Trump or No Trump – What's better for the People's Republic of China post-2020?



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SIA to write a think piece on what a Trump win in 2020 would mean for the People's Republic of China. As David Olney and I like a challenge, we took him up on the dare.

Firstly, let's briefly look at why a Trump win in 2020 is a distinct possibility.

The United States system of governance is a form of democracy, but is, more specifically, a Republic. This republic is more of a 'representative oligarchy' – representative of state constituencies, and is beholden to the interest groups who finance political campaigns and the financial sector (Wall Street) that acts as a barometer for the health of the nation. A combative and uncompromising environment has been created by the multiple lobby groups that vie for political influence, ranging from the powerful defence industry sector to agribusiness, from pharmaceuticals to media conglomerates and the multiplicity of Silicon Valley actors, driving much of the world's new technologies. Traditionally, citizens of democracies have wanted to, and been expected to, discharge their democratic, citizenly duties. It was thus in Ancient Athens, it is thus in contemporary Australia and yet in the most powerful democracy the world has known, the United States, people celebrate the idea of opting out, of reneging on their historical, hard won right to choose their political representatives. This choice might stem from the fact that certain elements of the American voting public feel that the system never looked after them. But once you consciously choose to remove yourself from the system, the system becomes the plaything of those who have the will and the access to resources to see things

through, with the disinterested citizenry becoming progressively more powerless and unaccustomed to affecting the national Leviathan in any meaningful way. With this lack of political activism and action, more of the citizenry have also lost the capacity and/or confidence to curb rapacious corporate behaviour.

The lack of effective national civics programs, especially within lower socio-economic urban centres makes people who have 'divorced themselves from politics' feel even less like stakeholders in the American state – celebrations of hollow nationalism notwithstanding.

As arguably the most irascible and idiosyncratic president in recent history, Donald Trump, whose political base is solid and whose war chest is said to have reached <u>USD 100 million</u> looks like a force to be reckoned with at the November polls. Not one Democratic candidate, and as at the time of writing this piece there are still 12 candidates, has a war chest close to USD 100 million. And if 'money talks' and Donald Trump has the ear of Wall Street financiers – all happy with the current performance of the <u>US economy</u> – why would they shift their allegiances to the Democrats, some of whom are promising nothing short of a revolution in American economic affairs and public spending through <u>Modern Monetary Theory</u> (MMT), which could result in a re-conception of what a financial sector should be and should do.

Established power brokers, no matter the country, no matter the system of governance are generally conservative in their views. If profit margins seem strong, or at the very least unchanged, they are likely to stick with whichever political party promises economic policy continuity. Change, especially radical change is bad for business. Some might well argue that the current economic order based on neo-liberal capitalism is broken, leading to ecological catastrophe, individual isolation in the cities, the destruction of social mobility and the middle class, a concentration of wealth in the hands of a few and a major increase in unemployment, under-employment and in the worst case, outright poverty. But try telling that to those who are still making money, hand over fist, under this construct. President Trump will defend the American economic order as is. He will defend his hard line against commercial competitor and strategic rival, the People's Republic of China (PRC), which is a populist policy; and he will defend his 'bring American jobs back home' pronouncements – also a populist position. And by populist we mean policies generally supported by both Democrat and Republican registered voters alike. Furthermore, to continue along this 'America first' line, Trump will defend his economic policies by promising to accelerate his anti-immigration stance.

And while the average American voter will watch the mainstream and social media stories about allegations of Trump's malfeasance, his exposure or involvement in corrupt practices, his friendly terms with the world's autocrats and even stories of sexual misconduct, let alone his willing ignorance of international relations and national security – these are not the things that will move American voters. What will move American voters will be jobs, the promise of more jobs and all under an arrangement that will not tax their thinking. Many Americans appear to want a future that is a reflection of their golden past, without any reminders of historical specificity or future costs. American voters will not be convinced that now, under the burden of paying mortgages, paying rent, paying for ever increasing energy bills and food prices, where one job and one salary/wage per household is not enough to support a family, and, where job insecurity is the norm, that they would indulge in experimenting with their economy. Things will have to get far worse than they are now for this situation to change. MMT might be the successor to neo-liberal policy for managing the behaviour of capitalism, but unless economic conditions get radically worse during the next few months, it appears unlikely that America will champion this new approach in 2020.

And then there's the issue of the 'Trump Doctrine' – seen by many in the Washington beltway, as well as among many former political & civil service personnel from previous administrations, as Trump's greatest Achilles' heel.



To the sceptic, Trump's foreign policy is a combination of incoherent tweets, dangerous brinkmanship, personal insults and displays of national chauvinism. Gone is the internationalist America of the post WWII era, carefully and calculatingly cultivating alliances and parrying against rivals. But even the sceptic has to acknowledge that Trump's 'maximum pressure' policy against Iran, potentially destabilising as it is, has put the Ayatollahs and their proxy forces throughout the Middle East on notice. If the international community believes that breaking the power of autocrats is a social good and that average Iranians should live free of the current injustices and repression of theocratic authoritarianism, then perhaps breaking the foreign and domestic pall of the Ayatollahs is no bad thing.

Similarly, if one really wants to see peace break out on the Korean peninsula, Trump's temperamental bromance with North Korean leader Kim Jong Un is better than any long-winded policy that freezes regional tensions on a hair trigger. Jaw-jaw being better than war-war, or tension-tension.

And as for the chief preoccupation of the moment, the People's Republic of China – its behaviour against Hong Kongers, Uyghurs, Tibetans and other minorities leaves one with the distinct impression that the Communist regime is failing to avoid a destructive and disruptive historic trajectory.

Can, or will, this behaviour be brought to heel before the Chinese politburo decides to escalate domestic repression to something far worse?

After all, unlike previous dictatorships that have sought to isolate themselves from the international community through economic autarky, the PRC is an international actor. Western investment in the Chinese economy, post-1978, has made everyone, from the average international consumer of Chinese goods to the cosmopolitan high financier looking for a cheap place to invest, complicit in enabling the contemporary CCP state apparatus to perpetrate its tyranny.

What does this mean?

Protesters in Hong Kong being killed, arbitrarily detained, tortured and intimidated. It means continuing racist and genocidal policies against the Uyghurs of East Turkestan in north-western China and against Tibetans in the strategic south-west. It means religious persecution of Chinese Christians and arguably anyone who falls outside of what is deemed by the CCP to be 'acceptable behaviour' or outside what is considered the Han nomenklatura.

It also means further CCP strategic feints in the South China Sea against Southeast Asian claimant states. Challenges against freedom of navigation in the waters of the Western Pacific, but particularly challenges against US naval power in this patch of ocean. It means frequently probing Japanese air-space and continuing the PRC's policy of strategic intimidation against Taiwan.

It means the continued consolidation of Chinese commercial power on the African continent as well as the penetration of Central Asia and Latin America through the Chinese Belt and Road Initiative (BRI), not just cementing Chinese commercial access to these region's resources & markets, but spreading 'the Chinese model' of economic development – with all the problematic social, political and ecological concerns this entails.

And for the United States, it will mean remaining vulnerable to sophisticated Chinese cyber and human espionage efforts – plundering critical American-derived civil and military technologies and reengineering them to suit the PRC.



After a very friendly beginning (2017), Trump has hardened his stance against the People's Republic. In 2018 he launched a trade war in response to what the US President claimed was unfair Chinese trade practices. Since then both sides have escalated this contest, until the 16th of January 2020, when a 'phase one' deal designed to lower trade tensions between the two powers was successfully agreed. Whether the American or Chinese side will seek to improve on this throughout the American election year is yet to be seen. It may well suit both Washington and Beijing to take a step toward resolving their trade dispute and then cool their heels until there is certainty over who will sit in the White House, post-November 2020. After all, a Trump win in November may not be what the Chinese politburo really wants.

In spite of any contemporary moves toward reducing the trans-Pacific trade breach between the US and the PRC, Donald Trump is unlikely to walk away from two pieces of legislation that he enacted late in 2019. The first of which is the Hong Kong Human Rights and Democracy Act. This effectively places sanctions on Chinese and Hong Kong officials deemed responsible for perpetrating human rights abuses in the city-state. The second of which is the Uyghur Human Rights Policy Act. This act is less 'intrusive' than the previous one, since it essentially requires US government bodies to report on the PRC's treatment of its Uyghur population, especially within the multiple detention camps located throughout East Turkestan (Xinjiang). Last year, a Chinese report leaked to the New York Times stated that at least 1 million people of Uyghur and Kazak origin were in these camps. Other news stories about the treatment of China's Uyghur community suggest that the PRC has turned the populated areas of East Turkestan into an Orwellian nightmare, with close quarter surveillance of the population (those who haven't been incarcerated), the re-engineering of Islam to suit the Politburo's aesthetic morays, organ harvesting, torture, and other forms of persecution that were once thought contained to the darker parts of the 20th Century.

Together, these two Acts contravene a central tenet of Chinese foreign policy. Not to interfere in the domestic affairs of another state.

Ironically, since its inception in 1949, the PRC has actively fostered local communist guerrilla movements and insurgencies throughout Southeast Asia1, Latin America2 and Africa. Furthermore, the current Chinese leadership has attempted to buy influence in countries considered critical either strategically, commercially or both – as in Australia, or more overtly, Taiwan – a country that tried to accommodate the PRC's One Country, Two Systems approach (with formerly British Hong Kong and formerly Portuguese Macau) until it became clear that Beijing did not want tolerance and accommodation of its interests from these Chinese 'orphans', but aimed instead for outright dominance – a change in Beijing's thinking since the rise of Chinese Premier Xi Jinping (2013).

For much of the interceding years between 1978 and today, the US has directly or indirectly allowed the Chinese state to modernise and grow to a point where it is now considered to be a strategic and commercial threat to the post World War II US-sponsored international rules based order. Much of Trump's America first policy is based on bringing jobs and industries that have been outsourced to the PRC, back to US soil. As the Chinese economy is so heavily reliant on maintaining foreign investment to keep its wealth and power growing – Trump's position has to be considered as a threat to the viability of the Chinese economy as it is now configured. A capital or industrial flight from China would not just cripple the Politburo and

² Ratliff, William E. "Communist China and Latin America, 1949-1972." *Asian Survey*, vol. 12, no. 10, 1972, pp. 846–863. *JSTOR*, www.istor.org/stable/2643063. Accessed 21 Jan. 2020.



¹ Myšička S., *Chinese Support for Communist Insurgencies in Southeast Asia during the Cold War*, International Journal of China Studies, Vol. 6, No. 3, December 2015, pp. 203-230.

those who have profited handsomely by providing a cheap workforce for Western industry – it would destroy them.

What makes this situation worse is that Xi's China is brittle. There is no inherent flexibility in China's elite, which could see it soften its line against enemies foreign or domestic, real or imagined. China today is a country under siege. And, having learnt from the Soviet lesson of Perestroika and Glasnost of the late 1980s, Beijing is not persuaded that being conciliatory or diplomatic will keep their power structure in place, or the PRC upright.

Consequently, a Trump win in 2020 is therefore more likely than a Democratic win, and this will be uncomfortable for the PRC.

The impeachment process has not changed the minds of Trump supporters. The Trump election machine is primed, and its war chest is full. And detractors of Trump may not wish to buy into the wholesale alteration of the American economy, as prescribed by pro-MMT Democratic presidential candidates. The 'Never Trumpers' in the GOP caucus are a minority within the party and even were they to join forces with Democrats, they would not form a majority block necessary to thwart Trump's re-election.

This may seem a bleak assessment, and to some even slightly 'pro-Trump'. Far from it. It is not our intention for this article to gloss over the mismanagement of the Trump White House or its very obvious peculiarities, nor do we seek to glorify or enhance the President's reputation. We were asked, what would a Trump win mean for the PRC. We argue that the current trajectory of the Trump White House is less sympathetic to the Chinese state than first thought. Indeed, if given a second term, we can expect more tensions between Washington and Beijing. We are now experiencing the first 'ceasefire' in the trade war, however, the underpinnings of the contest are far from resolved. Additionally, the recent re-election of pro-independence, progressive president Tsai Ing-wen in Taiwan will stoke tensions between Beijing and Taipei, and the problems surrounding East Turkestan, Tibet and Hong Kong are likely to escalate in 2021, putting Washington on a collision course with the PRC.

It is our estimation that the Chinese Politburo would find dealing with a Democratic president focused on something like a Green New Deal far easier than a second-term Trump administration, which by its mercurial nature is much harder to predict and counter. And while a lot has been said of the hardening of domestic political divisions in the United States due to Trump, a few things are clear. The Hong Kong Human Rights and Democracy Act, the Uyghur Human Rights Policy Act, and anti-China trade policy are broadly supported by both sides of the isle. Even Democrats concede that China's trade practices have hurt the American economy, and they have called on companies to tighten their intellectual property (IP) in the face of Chinese IP theft.

The PRC today is a brittle, mature autocracy – 71 years old. Twenty-nine years into its existence, in 1978, it created a lifeline for itself and experimented with autocratic capitalism – buying the CCP another 42 years. For the PRC to survive another generation, it requires a tolerant or compliant international environment. This would be made all the easier if an 'Obamaesque', socially minded and intellectually flexible president was to take the helm in Washington, where public oratory takes precedence over the substance of policy. If the PRC can expect only rhetorical or no actual push-back to its expansive ambitions, then it has no reason to alter its behaviour.



The Soviet Union lasted 69 years before it collapsed under its impoverished leadership and empty treasury. This collapse came from within the USSR, but there had been constant pressure from without. A second Trump presidency could provide similar external pressure on the PRC, which is likely to be better for the global community and, in the long run, the Chinese people themselves.

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