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Putting America first could give China the edge

Donald Trump and the US-China relations

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Donald Trump and the US-China relations PUTTING AMERICA FIRST COULD GIVE CHINA THE EDGE

US-China relations are facing major upheaval if Trump's neo-isolationist foreign policy agenda comes to fruition. China could risk protectionist trade measures, but may also benefit enormously from a freer hand in Asia.

Donald Trump has vowed to 'make America great again' by putting 'America first'. In fact, Trump's trite campaign sloganeering fully reflects the self-centered and isolationist tendencies that pervade his foreign policy outlook. While this is truly disturbing for US partners and allies around the world, China may actually come to benefit from a Trump presidency. On one hand, Beijing could be subjected to economic sanctions like punitive tariffs on trade, as Trump has repeatedly threatened to introduce. In most other

RECOMMENDATIONS

- The Trump presidency is likely to conduct a neo-isolationist foreign policy in Asia and elsewhere. Denmark should encourage the US to honour its international commitments.
- If Trump abandons the US rebalance to Asia, China will strengthen its position. While this may tempt Denmark to deepen its strategic partnership with China, we share interests with the US that extend far beyond a Trump presidency.
- While China and the TPP have been the primary targets of Trump's anti-free trade agenda, Denmark should team up with its EU partners and other free trade proponents to stem the current tide of economic protectionism.

Sino-American relations constitute the single most important set of bilateral relations in the world today



Without the Trans-Pacific Partnership, Asian-Pacific countries will grow even more dependent on China, which is already the top trading partner of most countries in the region.

respects, however, China stands to gain much from a neo-isolationist US foreign policy. Above all, Beijing will likely be relieved of the mounting strategic pressure that Washington has been building up in Asia to counter the rise of China.

A simmering great power rivalry

Sino-American relations constitute the single most important set of bilateral relations in the world today. First of all, the US and Chinese economies are by far the largest in the world with the Chinese economy nearly three times bigger than number three (see table 1). Although the two countries have become economically interdependent to an unprecedented degree, their trade balance is highly skewed in China's favor (at a record high of \$366 billion last year). Furthermore, the United States and China are also the biggest military spenders, their combined budgets accounting for around half of global military expenditure. To be sure, Washington's military hardware is still qualitatively superior, but China's comprehensive military modernization has upset the regional balance of power in Asia.

On top of all this, differences of ideology run deep between the two countries. The illiberal, authoritarian nature of the Chinese regime stands in clear opposition to the United States' self-ascribed identity as 'leader of the free world'. It is therefore hardly surprising that the rise of China has been widely perceived as a strategic challenge to the prevailing US-centered liberal international order. Indeed, over the past five years, several signs of an emerging great power rivalry between China and the United States have appeared on the horizon.

Most prominently, in late 2011, the Obama administration launched its 'Pivot to Asia' (later rebranded as the 'rebalance') in an attempt to tap into the region's growing economic dynamism and also, unofficially, to counter Beijing's rapidly expanding power projection capacity. The US rebalance comprises various diplomatic, economic and not least military-strategic initiatives designed to bind Asian-Pacific states closer to Washington (rather than Beijing) in a 'network of like-minded states that sustains and strengthens a rules-based regional order', as stated by the White House.

Table 1: Economy and military budgets

	THE UNITED STATES	CHINA	#3 IN THE WORLD
Size of economy, 2015 (nominal GDP, billions of US\$) <i>source: the World Bank</i>	17.947	10.866	4.123 (Japan)
Size of military budget, 2015 (billions of US\$) <i>source: SIPRI</i>	596	215	87 (Saudi Arabia)

From Beijing's perspective, the United States seems bent on a thinly veiled militarized containment strategy aimed at preventing China from resuming its historic role as a regional great power. This 'dream of the great rejuvenation of the Chinese nation' plays a pivotal role for president Xi Jinping and the Chinese leadership in mobilizing the support of the Chinese population amid declining economic growth rates and a wide range of domestic challenges. Even so, Beijing has been careful not to play up Sino-American rivalry in official government parlance, not only because of the dominant position of the US military in China's backyard, but also because China still profits enormously from its extensive access to the US market.

Rolling back the US rebalance to Asia

It is against this backdrop of an undeclared, but simmering strategic rivalry between the United States and China that the presidency of Donald Trump will unfold. Some international relations scholars believe that such great power rivalry is driven by structural forces that will soon enough see Trump continuing

the US rebalance in Asia. But, apart from his general isolationist inclination, there is much in Trump's election campaign to suggest a fundamental change in America's engagement in Asia in general and US-Chinese relations in particular.

Trump has consistently singled out the fight against radical Islamic terrorism as his top national security priority, while barely mentioning the rise of China as a strategic challenge that requires a deepening involvement in Asia. Instead, Trump has stirred up US allies and partners throughout Asia by calling America's longstanding treaty commitments to Japan and South Korea into question: 'they have to protect themselves, or they have to pay us'. He has even proposed that the two countries can protect themselves by developing their own nuclear deterrents.

Another bedrock of stability in US foreign policy has been its commitment to international free trade. Trump, on the other hand, is a hard-nosed protectionist who has completely denounced the newly signed



Chinese naval officers during a China-Russia joint drill off south China's Guangdong Province. Over the last few years, China has adopted a more assertive foreign policy line © Xinhua/Zha Chunming

Trans-Pacific Partnership (TPP) as 'a rape of our country'. The TPP, connecting twelve Asian-Pacific countries into a regional free trade community, were to form a cornerstone in the US rebalance to Asia. It deliberately sets high standards on labour rights, environmental protection and intellectual property law in order to allow – in the words of Barack Obama – 'America and not countries like China to write the rules of the road in the 21st century.' Without the TPP, Asian-Pacific countries will grow even more dependent on China, which is already the top trading partner of most countries in the region.

Furthermore, given his track record of recurrent attacks on minorities, the liberal press and the 'rigged election' process, Trump is highly unlikely to stand up for human rights or to promote the values of liberal democracy around the world. With his open admiration for strong leaders like Putin and Xi, there seems to be no ideological red lines for Donald Trump. This should not only remove one of the thorniest issues from the US-Chinese relationship, namely the critical dialogue on human rights, but also undermine American efforts to build a network of like-minded states in Asia as part of the US rebalance. Surely, China's leaders will rejoice at these prospects.

Before the presidential elections, US-Chinese relations appeared ripe for rivalry in the Asia-Pacific region. Judged by its self-centered and isolationist outlook, a Trump administration is more likely to deal with China from behind protectionist walls. Although the Chinese

economy would be vulnerable to punitive tariffs of 45% on its export industry, as Trump has proposed, the new president may find it difficult to follow through on his protectionist agenda due to existing WTO rules as well as strong trade-related domestic interests in the United States. Moreover, a real trade war will undoubtedly also be costly for US consumers accustomed to cheap Chinese products.

What about those areas where the two countries have recently been able to find some common ground like the nuclear deal with Iran, the sanctions against North Korea and the global climate agreement? Well, Trump has been highly critical of Obama's policies on Iran and North Korea, and he has notoriously tweeted that 'the concept of global warming was created by and for the Chinese in order to make US manufacturing non-competitive.'

Ultimately, however, Trump's utter lack of any political credentials combined with his anti-establishment attitude should turn his presidency into a highly unpredictable one. With a self-made TV star and businessman as executive boss, US foreign policy is no longer business-as-usual.

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Cover photo: A banner saleswoman poses with a support banner for Donald Trump at Yiwu International Trade Centre, Jinhua © Lv Bin/VCG

