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**The Second Cold War: An Analysis of US-China Relations**

**ABSTRACT*:*** *The US and China are on the brink of a Second Cold War. With China’s economic and global political power growing by the day, decades long American unipolarity is under threat. In this essay, I will show that, while there are strategies the US could pursue to contain China, they are not as beneficial as an allyship with the nation would be.*

On November 9, 1989, the Berlin Wall fell. This marked the end of the decades long Cold War between the United States and the Soviet Union and the beginning of American unilateral dominance. For the ensuing decades, the US maintained a stranglehold over the rest of the world, with no worthy competitor appearing. It wasn’t until the Obama administration’s “Pivot to Asia” that the threat of China on American hegemony was really taken seriously. Now, the question is presented: can the US hope to contain China? While there are strategies that could be implemented to achieve this containment, the economic and global stability risks associated with them are not worth it.

Richard Nixon’s visit to China marked an unprecedented turning point in US-China relations. It created the beginning of a partnership between two of the world’s largest nations–one that reaped benefits for both sides. The US viewed China as a location for use cheap labor and lesser regulations to bolster US companies and increase US technology. On the other hand, China viewed the US as a nation that it could use to increase its global power–which is exactly what it did, using its role as a manufacturing haven to bolster its economy and become one of the worlds largest markets. This marked the beginning of a strong interdependence between the two nations, with China becoming “America’s biggest supplier of imported goods and its top source of international students, while the United States is now China’s number one export destination and its most important foreign financial partner” (Bateman). This relationship was without issue for a long time, but now, the US sees China’s power as growing too much to the point of threat.

The official American shift as it relates to China came during the Obama administration’s “pivot to Asia”. The administration increased military and economic relations with Vietnam, South Korea, and Japan, among others, looking to prevent Chinese unilateral power on the continent. This came as China was prepping to overtake the US as the world’s largest economy which happened in in 2014, when “the International Monetary Fund announced that, when measured in terms of purchasing power parity, China had passed the United States…Measured by market exchange rate, China’s GDP is now nearly 70 percent of the United States’” (Layne). This key shift represented the beginning of what would soon become an all out economic war between the two nations, and the beginning of a Second Cold War.

Donald Trump ran for President on the basis of ultranationalism that found itself often pointing in China’s direction. With the loss of the American middle class and manufacturing jobs, many of which fleeing to China, Trump tugged at the anger of Americans who felt left behind and wanted an enemy. He made China that enemy, and, when elected, put in place massive economic restrictions against China. The most important of these was probably the strict tariffs put in place by the administration in its early days. China retaliated with tariffs of their own targeting US farmers and manufacturing workers. Additionally “Export controls targeting China were greatly intensified, most notably via the Department of Commerce’s Entity List that restricts foreign companies from importing U.S. products. The number of unique Chinese firms on this list quadrupled from 2018-2022” (Layne). These policies led to “the Chinese foreign ministry proclaim[ing] that the United States had started ‘the largest trade war’ in history” (Cafruny).

Under the Biden administration, it has been more of the same. The anti-China rhetoric and policies that were prevalent under Trump continued in an increasingly bipartisan manner. While Biden moved away from some of the more xenophobic and strawman arguments made under Trump, like the talk of banning TikTok just for Chinese association, he replaced it with stronger policy. His administration has continued fighting the economic war, filling in “some important gaps — requiring proof, for example, that imports from Xinjiang weren’t made with forced labor” (Bateman).

At the heart of the Chinese-American economic war sits semiconductors. Semiconductors are the main ingredient in a ton of revolutionary technology including electric cars and will be the most important resource in the world over the coming decades. Currently, neither of the two nations are overwhelmingly producing their own semiconductors. China sits ahead of the US who have responded by creating massive sanctions on China to try to avoid the expansions of Chinese semiconductor manufacturing. The US has begun trying to involve Japan and South Korea in the semiconductor supply chain, as well as the all important Taiwan.

So, who is winning this second Cold War at this point? China is certainly not in their best state, with “China…experiencing a host of serious problems including massive surplus capacity, mounting debt now at 260% of (officially declared) GdP and problems in the “belt and Road” project designed in part to export surplus capacity…China’s growth rate has steadily declined” (Cafruny). Still, while China is not thriving, the US-Chinese interdependence is still high. “Interdependence is everywhere you look, from semiconductors (the U.S. chip industry gets one third of its revenue from China) to manufacturing (China is a critical hub for companies like Apple and Tesla) to science (Chinese and American scientists author more joint papers than any other country pair)” (Bateman).

To this point, no one is winning the economic war. However, that doesn’t mean one of the two won’t eventually move ahead. Which presents the question: is any of this worth it? Is American hegemony really worth destroying the relationship between the US and possibly their strongest economic partner? More importantly, is it worth potentially putting lives on the line to further America’s stance in the world?

In Layne’s “Coming Storms”, he draws intense parallels between the current US-China situation and that between Germany and Britain during the 1910s. Both situations saw fast growing nations come to a head with the current unilateral world power. Then, it resulted in the partial destruction of the European continent. Now, it would likely see violence fought over Taiwan. Taiwan, the source of 90% of semiconductor manufacturing, represents a tense argument between the two nations. While in the past the US has respected the “One China” policy and refused to recognize Taiwan as a sovereign nation, more recently the US has pulled back on these methods. US leaders like Nancy Pelosi have visited the nation, and Taiwanese leaders have visited America. China has responded with shows of force like bomb tests. It seems as though the US is trying to bait the Chinese into a war, and more than likely, Taiwan will be the place of fighting. The Taiwanese don’t believe the semiconductor question can be decided via violence however, with the chairman of Taiwan Semiconductor Manufacturing Company saying, “Nobody can control TSMC by force. If you take a military force or invasion, you will render TSMC factory non-operable, because this is such a sophisticated manufacturing facility [that] it depends on the real-time connection with the outside world — with Europe, with Japan, with the US.”

The US and China currently find themselves embroiled in what many consider to be the second Cold War. While we managed to survive the first one without global catastrophe, there were several close calls. In the movie "13 Days," a character states that "If the sun comes up tomorrow, it is only because of men of good will. That is all there is between us and the devil." This illustrates just how close we were to annihilation and how much we relied on the kindness of others to prevent it. Unfortunately, it seems we are on a path that could lead us back to that brink. Hypothetically, the US has the power to engage in both physical and economic warfare to contain China, but it would come at an immeasurable cost. The better path forward is one of bilateral support between the two most powerful nations in the world. It's possible for the US and China to exist in competitive harmony without resorting to violence or death. While this will require individuals of good will to come together, it is the most viable option for a peaceful and prosperous future.

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