Sheetz, M. (2018). *Trump: 'We are not in a trade war with China, that war was lost many years ago.* CNBC.
- Smith, D. (2018). *Trump plays down US-China trade war concerns: 'When you're \$500bn down you can't lose*. The Guardian.
- Swanson, A. (2018). White House Unveils Tariffs on 1,300 Chinese Products. The New York Times. USNI News. (2015). Document: China's Military Strategy. Beijing
- Wei, H. & Qi, Z. (2018). Trade War Back on Stage With New U.S. Tariffs Caixin Global. Caixin.