

THREE REASONS FOR THE NON-STOP US-CHINA TRADE WAR

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Abstract: *The prolonged US-China trade war which had a negative impact on the global trade and threatened the world's economic growth halted temporarily after the US-China bilateral summit in Osaka at the end of June, 2019. The leaders of the two nations reached an agreement to restart their talks after 11 difficult and failed negotiations. Observers, however, have been suspicious about the prospects of the US-China long-term relationship, believing that the confrontation between the two giant economies has been suspended but not ended. The reason for the tense relationship between the two countries has not originated from particular disputes but from overall institutional and ideological problems*

Keywords: *US-China trade relationship, hegemony, economic benefits, institution.*

What are the overall problems and where do they come from? There is a variety of answers, however, in general, the US-China conflict stems from the following three major disputes:

Firstly, there has been a conflict over the status of the world's hegemony. Guilemo Santa Cruz, an expert from Argentina-China Chamber of Commerce said that there had been an emergence of China as a potential country challenging the US's supreme power behind the trade disputes. Only after 40 years of reform, China, a poor and backward economy, has exceeded the major economic powers to occupy the No. 2 position in the world and has been challenging the hegemony of the US. This makes Western officials and scholars, especially Americans, even though warned, surprised, as they have merely focused on exploiting the vast Chinese market for a long time without noticing China's silent, but extremely

drastic and powerful rise. Only in recent years, have the US's concerns about China's catching up and surpassing them to be a superpower been seriously expressed. Americans are counting down to the worst moment, when their hegemony occupied for hundreds of years will be usurped by others. This is the fact that any American, whether Republican or Democratic, cannot accept, so they must find a way to prevent it. As for the Chinese, "Chinese Dream" is an inspiration that fosters their motivation and will.

Secondly, there has been a conflict about benefit sharing. In multilateral relations, the process of globalization has benefited all countries, including the US and China. However, after reviewing, the US supposed that China has had too many benefits, which is unfair. In bilateral relations, the US also sees that the principle of inequality has not been respected when China's openness to the

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US has not been equivalent to the level of US openness to China. As a result, the US has been in constant trade deficit; the US capital has been continuously flowing into China; American jobs have been lost to the Chinese; the US has been in debt and had a deficit in payment. Besides, the US assumes that China has been stealing their intellectual property and the Chinese government has even forced the US companies to transfer technology, considering it as a condition for investment in China. In addition, China's initiatives, such as the establishment of the Asian Infrastructure Bank (AIB), the Belt and Silk Road initiative and its massive investment and credit in many regions of the world make the US feel that wealth is flowing into the China's pockets, and even worse, it is gradually taking the US's place in all the continents. Donald Trump's "Make America First Again" motto does not allow the United States to turn their blind eyes to such a situation.

Thirdly, there have been institutional conflicts. The US argues that China has been using a non-market economy mechanism to run its economy. The implementation of this mechanism will enable China to benefit from the world's market economy. China joined the World Trade Organization, and then took advantage of its state manipulation and engagement with the economy to benefit from international trade relations. The US believes that this needs to be stopped and China cannot continue to get benefits. In fact, in 2018, when signing the Free Trade Agreement with Canada and Mexico, the US took action by adding a provision, stipulating that if they want to negotiate FTAs with any countries of non-market economy, the US will put an end to the

bilateral trade agreement. Currently, the US also wants Japan and EU to accept this provision. In other words, the US is forcing China to accept the market economy institution if they want to have relations with the Western countries. Thus, the commercial disputes have escalated and become a paradox in the development model, behind which are institutional and ideological conflicts. This may result in a return to the cold war between the US and the Soviet Union.

In summary, the US-China trade war is the clearest disclosure of the core conflicts that are rising between the two countries. This conflict cannot end in the short term, but will last for years, even for decades. This conflict will not be solved easily, but will be more and more sophisticated. This state is not only in trade, but also gradually spread to other fields. Its changes will be very diverse and flexible, sometimes tight, sometimes slack, varying from 3-4 to 8-9 levels. Although the possibility of reaching level 10 (war) is very low, it is not excluded when there are other affecting factors. At any level, however, this war has caused serious damage, not only to the two countries, but to the whole world, badly affecting global trade and the international economy. In fact, there is no positive sign that both sides are able to accept each other now. The situation of Osaka may also repeat the scenario of Buenos Aires (Argentina) in December 2018 when the two leaders of the US-China decided to cease the war for a few months and then the tension heated up, leading to the collapse in May 2019.

Researcher Steve Tsang, Director of the China SOAS Institute, University of London, said the US-China economic conflict (actually not just in trade and

technology), has started and on the move. From his perspectives, although “a trade agreement is not impossible, even when an agreement is reached, the basic economic structures of the two great powers stay unchanged and will remain opposite, therefore, deepening the process of conflict.” In other words, the US-China trade war is only witnessing the beginning which is far from the ending. Speaking during a survey in Jiangxi, where the Red

Army’s main expedition began nearly 90 years ago, the Chinese President Xi Jinping said his country was entering “a new military expedition” and emphasized the need to maintain faith, consistency and resilient revolutionary will to overcome all obstacles, encirclements and blockades. Meanwhile, the Americans seem to be getting ready in the position of an initiator and always show their confidence in this war./.

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Tóm tắt: Cuộc chiến thương mại Mỹ - Trung kéo dài, tác động tiêu cực đến hoạt động thương mại toàn cầu và đe dọa tăng trưởng kinh tế thế giới, đã tạm ngưng sau cuộc gặp thượng đỉnh song phương giữa Mỹ và Trung Quốc tại Osaka cuối tháng 6/2019. Lãnh đạo hai nước đã nhất trí khởi động lại các cuộc đối thoại sau 11 vòng đàm phán khó khăn và thất bại. Mặc dù vậy, giới quan sát không mấy lạc quan về triển vọng lâu dài của quan hệ Mỹ - Trung khi cho rằng cuộc đối đầu giữa hai nền kinh tế lớn nhất thế giới chỉ tạm ngưng chứ chưa chấm dứt. Lý do là, quan hệ căng thẳng giữa hai nước không phải bắt nguồn từ những mâu thuẫn cá biệt, nhất thời, mà từ những vấn đề tổng thể mang tính thể chế và ý thức hệ.

Từ khóa: Quan hệ thương mại Mỹ - Trung, bá chủ, lợi ích kinh tế, thể chế.