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미국 의회 및 학계 – 이진주

**[ash center] – challenges for Biden : sustainable Economic recovery and china**

*This interview has been edited for length and clarity.*

**Ash:**How might current political and economic friction between the U.S. and China impact America’s economic recovery and more importantly – sustainability goals – moving forward?

**Cunningham**: The U.S. of course cannot go it alone when it comes to a sustainable and equitable recovery. We must also recognize that China is currently critical even to achieving some of our domestic sustainability goals, and policy needs to incorporate this reality accordingly.

Today’s tariff friction is in some ways an opportunity – in the short term to reduce the tariffs harming our own green recovery and the medium term to build resilient and diverse supply chains. We need to understand that the U.S. currently relies on Chinese imports for many key aspects of our renewable industries: for example, 40% of U.S. lithium ion batteries for grid applications – critical to enable us to increase renewable energy in the U.S. – are imported from China, particularly as Korean and Japanese supplies tighten. When we levied tariffs on Chinese batteries, it was not about protecting that industry in the U.S., and I think many misunderstand this. A key fundamental goal of the trade war with China is access to the Chinese market – an equal playing field in other areas, like financial services, for example. So, a range of tariffs were erected to create leverage for the U.S. to pressure China to live up to its WTO commitments and open further. We did ramp up such pressure, but we did not intelligently address the impact of these tariffs on our own economy here at home.

Many of those tariffs hit hard key parts of the American economy – segments critical to the priorities of the Biden administration. For example, most solar jobs in the U.S. have long been in the installation segment of the supply chain, never solar panel manufacturing. Yet, U.S. tariffs on Chinese solar panels increased the cost of such panels to Americans, affecting demand for panels in the U.S. and the need for these installation jobs. Efforts to somehow re-shore manufacturing to the U.S., given high costs, have not been effective.

**Ash:**So what does this mean?

**Cunningham:** We need to take our foot off some of the brakes in trade, and put it on the gas in investments domestically and abroad:

First, in the short term, targeted tariff pressure on China will and should continue, but trade policy with China should be recalibrated to support job growth where we most need it – particularly in sustainable infrastructure. We must reduce tariffs in those segments of the renewable supply chain that actually drive job growth in the U.S. and depend on lower-cost foreign goods.

Second, in the short to medium-term, if we are serious about shifting dependence on China, then we need to combine our pressure on China with significant targeted investment in our own renewable industries to: i) counteract the impact of tariffs, ii) upgrade our R&D capabilities, iii) make more resilient our supply chains and iv) to meet the green recovery goals of the Biden administration.

Third, despite the difficulties Congress may continue to create, the U.S. should again support a new version of the Trans-Pacific Partnership, but include this time the climate provisions that were dropped during the Obama administration, as well as related labor standards in critical partners like Vietnam. We need to be leading the discussion with our allies in Asia about setting standards. Without our allies and the major markets for sustainable infrastructure upholding such standards, U.S. influence will be greatly limited, our unilateral impact on China’s behavior will likewise be limited, and the strength of Chinese standards will rise.

Many of the tariffs against Chinese goods hurt key parts of the American economy– segments critical to the priorities of the Biden administration, notes Cunningham.

**Ash:**How can President Biden inject calm into the U.S.-China relationship without opening the US up to domestic criticism that he is somehow “weak” on China?

**Cunningham:**In this area, Biden’s incoming Secretary of State, Antony Blinken, who was an architect of the “pivot to Asia” strategy under President Barack Obama, may have another bite at the proverbial apple.

I think the key to solving this political tension is actually to embrace the tone of competition between the two countries, but indirectly through a proactive strategy of investment abroad. This will directly strengthen American industry and interests by reorienting supply chains as highlighted above and providing important alternatives to often fossil-focused Chinese infrastructure financing.

In the past decade, China has invested over $250 billion through its Belt and Road Initiative to construct infrastructure projects in an estimated 138 countries throughout the world. Many in the developing world. U.S. foreign aid and assistance has dropped significantly under the Trump administration – perhaps most when it comes to climate change mitigation and adaptation as well as sustainable infrastructure.

From Kenya to Indonesia to Sri Lanka, Chinese financing has encountered significant challenges abroad. Overseas energy financing by China’s two largest policy banks is at its lowest level in over a decade. Meanwhile, Korea, the EU and other allies are moving forward with their own green infrastructure initiatives globally. This is an opportunity. The U.S. can join such allies by strengthening USAID’s sustainability portfolio, supporting private-sector investment assistance from the U.S. International Development Finance Corporation (DFC), and supporting an increase in sustainability focused loans from U.S.-supported international institutions such as the World Bank.

However, we must also embrace the fact that some of these investments abroad may appear contradictory when it comes to sustainability. The DFC has begun investments into rare earth extraction activities outside of China, which are environmentally quite damaging, yet critical to a sustainable future. They are the inputs needed in the building of a resilient supply chain for electric motors and therefore vehicles, electronics, wind turbines, batteries, and a range of other products outside of China.