

<https://internationalviewpoint.org/spip.php?article6763>



Geopolitics

China and the United States: A New Cold War

- IV Online magazine - 2020 - IV547 - August 2020 -

Publication date: Monday 10 August 2020

Copyright © International Viewpoint - online socialist magazine - All rights reserved

The United States and China are locked in a spiraling conflict over everything from the pandemic to trade, investment, high tech, geopolitics, and military hegemony in Asia. "We're essentially in the beginnings of a Cold War," declared Orville Schell, the director of the Center on U.S.-China Relations at the Asia Society. "We are on a downward slide into something increasingly adversarial with China." [1].

Wang Huiyao, president of Beijing's Center for China and Globalization, warned that "the level of trust between China and the United States is at its lowest point since diplomatic ties were first established in 1979." He is worried this means that "the boom years of globalization will be over, and we might see the global system breaking into two parts. That would greatly slow down global growth, and developing countries would have to side with one of the two camps." [2]

This new imperial conflict is precisely what the United States had aimed to prevent after the end of the last Cold War when George Bush Sr. announced the rise of a "New World Order." The United States had attempted to superintend this new order as the unrivaled hegemon, imposing neoliberalism on the states of the world, overseeing corporate globalization, and buttressing the situation with international and economic institutions it largely controlled. Now that project lies in tatters. Washington has suffered relative imperial decline, China has become its rising rival, and global capitalism has entered its deepest crisis since the Great Depression.

These new conditions will deepen the conflict between the two powers, regardless of the results of the upcoming U.S. presidential election. Presumptive Democratic Party nominee Joe Biden has adopted a position just as hawkish against China as the Trump administration. With interimperial rivalry returned for the first time since the end of the Cold War, and with each side whipping up dueling nationalisms, the left will have to stake out a clear position of international solidarity from below against both Washington and Beijing.

The Roots of the Rivalry

While Donald Trump has certainly intensified the conflict, its roots are deeper than the policies of this or that administration on either side. They lie in the neoliberal boom, the strategic failures of U.S. imperialism, the Great Recession, and China's increasing weight as an economic and geopolitical power.

These changes brought an end to the unipolar world that the United States secured after the fall of the Soviet Union and the end of the Cold War. Back then the United States possessed enormous unrivaled power; its dollar was the global currency, its economy was far larger than any other, and its military, with a budget larger than the next ten states combined, was without a rival. Washington developed a grand strategy to lock in its hegemony by incorporating all the world's states into a neoliberal world order of free trade globalization.

It used the International Monetary Fund and the World Bank to pry open the world's economies, established the World Trade Organization to cohere an international free trade system, and deployed the U.S. military often, through the UN and NATO, to police so-called rogue states and "stabilize" societies wrecked by its neoliberal policies. Throughout, it sought to prevent the rise of any peer competitor.

Three developments in the world system undid Washington's unrivaled dominance. First, the boom from the early

1980s to 2008 restructured global capitalism. [3] It produced new centers of capital accumulation, most importantly China, which has transformed itself from a marginal player in the world economy to the workshop of the world. The economic development of it and other states enabled them to become more geopolitically assertive.

Second, the United States suffered what General William Odom called the greatest strategic disaster in its history with its invasion and occupation of Iraq, which bogged it down in endless counterinsurgency warfare. That compromised the U.S. ambition to place the Middle East and its strategic energy reserves under Washington's thumb and thereby position the United States to bully its potential rivals like China, which depend on the region for oil and natural gas.

Third, the Great Recession disproportionately hammered the U.S. economy. The ruling class did manage to drag it back from the brink of collapse with a combination of austerity and stimulus, but they have not been able to trigger a new boom. Indeed, the world economic system, and the United States and EU in particular, were locked in a global slump characterized by sluggish expansions alternating with deep recessions.

China, by contrast, managed to sustain its massive expansion with an enormous stimulus package of its own. Indeed, its boom sustained the economies of numerous countries, from Australia to Brazil, that export raw materials to meet the demand of China's manufacturing industries, construction of whole new cities, and building of modern infrastructure to support this development.

All of this led to the relative decline of U.S. imperialism. It no longer oversees a unipolar world order as it did in the 1990s and early 2000s. Instead, an asymmetric multipolar world order has emerged. The United States remains the dominant state power with the largest economy and military and the greatest geopolitical influence, but it now faces an imperial rival in the form of China as well as Russia, which has outsized geopolitical power because of its military might, and a host of regional powers like Iran, all of which are jockeying for advantage in an increasingly conflict-ridden state system.

The Rise of China

In this new order, Beijing has asserted itself as a global player. President Xi Jinping, who came to power in 2012, abandoned his predecessors' cautious grand strategy of developing the national economy and avoiding conflicts with other states and announced that his regime would instead pursue a "Chinese Dream" of reasserting China's rightful place as a great power.

Since this announcement, Xi has focused on turning China's economic might into geopolitical muscle. He launched the \$1 trillion Belt and Road Initiative infrastructure project in 2013. Beijing is exporting its industrial overcapacity to construct overland and oversea transit routes throughout Eurasia and parts of Africa, establishing itself in the process as the hub of the world economy.

Like other imperialist powers, China has financed all this development by extending loans to countries mostly in the Global South. As Harvard Business Review documents, "The Chinese state and its subsidiaries have lent about \$1.5 trillion in direct loans and trade credits to more than 150 countries around the globe. This has turned China into the world's largest official creditor surpassing traditional, official lenders such as the World Bank, the IMF, or all OECD creditor governments combined." [4]

Xi is also determined to lead his economy's long march up the capitalist value chain through another initiative, called

China 2025. While China officially abandoned the project to avoid the appearance of conflict with the United States, it is still pursuing all of the project's original goals. On May 20, Bloomberg reported that China will invest \$1.4 trillion over the next five years to fund national champions in high tech, especially 5G, to compete with rivals in the United States, Europe, and Japan, who until now have dominated that sphere of the system. All these powers are now locked in competition in high tech not only for profit but also for its increasingly significant military role in cyberwarfare.

Based on its economic power, China has modernized its military and used it to pursue expansionist aims in the Asia-Pacific. Xi has built up the country's navy, deployed ships, established militarized islands in the South and East China seas to control shipping lanes, claimed undersea oil and natural gas reserves, and asserted rights to fisheries. Finally, China has become much more assertive geopolitically in every arena, from climate change negotiations to deliberations in the UN Security Council.

The Contradictions of U.S. Imperialism

China's rise and the relative decline of the United States has thrown Washington's imperial strategy into a quandary. In contrast to the Soviet Union, the United States is now faced with a geopolitical rival with which it is deeply integrated economically. U.S. multinationals use China as an export processing platform, and they covet the enormous Chinese market. On top of that, the U.S. state is deeply in debt to Beijing, which holds vast reserves of treasury bonds. This financial dependency famously drove Hillary Clinton to complain, "How do you deal toughly with your banker?"

Before Xi's turn to imperial assertiveness, the U.S. policy toward China had been a combination of containment and engagement, or what analysts call "conengagement." The United States tried to incorporate China and pressure it to abandon the state-capitalist organization of its economy and adopt free-market capitalism. At the same time, Washington remained vigilant because of Beijing's reluctance to fully follow these dictates.

As a result, the United States shifted back and forth between emphasizing the two poles of the "conengagement" policy. As its last advocate, Obama tilted the United States decisively toward containment with his so-called Pivot to Asia. He aimed to extract the United States from its occupations in the Middle East and reorient U.S. imperialism toward projecting its power in the Asia-Pacific.

Obama hoped to integrate Asia economically into Washington's neoliberal order through the ratification of the Trans-Pacific Partnership Agreement, which excluded China. He also aimed to shift 60 percent of the U.S. Navy to the Asia-Pacific to deter Beijing's military expansion. Finally, he planned to shore up and expand Washington's historic alliances, forged over decades of hegemony in Asia, and establish new ones like Vietnam.

Obama's pivot failed. The United States remained bogged down in the Middle East, the Trans-Pacific Partnership Agreement never came up for a ratification vote, and U.S. alliances frayed as states doubted Washington's commitment to the region and opted for balancing between the two rivals. Thus, U.S. imperial strategy foundered in confusion over what to do about China's new assertiveness.

Trump's 'America First' Nationalism

The Trump administration, however erratically, has attempted to implement a new strategy of "illiberal hegemony" to

solve Washington's imperial puzzle over how to confront China. This has four dimensions. First, Trump aims to strengthen the security state by policing its borders and surveilling oppressed people, especially immigrants and Muslims but also Chinese students in U.S. universities.

Second, he promises to onshore manufacturing and shift U.S. supply chains away from China. Third, he is shifting away from his predecessors' focus on the so-called War on Terror to "Great Power Rivalry," specifically against China. He has reoriented defense plans for a new buildup with that confrontation in mind. Fourth, he wants to put "America First" and establish a transactional relationship with both U.S. allies and adversaries.

Applied to China, this new imperial strategy moved the United States toward a New Cold War with Beijing. In economics, Trump has tried to batter down China through a trade war. He wants to stop forced technology transfer between U.S. and Chinese companies, compel the privatization of Beijing's state-capitalist industry, open the country's markets even more to U.S. multinationals, and stop China's state support for national champions in high tech like Huawei.

But up until recently Trump's policy like that of his predecessors has been shot through with a contradiction. He has vacillated between, on the one hand, threats to decouple the two economies, forcing supply chains out of China, and on the other hand, calls for China to open up to U.S. investments and sales. Nevertheless, his administration's predilection is clearly for decoupling.

In geopolitics, Trump has tried to pressure U.S. allies to ban Huawei from their 5G infrastructure as a national security threat. And he is trying to shore up U.S. alliances state by state to prevent China from using its economic might to draw Eurasia under its influence. To enforce all of this, the United States is building up its defense forces to prepare for war with China, increasing its naval patrols in the Asia-Pacific, and selling more weapons to its allies including Taiwan.

Trump's Pandemic Blame Game

The pandemic and global recession have dramatically intensified the rivalry between the two powers. Both countries face economic disaster; China's economy, which had slowed to 6.1 percent growth last year, will contract by 7 percent this year, and the U.S. economy, which had been crawling along at 2.3 percent growth, will shrink by 6 percent in 2020. Amidst the crisis, each state has whipped up nationalism to solidify domestic support for even sharper conflict over geopolitics, economics, and military supremacy.

The Trump administration, which bungled the U.S. response to the pandemic at the cost of tens of thousands of avoidable deaths, has tried to deflect blame for the carnage onto China. Trump and others repeatedly called COVID-19 the "Chinese virus" or "Wuhan virus" and peddled conspiracy theories that it was leaked from a research lab in Wuhan. His administration has even allowed U.S. states to override China's sovereign immunity and sue it for compensation. Missouri has already blazed the trail, bringing a lawsuit against Beijing in April.

The Republican Party is lock-step behind Trump in China-bashing. Its leaders drafted a 57-page memo with talking points blaming China for the pandemic. Politico reports that they stress "three main lines of assault: That China caused the virus 'by covering it up,' that Democrats are 'soft on China,' and that Republicans will 'push for sanctions on China for its role in spreading this pandemic.'" [\[5\]](#)

Steven Bannon, the dark prince of the alt-right and Trump's former chief strategist, predicted that in the upcoming

presidential election, "Trump's campaign will be about China, China, China," and, in a fit of wishful thinking, "hopefully the fact that he rebooted the economy." [6] Thus, Trump and the extreme nationalist, right-wing, anti-China forces have tried to play the disaster for their own advantage and press for their New Cold War.

The Democratic Party has enthusiastically joined the Republicans' China-bashing. The Democratic National Committee developed a strategy document of their own, targeting Trump for absurd flattery of China. The party's presumptive nominee for president, Joe Biden, has actually tried to outflank the Republicans on the right. He released an ad that, instead of criticizing the crumbling health care infrastructure in the United States, focused its attack on China, claiming that "Trump rolled over for the Chinese." [7]

Such China-bashing is not restricted to establishment Democrats. Three self-described progressives argue in a February Foreign Affairs article provocatively entitled "The Left Should Play the China Card" that "stable, managed competition with Beijing is both necessary to secure U.S. national interests and likely to be beneficial for progressives. The left should seize the opportunity afforded by foreign rivalry to advance a progressive domestic agenda embracing an ambitious program of investment, innovation, social inclusion, and national renewal."

Bernie Sanders of course has not stooped to such lows. But truth be told, while he has advocated radical domestic reforms, he has not paired those with similarly radical positions on international conflicts, especially in relation to China. Sanders has adopted a protectionist position against Beijing, blaming it for U.S. job losses, and also supported the formation of a "progressive international" against it and other authoritarian states. Thus, both capitalist parties have adopted extreme nationalistic positions against China.

Washington Flirts with Decoupling

Trump has channeled all of this into escalating the conflict to a fever pitch, going so far as to threaten to cut off relations with China and decouple the two economies. As the infamous "Dr. Doom" of bourgeois economists, Nouriel Roubini, put it in a May interview in New York Magazine, "We have a full-scale trade war, technology war, financial war, monetary war, technology, information, data, investment, pretty much anything across the board. ... So, decoupling is happening. We're going to have splinternet. It's only a matter of how fast."

Trump is considering nixing the "phase one" trade deal he struck to lower tariffs on China because of its failure to follow through on its promise to buy U.S. farm exports. He has used national security to try to force U.S. high-tech firms to sever their relationships with Chinese companies. For example, he issued a new rule that bars high-tech companies that use U.S. technology, like Taiwan's TSMC, from selling their semiconductors to Huawei. Huawei hoped to put a stop to this, declaring that the rule puts its very existence in jeopardy and with it much of the 5G infrastructure in the world.

But Trump and his GOP hawks will push it through. Nebraska Senator Ben Sasse celebrated Trump's edict, railing, "The United States needs to strangle Huawei. Modern wars are fought with semiconductors, and we were letting Huawei use our American designs. This is pretty simple: Chip companies that depend on American technology can't jump into bed with the Chinese Communist party. This rule is long overdue." [8] As part of this campaign, the United States has expanded its blacklist to include 24 more companies and universities and another nine institutions, which it accuses of complicity with human rights violations in Xinjiang.

Trump has also opened a new front in the economic conflict by barring various international financial transactions. He forced the Federal Retirement Thrift Investment Board, which manages \$600 billion in government workers' retirement funds, to stop buying stocks in Chinese companies. On May 20, the New York Times worried that this

move "could roil financial markets in the United States and China, as well as cross border investment."

Finally, Trump has intensified pressure on U.S. corporations to divert their supply chains out of China. His U.S. Trade Representative, Robert Lighthizer, penned an op-ed in the New York Times that called for the decoupling of the two economies. He railed against corporations offshoring their production, denounced free trade agreements for eroding U.S. sovereignty and hemorrhaging American jobs, announced that reflexive offshoring is over, and declared the path to prosperity is the same for companies as it is for workers: bringing jobs back to America.

Whether corporations will follow his dictates is another matter. U.S. multinationals remain deeply integrated with China both for production and sales. Most Apple products are manufactured in China, and the country remains one of the largest markets for U.S. corporations like Ford. Nevertheless, the combination of the global recession and Trump's nationalism is driving a wedge deeper between the two economies.

These pressures are having an impact. On May 11, the Financial Times reported, "Chinese direct investment in the United States dropped to the lowest level since 2009 last year down from \$2.7 billion a quarter in 2018 and \$8 billion a quarter in the boom years of 2016 and 2017 amid souring bilateral ties." And "Chinese venture capitalist investment into the United States also fell off a cliff, slumping from \$4.7 billion in 2018 to \$2.6 billion last year." But in a sign of the persisting integration of the two economies, the paper found that "U.S. investments into China showed considerable resilience" and that "a majority of U.S. companies operating in China did not plan to move production and supply chains out of the country."

Still the trajectory is clear enough to lead the vanguard magazine of neoliberalism, the Economist, to predict a contraction of international trade, disintegration of global supply chains, a rise in protectionism, and restrictions on international capital flows. They concluded their article on May 14 saying, "Wave goodbye to the greatest era of globalization and worry about what is going to take its place."

Warmongering and Sinophobia

Even more ominously, the United States has ratcheted up military tension with China. The Trump administration and U.S. allies most importantly Australia deployed a flotilla of naval ships to challenge China in the South China Sea over competing claims for control of islands, fisheries, shipping lanes, and underwater drilling rights for oil and natural gas.

Trump has pressed ahead with retooling the U.S. military for great-power confrontation, specifically with China. He withdrew the United States from the Intermediate-range Nuclear Forces treaty with Russia so that he could build more nuclear weapons to close the so-called missile gap with China in land-based cruise and ballistic missiles. He is also ramping up plans to make high-tech weapons to win a possible war with China. [\[9\]](#)

As part of its Indo-Pacific strategy, the Trump administration intends to deploy these weapons throughout the region. One of the most threatening moves it has made against China is its increased weapon sales to Taiwan, which Beijing considers a rogue province. Last year the United States sold a \$2.2 billion package of F-16 fighter jets, M1A2t Abrams tanks, and portable Stinger anti-aircraft missiles to Taipei. And it just announced plans to sell Taiwan 18 submarine-launched torpedoes for \$180 million and promised further sales of coastal missile defense systems, spy drones, and technology to aid intelligence, surveillance, and reconnaissance. [\[10\]](#).

The United States will also bully states to stop them from drifting into the Chinese sphere of influence. And it will not

hesitate to orchestrate military coups to replace hostile regimes with pliant ones in order to bring states back into its orbit. In fact, an op-ed in Bloomberg News in May predicted that the "China rivalry may put the United States back in the coup business." Of course, it actually never the left it, so it would only be ramping up.

To justify this militarism, the U.S. ruling class has whipped up nationalist and xenophobic hostility to China. They have racialized the pandemic, portraying not just the Chinese government but the Chinese people as enemies. As a result, they have opened a new phase of anti-Chinese racism, including racism against Chinese- and Asian-Americans.

This nationalist campaign is having a dramatic impact on popular consciousness. The Pew Center reported on April 21 that 91 percent of Americans believe that the world is better off with the United States as its leading power, 71 percent have no confidence in Xi, 66 percent hold an unfavorable view of China, and 62 percent see it as a major threat to the United States. This Sinophobia has triggered a tidal wave of hate crimes against Asians, with over 1,500 incidents and climbing since March. [\[11\]](#)

Trump even institutionalized this bigotry in his pandemic policy. He imposed an early travel ban on China, but not on Europe, with disastrous results. It was Europe, not China, that was source of the outbreak in New York City, which quickly spread through the northeast and the rest of the country

China Parries and Postures as an Alternative

China has parried Trump's attacks, postured as a defender of the existing global order, and at the same time prepared for even great rivalry with the United States. Its first step has been to try to flip the script on its own disastrous mishandling of the pandemic.

China initially suppressed information about the outbreak, disciplined doctor Li Wenliang, who later died from COVID-19, for posting about it on social media, and thereby enabled the outbreak to spread from Wuhan internationally. After the crisis was clear for all to see, the state locked down the city, imposed domestic travel bans, and mobilized its state resources to address the health emergency, building hospitals, conducting testing, and isolating those who contracted the disease. [\[12\]](#)

Faced with the Trump administration's unrelenting attacks and slander, hardliners in the regime rolled out their own set of conspiracy theories, blaming the United States for releasing the virus. For example, Foreign Ministry spokesman Zhao Lijian tweeted that the U.S. Army might have brought it to Wuhan. [\[13\]](#) Like Trump, Zhao and the "wolf warrior" diplomats hoped to deflect blame for the catastrophe on to their rival.

After the regime successfully controlled the initial outbreak, it went on the offensive to restore damage done to its reputation. It unleashed a domestic propaganda campaign celebrating its successes in order to reconsolidate its popular base of support in the country. It has whipped up Chinese nationalism just like Trump has whipped up U.S. nationalism.

China also has tried to rehabilitate its international reputation by mobilizing its enormous economic power to help address the pandemic. It sent ventilators to Italy and personal protective equipment to Iran and Serbia, while Jack Ma, the billionaire founder of Alibaba, delivered tests and masks to the United States and has promised to do the same for all of Africa's 54 countries.

Taking advantage of Trump's failure to coordinate an international response, China has used its pandemic efforts to project itself as an alternative leader in the world system. Thus, while Trump pulled funding and potentially U.S. membership from the World Health Organization, China increased funding for it. As Jude Blanchette, a China expert at the Center for Strategic and International Studies, notes, "We are seeing version 2.0 of the assertiveness Beijing exhibited following the 2008 global financial crisis. It is a result of the conviction of their rising power versus a West in decline." [\[14\]](#)

But rather than pose a frontal challenge to the United States, China has positioned itself as the one demanding collaboration even as they compete. Beijing rightly judges that it cannot supplant the United States now. So, the same Foreign Ministry Spokesman, Zhao Lijian, who spread the bizarre conspiracy theory against the United States stated, "Stable development of China-U.S. relations serves the fundamental interests of both countries. The two sides should strengthen anti-epidemic cooperation, win the war against the epidemic, treat patients, and resume economic production. But this requires the United States to meet China halfway." [\[15\]](#)

Matching Washington's Militarism

At the same time, though, China recognizes such cooperation may no longer be in the cards, and it is gearing up for a much more assertive geopolitical, economic, and military stance. As one commentator notes, "There is a major reassessment of the U.S.-China interdependence underway. ... Even if Xi might like to temporarily de-escalate the trade and technology conflicts to reduce pressure on the Chinese economy, there is now powerful momentum behind what we might call a 'security first' future." [\[16\]](#)

Beijing is pushing to develop its own internal market to insulate it from U.S. economic pressures. The South China Post documents that "exports as a percentage of China's gross domestic product (GDP) fell to 17.4 percent in 2019 compared to 36.04 percent in 2006. Imports fell from 23.37 percent of GDP at their highest point in 2011 to 14.45 percent last year. Trade in goods accounted for 64.4 percent of the Chinese economy in 2006, World Bank data show, compared to 32 percent last year." [\[17\]](#)

Confident in this internal economic potential, China has matched Washington's geopolitical bullying in kind. "The mindset now is more to coerce counterparts to respect China's interests as cooperative security is seen as less and less effective," said Zhao Tong, a senior fellow at the Carnegie-Tsinghua Center for Global Policy in Beijing. [\[18\]](#) Already China has disciplined lesser powers for crossing it. For example, it banned import of red meat from four Australian abattoirs to punish Canberra for calling for an inquiry into the origins of COVID-19.

Beijing has stood up to Washington's military posturing. It has no intention of backing down to the United States and conceding its claims to its projected sphere of influence in the Asia-Pacific. In April, it deployed its own naval vessels in the South China Sea and similarly deployed a flotilla led by its aircraft carrier, the Liaoning, in waters close to Taiwan, provoking Taipei to scramble its warships.

China is preparing to respond to Trump's plans to deploy new missiles in the region. Reuters reported May 6 that Senior Colonel Wu Qian had warned last October that Beijing would "not stand by" if Washington deployed land-based, long-range missiles in the Asia-Pacific and that China promised to increase military spending by 6.6 percent this year to fund the new arms race.

Repressing Dissent and Bashing Immigrants

China has taken advantage of the pandemic to crack down on dissent in Hong Kong as well as Xinjiang and Tibet. It pushed the Hong Kong government to arrest leading figures of the pro-democracy movement, including former lawmakers. [19] Xi also planned to enact a new national security law for Hong Kong that will treat all political dissent as "treason, secession, sedition, and subversion" against the Chinese government. Even more ominously, this law opens the door for Beijing to deploy its national security forces to arrest and jail all sorts of activists under the cover of defending the Chinese state against "foreign-backed terrorists." [20]

Similarly, Xi will brook no dissent in Tibet as well as Xinjiang, where the regime has built a massive surveillance apparatus and interned more than one million Uighur Muslims in concentration camps. With the regime looking to develop its internal economy and market in the country's western provinces, it will double down on its repression of this oppressed nation and national minority.

This crackdown will produce resistance in these areas, perhaps most importantly in Hong Kong, which was rocked last year by a democracy movement that regularly put millions of people into the streets on mass marches. Already, thousands have hit the streets in opposition to Beijing's new national security law, and more will join them in the coming months. Hong Kong along with Taiwan will likely become the biggest flashpoints in the rivalry between Washington and Beijing.

Despite the resistance in Hong Kong, Xi's nationalist campaign has stabilized his domestic support. In fact, Cornell professor Jessica Chen Weiss told the Financial Times in May that his handling of the pandemic and geopolitical conflict has "strengthened Xi's grasp on power, despite the shockwave that the outbreak initially sent through the system."

But this nationalism has a dark side xenophobia. Just like the United States, China has repressed immigrants, tightened border restrictions, and implied foreigners are responsible for re-introducing the virus. This scapegoating has triggered widespread discrimination and hate crimes against immigrants, especially those from African countries.

Death Rattle of the Neoliberal World Order

We have thus entered a New Cold War between the United States and China. The pandemic, global recession, and the unravelling of Washington's neoliberal world order will stoke this rivalry over the next decade. Pre-existing trends are accelerating: U.S. decline, increased Chinese assertiveness, growing interstate conflict, and tilts toward protectionism against globalization.

In a stark article in Foreign Affairs, former Australian Prime Minister Kevin Rudd predicts there will be "slow but steady drift toward international anarchy across everything from international security to trade and pandemic management. With nobody directing traffic, various forms of rampant nationalism are taking the place of order and cooperation. The chaotic nature of national and global responses to the pandemic thus stands as a warning of what could come on an even broader scale."

Amidst this crisis, Rudd argues, "Strategic rivalry will now define the entire spectrum of the U.S.-Chinese relationship military, economic, financial, technological, ideological and increasingly shape Beijing and Washington's relationships with third countries." While this trajectory is clear, there remain counter-tendencies that will mitigate any open confrontation between the two powers.

First, China remains weaker and unprepared for now to supplant the United States from its dominant position. While

it is rising as an economic superpower, it remains dependent on the United States for high-tech research and design and its currency cannot supplant the dollar as the global reserve. Its military, while regionally strong, cannot match the United States in global scope. And geopolitically, it has been deeply discredited by the pandemic and it is increasingly resented by countries deeply in debt to it. [21] Therefore, it is likely to shrink back from direct confrontation, continuing to build its power to compete while it calls for cooperation.

Second, both countries' capitalist classes remain deeply integrated, again further dampening open conflict. Any decoupling of the two economies remains in the earliest phases. Apple, one of the most significant U.S. corporations, has only just begun to consider diverting some of its production in mainland China to other countries like Vietnam.

Finally, since both powers possess and are building bigger nuclear arsenals, any military conflict would end in mutual destruction. Thus, in similar and different ways to the last Cold War, conflict will be pushed into battles over other countries through proxies and allies and into "geo-economics," with each trying to carve out clearer spheres of influence. But, the crisis and its tendency to intensify nationalism, spur protectionism on the grounds of national security, and reorient supply chains into spheres of influence are driving the United States and China toward classic interimperial conflict.

Neither Washington nor Beijing, but International Socialism

The China-U.S. rivalry will become a pivotal and unavoidable issue for the left. In both states, the ruling classes and especially their right-wing hardliners will turn to nationalism to deflect blame for the deep crisis in the system on to their rivals and will rally their working classes behind their respective imperial projects. The left must chart an alternative path of working-class solidarity against both the United States and China.

In the United States, the left's first and foremost obligation is, to paraphrase the German revolutionary Karl Liebknecht, to oppose the main enemy, our own imperialist state. It remains the biggest enemy of peace, equality, and democracy throughout the world. If anyone doubts this statement, look at the catastrophes the United States wrought in Vietnam in the 1960s and Iraq in the 2000s.

But in opposing the U.S. state, we should not support the Chinese state. This is an understandable temptation given the Trump administration's transparently cynical exploitation of the pandemic to attack China. Yet we must resist adopting the disastrous logic of "my enemy's enemy is my friend."

The Chinese ruling class and its state, while a lesser power compared to the United States, is no less capitalist and imperialist. It exploits its working class and peasantry, oppresses nations and national minorities like the Tibetans and Uighurs, and projects its power against the United States and throughout the developing world. Instead of supporting this oppressive state, we should align ourselves with workers and oppressed people in China who have organized, protested, and gone on strike for their rights and improvements in their wages and working conditions.

That is the only way to build international solidarity between workers and oppressed groups in each state. In the United States, we must win workers away from the siren song of economic nationalism, sung by both the right-wing nationalists and the liberal and social democratic protectionists, that will only bind us to our bosses and their state by painting Chinese workers as the main threat to jobs and wages.

We must also work with Asian-American groups who have mobilized to oppose Trump's China-bashing and racism.

China and the United States: A New Cold War

The Chinese-American community has been directly impacted by the rhetoric and actions of the U.S. state and is increasingly moving to push back against the U.S.-China rivalry. In a global economy, we have no choice but to organize from below across borders against both imperialist states, that is, the politics of genuine anti-imperialism and international socialism.

[New Politics](#)

PS:

If you like this article or have found it useful, please consider donating towards the work of *International Viewpoint*. Simply follow this link: [Donate](#) then enter an amount of your choice. One-off donations are very welcome. But regular donations by standing order are also vital to our continuing functioning. See the last paragraph of [this article](#) for our bank account details and take out a standing order. Thanks.

[1] [Ishaan Tharoor, "Is a US-China Cold War Already Underway." Washington Post, May 5, 2020.](#)

[2] [James Kynge, Katrina Manson, and James Politi, "US and China: Edging Towards a New Type of Cold War," Financial Times, May 8, 2020.](#)

[3] [Ashley Smith, "Capitalism's Global Slump." Socialist Worker, Mar. 7, 2011.](#)

[4] [Sebastien Horn, Carmen M. Reinhart, and Christoph Trebesch, "How Much Money Does the World Owe China," Harvard Business Review, Feb. 26, 2020.](#)

[5] [Alex Isenstadt, "GOP Memo Urges Anti-China Assault over Coronavirus," Politico, Apr. 24, 2020.](#)

[6] [Edward Luce, "Inside Trump's Coronavirus Meltdown," Financial Times, May 14, 2020.](#)

[7] [Asma Khalid, "Biden and Trump Battle Over Who Is 'Weak on China,'" NPR, Apr. 22, 2020.](#)

[8] [James Politi and Kiran Stacey, "US Escalates China Tensions with Tighter Huawei Controls," Financial Times, May 15, 2020.](#)

[9] [David Laque, "Special Report: US Rearms to Nullify China's Missile Supremacy," Reuters, May 6, 2020.](#)

[10] [Nahal Toosi and Lara Seligman, "Trump Seizes a New Cudgel to Bash China: Taiwan," Politico, May 21, 2020.](#)

[11] [Mara Hvistendahl, "As Trump and Biden Trade Anti-China Ads, Hate Crimes Against Asian Americans Spike," Intercept, May 11, 2020.](#)

[12] [For a thorough analysis of China's mishandling of the outbreak and the reasons for it, see Au Loong Yu, "When Boot Licking Overrides Fighting Pandemic," International Viewpoint, May 12, 2020.](#)

[13] [Shayan Sardarizadeh and Olga Robinson, "Coronavirus: US and China Trade Conspiracy Theories," BBC, Apr. 26, 2020.](#)

[14] [Kathrin Hille, "'Wolf Warrior' Diplomats Reveal China's Ambitions," Financial Times, May 11, 2020.](#)

[15] [Demetri Sevastopolo, "Trump Threatens to Cut Off Relations with China," Financial Times, May 15, 2020.](#)

[16] [Chris Buckley and Steven Lee Myers, "From 'Respect' to 'Sick and Twisted': How Coronavirus Hit US-China Ties," New York Times, May 15, 2020.](#)

[17] [Finabarr Bermingham, "Coronavirus Backlash Adds to Trade War and Decoupling Pressure to Fray China's Ties to Global System." South China Post, May 23, 2020.](#)

[18] Hille.

[19] [Elain Yu and Austin Ramzy, "Amid Pandemic, Hong Kong Arrests Major Pro-Democracy Figures," New York Times, Apr. 18, 2020.-> <https://www.nytimes.com/2020/04/18/world/asia/hong-kong-arrests.html>].

[20] Vincent Wong, "Beijing's New National Security Law and the Future of Hong Kong," *Lausan*, May 22, 2020.

[21] [Maria Abi-Habib and Keith Bradsher, "Poor Countries Borrowed Billions from China. They Can't Pay it Back," New York Times, May 19, 2020.](#)