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Sino-US Economic and Trade Relations in Trump Era

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Abstract

Trumpism not only retains the tradition of the Republican Party, but also has the factors of the times. It is characterized by populism, emphasis on political identity, anti-globalization and neglect of alliances. The Sino-US trade war in 2018 and 2019 seriously affected the economic and trade relations between the two sides, which suffered the strongest impact since the establishment of diplomatic relations. After Biden succeeds, Trumpism will continue to have an impact on American society, politics and economy. Sino-US economic and trade relations will continue the status quo when Trump was in office. There is limited room for improvement, but there is no possibility of extreme deterioration. There will be fierce competition in manufacturing and high-tech fields, while there will be a trend of decoupling between economic growth and high-tech industries in China and the United States.

Key words: *Trumpism, Sino-US economic and trade relations, Relational reconstruction.*

1. INTRODUCTION

The 2020 US presidential election has come to an end, and Biden has become the 46th president of the United States. In this election, both winners and losers have created a new high in the history of the United States. As for Trump, although he himself withdrew from the political arena, Trump's political legacy- Trumpism will continue to influence the United States. At the beginning of 2019, the Financial Times commented that "the Trump era will last for 30 years". As a political trend of thought, Trumpism will continue to influence the domestic and foreign policies of the United States.

2. TRUMPISM

Trumpism is completely different from the ruling ideas and political opinions of any president in American history. It not only contains the traditional ideas of the Republican Party, but also has distinct

characteristics of the times.

2.1. Extreme populism

Trump thinks that in the political ecology of the United States, the lives and interests of the middle and lower classes are neglected, which is contrary to the original intention of the founding of the United States. Therefore, the mobilization targets of Trumpism are mainly ordinary people, and Trumpism is also a tool for the middle and lower classes to challenge the upper classes.

Populism has developed the ruling idea of the Republican Party to the extreme, and everything is based on "American priority" and declared that "the core belief of our movement is to put the citizens of a country first". The combination of populism and Trumpism, on the one hand, enabled the middle and lower class people to find leaders to help them

safeguard their rights and interests, on the other hand, enabled Trump to gain a solid voter base.

2.2.Emphasis on identity politics

The influx of a large number of immigrants and the development of cultural diversity have caused conflicts between secularity and religion, modernity and tradition in American society, and the anxiety of "whose America is America" generally exists in American society. It is predicted that by 2050, the proportion of black Americans will remain at around 13%. The proportion of Asian-American and Hispanic population will increase from 5% and 14% in 2005 to 9% and 29% respectively. The proportion of non-Hispanics decreased from 67% in 2005 to 47%. The influx of Hispanics challenged the traditional Protestant culture in the United States, and the original population structure was threatened, causing ethnic conflicts^[1]. Trump's policy of restricting immigration can alleviate the stinging pain caused by the loss of social identity of white Europeans. Therefore, Trump's "identity politics" can unite people's hearts and gain the support of voters.

2.3.Anti-globalization

Since 1980s, the United States has become an advocate of globalization. Globalization has created huge wealth for the United States, but it has also led to the gap between the rich and the poor and class stratification. At the same time, globalization has led to the transfer of American industrial chain, the transfer of traditional manufacturing industries to countries with lower costs, and the shift of American energy to finance and service industries has led to the loss of more employment opportunities and the decline of social status of American middle class. Therefore, Trump opposes globalization, advocates American priority and opposes illegal immigration. American scholars believe that America's withdrawal from TPP will lose the opportunity to contain China and then Asia's development^[2], and even lead to the loss of American leadership, which is a failure in American diplomatic history.

2.4.Disintegration of alliances

After World War II, the military alliance supported the global hegemony of the United States, but Trump believed that the military alliance strengthened the military strength and border of the allies but damaged the United States, so Trump "even discussed the issue of the United States withdrawing from NATO many times". In addition, in October 2019, the United States withdrew its troops from northern Syria; For Europe, Europe used to be a long-term follower of the United States. However, after Trump took office, the "American priority" policy ignored Europe's security demands on the one hand, and vigorously cracked down on "Made in Europe" on the other, which greatly damaged the interests of Europe. During Trump's term of office, the polarization phenomenon in the United States was serious, and it became more isolated internationally, which had a profound impact on American security and international image.

3. REVIEW OF SINO-US TRADE WAR

In 2018, the United States launched a trade war against China, trying to reshape the existing Sino-US economic and trade model. This is the biggest conflict event in Sino-US economic and trade relations and even Sino-US relations since China joined WTO.

In July 2018, Trump imposed the first round of tariff increase on China, and the Sino-US trade war broke out. In 2018, the Chinese and American governments went through two rounds of tariff increase and counter measures and four rounds of negotiation. Although the United States adopted the strategy of combining negotiation and pressure, the bilateral negotiations between China and the United States did not achieve substantial results. In the first half of 2019, China and the United States started the fifth to ninth rounds of trade negotiations, which achieved good overall results. However, the 10th and 11th rounds of negotiations that followed suffered heavy losses. Even before the 11th round of negotiations ended, Trump announced that he would raise the tariff rate on the listed products imported from China, and China also took countermeasures.

In June, 2019, the leaders of China and the United States resumed economic and trade consultations at the G20 summit, but with little success. In September, 2019, the United States imposed tariffs of more than 15% on products with more than 360 billion US dollars imported from China, while China imposed counter tariffs with different tax rates on products with about 140 billion US dollars imported from the United States. This means that 90% of the products in the trade volume of goods between China and the United States were subject to high tariffs in 2019, which is an unprecedented phenomenon in bilateral economic and trade relations between China and the United States, and has had a huge impact on bilateral economic and trade relations.

The Sino-US trade war has seriously affected bilateral trade in goods, and the adverse effects of the trade war on Sino-US economic and trade relations were louder than the financial war. In 2019, affected by the trade war, the United States was overtaken by ASEAN and relegated to China's third largest trade. Therefore, the trade war has had a fatal impact on Sino-US bilateral economic and trade relations and even Sino-US relations^[3].

4.THE DEVELOPMENT TREND OF SINO-US ECONOMIC AND TRADE RELATIONS

After Biden took over as President of the United States, in the era of Trumpism, Sino-US economic and trade relations can still be described by Deng Xiaoping's judgment on Sino-US relations in the 1980s-"It cannot be better or worse".

4.1.the increasingly fierce competition

The reason why Sino-US economic and trade relations are "good or not" is that there are many trade interests competitions between China and the United States^[4], and American politicians also hold the thinking of "zero-sum game". Even if Biden asserted before the election campaign that once he won, he would stop Sino-US economic and trade friction, but Biden, as a politician, still represents the interests of the United States, and the ruling idea of "America first" will not

change, although he will not strongly reject China like Trump, but he will not let China prevail. The fierce competition between China and the United States in economic and trade fields is mainly manifested in manufacturing and high-tech fields.

4.1.1.Competition in the manufacturing sector

Manufacturing industry is the main position of Sino-US competition. The United States believes that China has a perfect industrial chain and its international status is constantly improving, while the United States is facing the hollowing out of manufacturing industry, which will pose a huge challenge to the interests and international status of the United States. Therefore, Trump encourages the manufacturing industry to return. The reason why Trump keeps high tariffs on goods exported to the United States is to increase the cost of enterprises in China. In 2020, the COVID-19 epidemic broke out, and the United States thought it was a good opportunity for the manufacturing industry to return, trying to make use of the epidemic to return the manufacturing industries such as medical devices and medicines.

4.1.2.Competition in the high-tech field

In the Sino-US competition, the United States understands that manufacturing is China's dominant industry and it is difficult to catch up in a short time. Therefore, the competition in the high-tech field has become extremely fierce^[5]. The competition in the high-tech field is highlighted in the communication industry. The blockade and containment of Huawei by the United States in the past two years is a good example. In addition, American restrictions on China's high-tech also extend to emerging technologies, such as cloud computing and artificial intelligence, in order to gain a competitive advantage against China by restricting and suppressing China.

4.2. increasingly difficult decoupling

The reason why Sino-US economic and trade relations cannot be worse is that China and the United States, as the two largest economies in the world, are highly interdependent, and the decoupling of Sino-US

economic and trade relations will damage vested interest groups. With the signing of the first-stage Sino-US economic and trade agreement, and the conclusion of RCEP agreement and China-EU Comprehensive Agreement on Investment in the international scope, the United States will not strongly decouple its economic and trade relations with China^[6].

4.2.1. Decoupling of China-US economic growth

China has been implementing export-oriented economic policies for a long time, and the contribution rate of exports to economic growth is relatively high, while the United States occupies an extremely important position in China's export market, and China's economic growth is highly dependent on the United States for a long time. The outbreak of Sino-US trade war in 2018 and 2019 made China realize the importance of the domestic market. Therefore, China proposed to "give full play to China's super-large market advantages and domestic demand potential, and build a new development pattern of mutual promotion of domestic and international double cycles". At present, the contribution rate of domestic consumption and investment to GDP is increasing, while the importance of exports to the United States in China's economic growth is declining, as is the case in the United States, which objectively leads to the further reduction of the dependence on economic growth of both sides and the possibility of decoupling.

4.2.2. Sino-US high-tech field decoupling

Suppressing Chinese high-tech enterprises is the focus of American policy towards China. Since Huawei and ZTE, more and more Chinese high-tech enterprises have been listed as the restricted objects of American government. The United States is afraid that China will overtake the United States in high-tech fields, and the restrictions on Chinese enterprises are becoming more and more strict. In fact, the United States should cut off its ties with China in high-tech fields to prevent the gap between the two sides from narrowing. The decoupling policy of the United States towards China's high-tech field will not change because of the change of the President of the United States. In the Trump era, there will only be adjustments in the way of containment.

5. CONCLUSION

After Biden takes office, his China policy will not completely abandon Trumpism, but will still follow the strategy of competition among big powers. He may compete with China in a more subtle way, and in foreign policy, he tends to jointly fight against China through alliances. There is no essential difference between the Sino-US economic and trade relations in Trump's era and those in Trump's office. There will be fierce competition in manufacturing and high-tech fields, but there will be a decoupling trend between the economic growth and high-tech industries in China and the United States.

Under the background of the reconstruction of Sino-US economic and trade relations, Chinese enterprises need to seize the opportunity of regional trade negotiations, expand their own partners and cooperation areas, and at the same time, look to the domestic market, change the traditional "two-headed" trade pattern, fully tap the potential needs of consumers and cultivate their own "fist" products.

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