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**Why a US-China Détente Is Coming in 2021: The Failure of Trump’s Policy**

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Recently, the Trump administration has launched a series of all-round attacks, sanctions, and containment policies toward China, making many commentators very pessimistic about the future trend of China-U.S. relations. It seems that the “cold war” between China and the United States will really materialize under such circumstances. These concerns are not unreasonable, but they also ignore the patterns of development in China-U.S. relations, especially the dynamic of balance against the background of great historical change. Therefore, they may mislead on the driving forces and on the possibility of China-U.S. cooperation.

China-U.S. relations will improve next year for at least three reasons. This piece will be the first in a series of three to appear here at The Diplomat outlining these factors.

Since 2018, the containment policy of the U.S. administration led by Donald Trump, marked by a three-pronged strategy of the trade war, technological blockade, and ideological attacks, has not achieved significant results. In particular, the trade war has not created any noticeable impact on China’s economy. China’s economic problems are mainly caused by the contradiction between domestic supply and demand, the financial bubble caused by land financing, which has not been fully digested by society, and the bumpy economic cycle between the long-repeated Keynesian aggregate demand stimulus and the excessive issuance of M2 (per monetary school theory). China’s GDP growth rate was 6.6 percent in 2018 and 6.1 percent in 2019, both times exceeding the basic target of maintaining high economic growth of 6 percent. And judging from investment, consumption, and price levels, China’s economy has not been significantly affected by the crackdown on trade and science and technology from the United States, as various economic indicators have reached the expectations of the State Council. The recent economic difficulties, however, are mainly the result of the COVID-19 pandemic outside China, resulting in the shrinking of the demand by global market. This shows that the trade war launched by the United States has had a limited impact on China’s economy.

At present, there is no great disparity between the strength of China and the United States, especially economic strength. Therefore, it is unrealistic for the United States to launch a war on China or to start any comprehensive military confrontation against China. During Trump’s term, he can only try to contain China’s future development through sanctions and a trade crackdown on China’s top enterprises and scientific research institutions, as well as political attacks regarding the Hong Kong and Taiwan issues. However, at a time when the power gap between China and the United States is narrowing, neither the trade war, the war of science and technology, nor the war of ideology can achieve substantive results. Even before the pandemic, China’s economic growth had not been slowed by American repression. Therefore, Trump administration’s current policy of suppressing China cannot truly or effectively contain the further development of China’s comprehensive national strength, and its result is bound to be a failure.

With the failure of these repressive policies toward China, the pandemic outbreak in 2020 also struck the United States with heavy economic losses: once a long-term bull market, American stock markets saw the successive triggering of their circuit-breaker mechanisms in 10 consecutive days in March. The Dow Jones, S&P 500, and the Nasdaq indexes dropped to the levels they were at before Trump’s term began. Despite the recent improvement in the stock market, the extremely high unemployment rate will remain for a long period, which could be a fatal blow to the economic performance of Trump’s three years in office. On top of this, more than 100,000 Americans have died as a result of COVID-19. Under the huge domestic economic impact of the pandemic, it is difficult for the United States to launch a new round of large-scale suppressive policies against China in the short term.

In addition, after China and the United States reached their Phase One agreement on the settlement of trade disputes in December 2019, it will also be difficult for Trump to violate the agreement again in such a short time and launch a second round of the trade war. Any such action would expose American farmers and multinational companies, who have been severely affected by the pandemic, to the treacherous China-U.S. trade war environment again.

Generally speaking, the gap between the strength of China and the United States is not large, but it has not reached the critical point of equivalent strength between the two sides. In terms of economic size, technological strength, financial position, and military power, China still lags far behind the United States in the short term. And since China has a huge and highly regulated domestic market, the economic repression by the United States on China cannot really hurt the lifeline of China’s economy. It can only have a great impact on China’s import and export industries and some industrial sectors closely related to the American economy.

Therefore, it is believed that after the failure of suppression policy in his first term, Donald Trump, who is seeking re-election, will definitely adjust his China policy, even if he is finally elected to a second term beginning in 2021. In the area of technology, especially on 5G telecommunication development, the United States will strengthen its suppression of Chinese high-tech enterprises and educational institutes, and the technological competition between China and the United States will also increase. But in general terms, Trump will seek a structural adjustment of his China policy in order to concentrate on the post-pandemic recovery first. As a result, China-U.S. relations in the short term will appear to hew to a certain degree of détente. Therefore, even if Trump’s re-election is a small probability, there would be certain improvement in U.S.-China bilateral relations in 2021.