

Has the New US-China Cold War Started?



**Kiyotaka Akasaka, President, Foreign Press Center
at Nagoya University, December 14, 2019**

1, Making of the International Order by the West

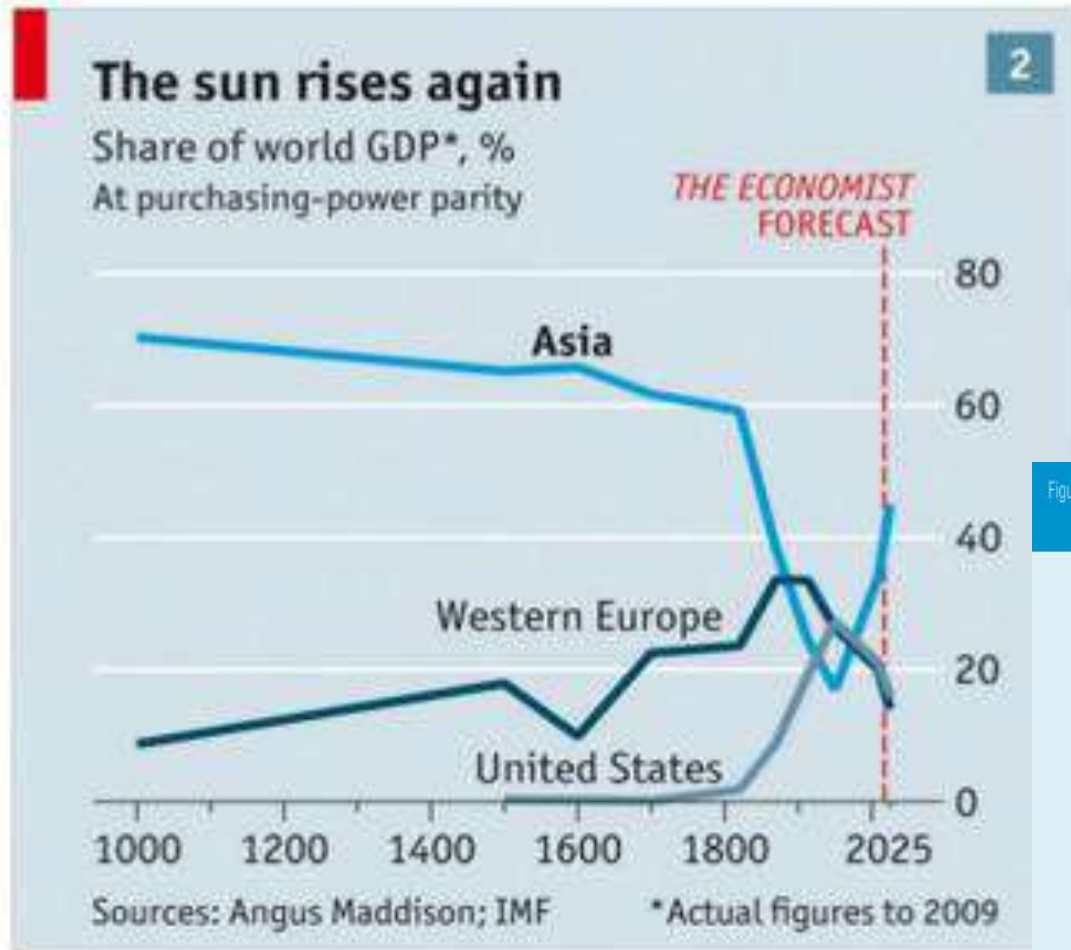
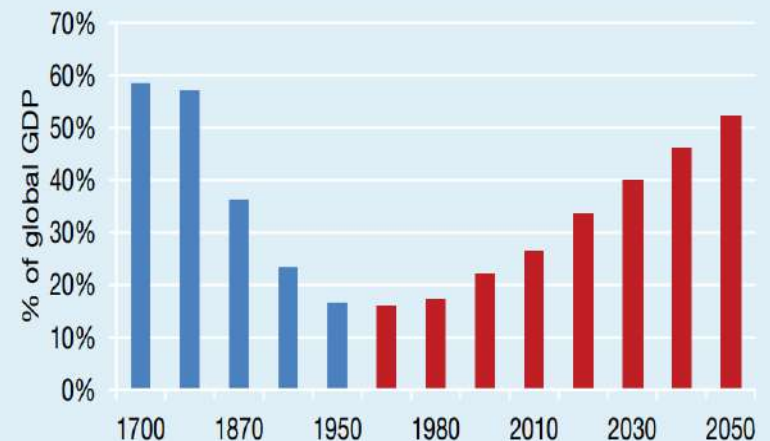


Figure 1 Asia's share of global GDP, 1700–2050



Source: Maddison (1700–1950) (2007); Centennial Group International estimates (1951–2050) (2011). Data for 1750–1790 are PPP and data for 1991–2050 are in market prices.



British Century (19th Century~1914)

**Industrial revolution, parliamentary system, free-trading system,
Elite education, English language, Shakespeare, various sports
and fair-play**

David Cameron:

UK may be a small island but it has the biggest heart
2013

Sep.6,

“Britain may be a small island, but I would challenge anyone to find a country with a prouder history, a bigger heart or greater resilience.

"Britain is an island that has helped to clear the European continent of fascism and was resolute in doing that throughout the second world war. Britain is an island that helped to abolish slavery, that has invented most of the things worth inventing, including every sport currently played around the world, that still today is responsible for art, literature and music that delights the entire world.”

The American Century (1919—)



The Atlantic Charter of August 1941 defined the Allied goals for the post-war world: no territorial changes, self-determination; reduction of trade restrictions; global cooperation to secure better economic and social conditions for all; freedom from fear and want; freedom of the seas; and abandonment of the use of force, as well as disarmament of aggressor nations.

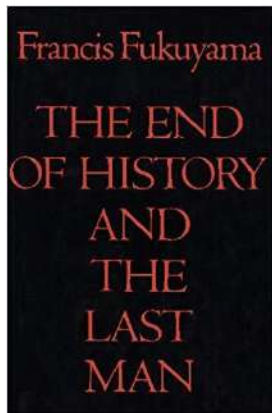
Freedom and level-playing field; democracy; rule of law; fundamental human rights; free trade; the UN and the Bretton Woods System; OECD; NATO; motorization; space exploration; internet; jazz and musicals; fast foods, etc.

The shadow empire of the Soviet Union (1946-1991)



The Cold War (1946-1991) between the US and USSR

- ◆ **Clash of ideologies (capitalism vs communism)**
- ◆ **Military rivalry**
- ◆ **Military alliances (NATO vs WARSAW Pact)**
- ◆ **Military crises (Berlin, Cuba, Vietnam, Czechoslovakia)**
- ◆ **Diplomatic conflicts**
- ◆ **Differing economic policies (OECD vs Soviet bloc)**



“I argued that a remarkable consensus concerning the legitimacy of liberal democracy as a system of government had emerged throughout the world over the past few years, as it conquered rival ideologies like hereditary monarchy, fascism, and most recently communism. More than that, however, I argued that liberal democracy may constitute the “end point of mankind’s ideological evolution” and the “final form of human government,” and as such constituted the “end of history.” (Francis Fukuyama, 1992)

The Liberal International Order Created by the United States

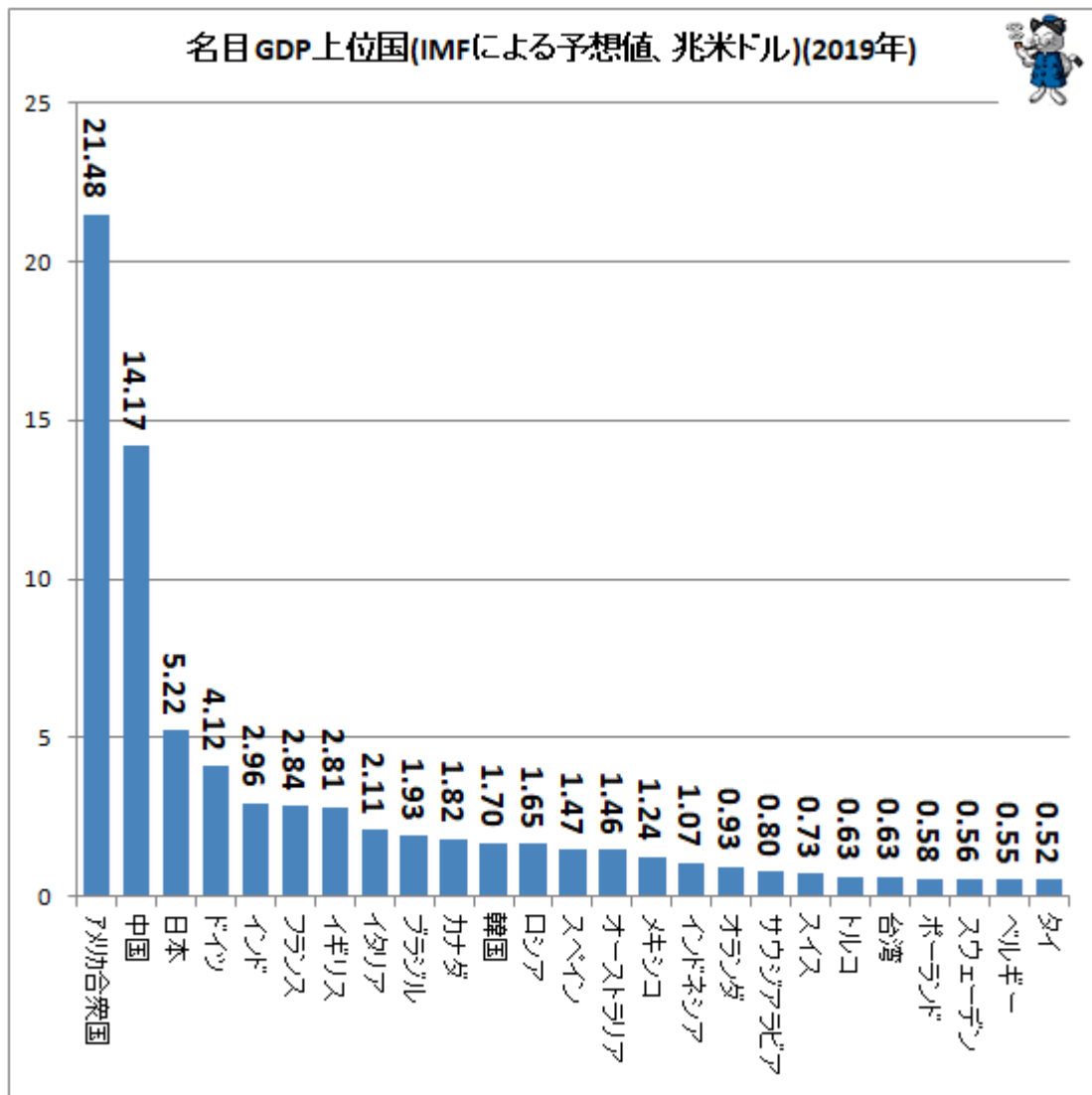
(1) Institutions

- ◆ **UN, Bretton Woods, WTO, other international organizations**
- ◆ **International treaties, declarations and agreements**
- ◆ **Market economy**

(2) Universal values

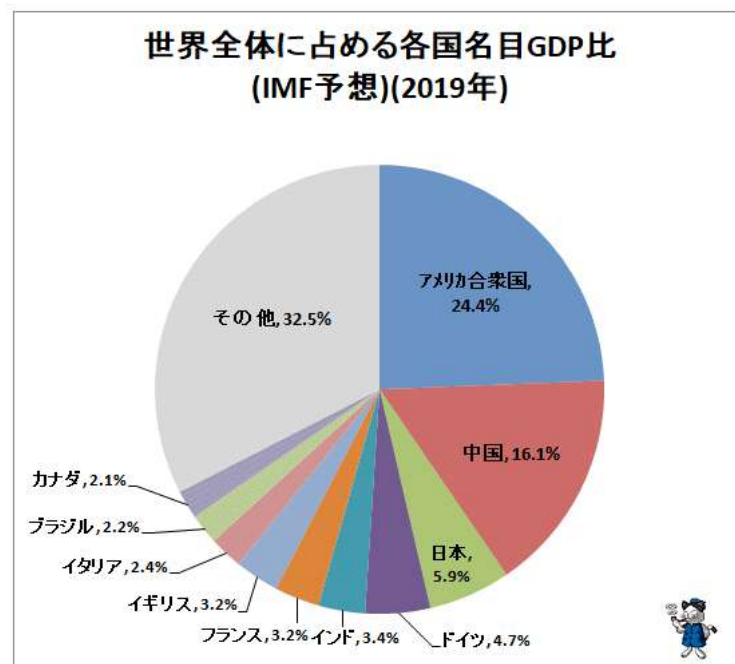
- ◆ **The Universal Declaration of Human Rights**
- ◆ **Democracy and liberalism**
- ◆ **The rule of law**

The Size of the US Economy (2019)



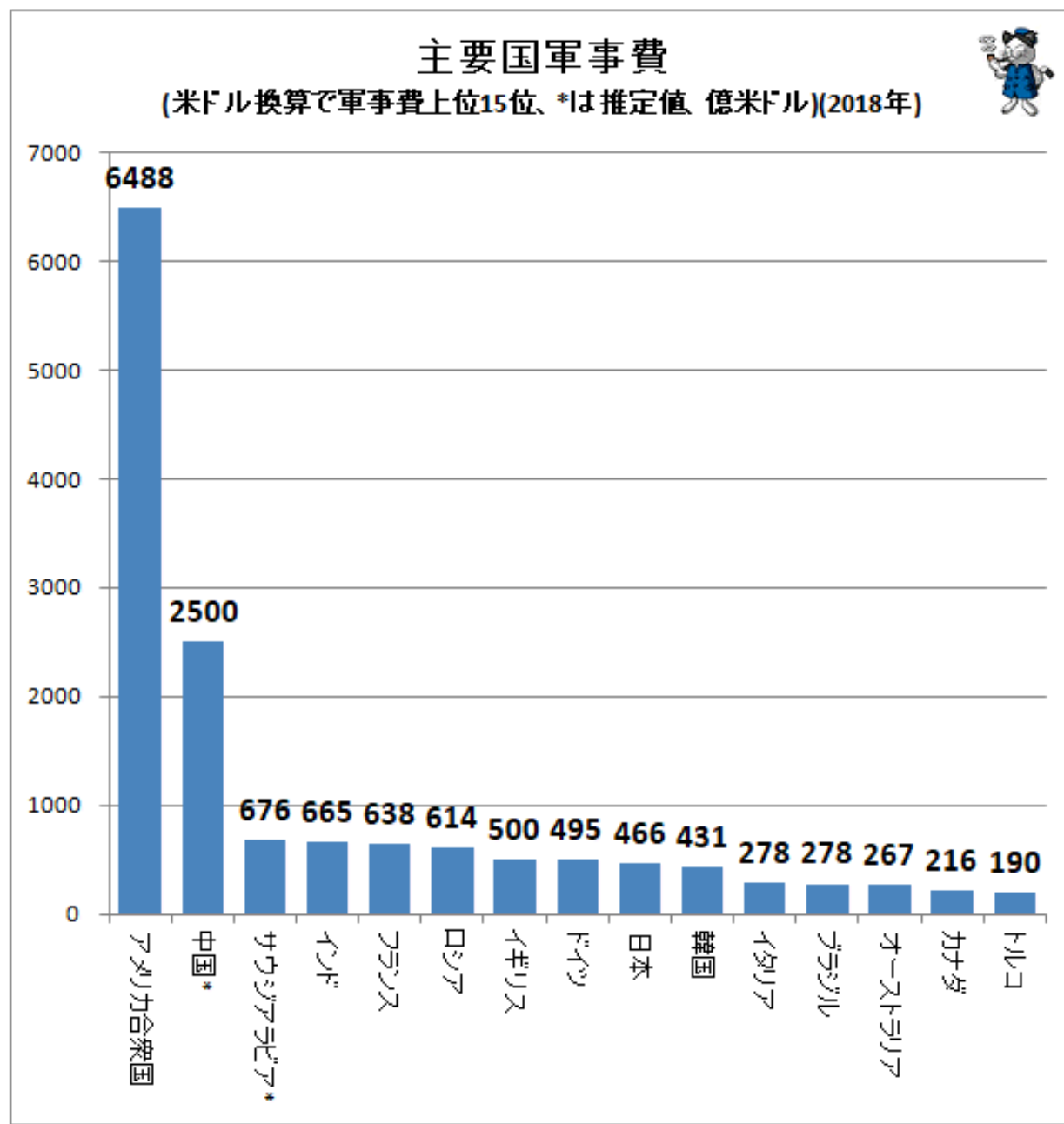
↑ 名目 GDP 上位国 (IMFによる予想値、兆米ドル)(2019年)

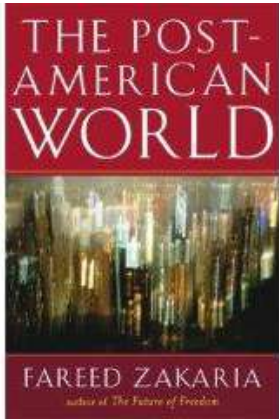
出典・参照: IMF



↑ 世界全体に占める各国名目 GDP 比 (IMF 予想)(2019年)

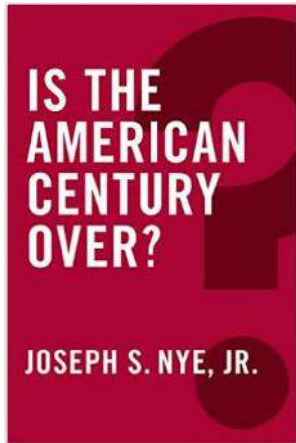
Military Expenditure (2018)





The Post-American World, by Fareed Zakaria

- A 'post-American' world order is emerging.
- The US is still the most powerful nation but its relative power is diminished.
- Other countries, such as China and India, are becoming global players in many fields.



Is the American Century Over?

- The American century is far from over.
- America's superpower status may well be tempered by its own domestic problems and China's economic boom, but its military, economic and soft power capabilities will continue to outstrip those of its closest rivals for decades to come.

Trump's America First and Assault on Multilateral Agenda

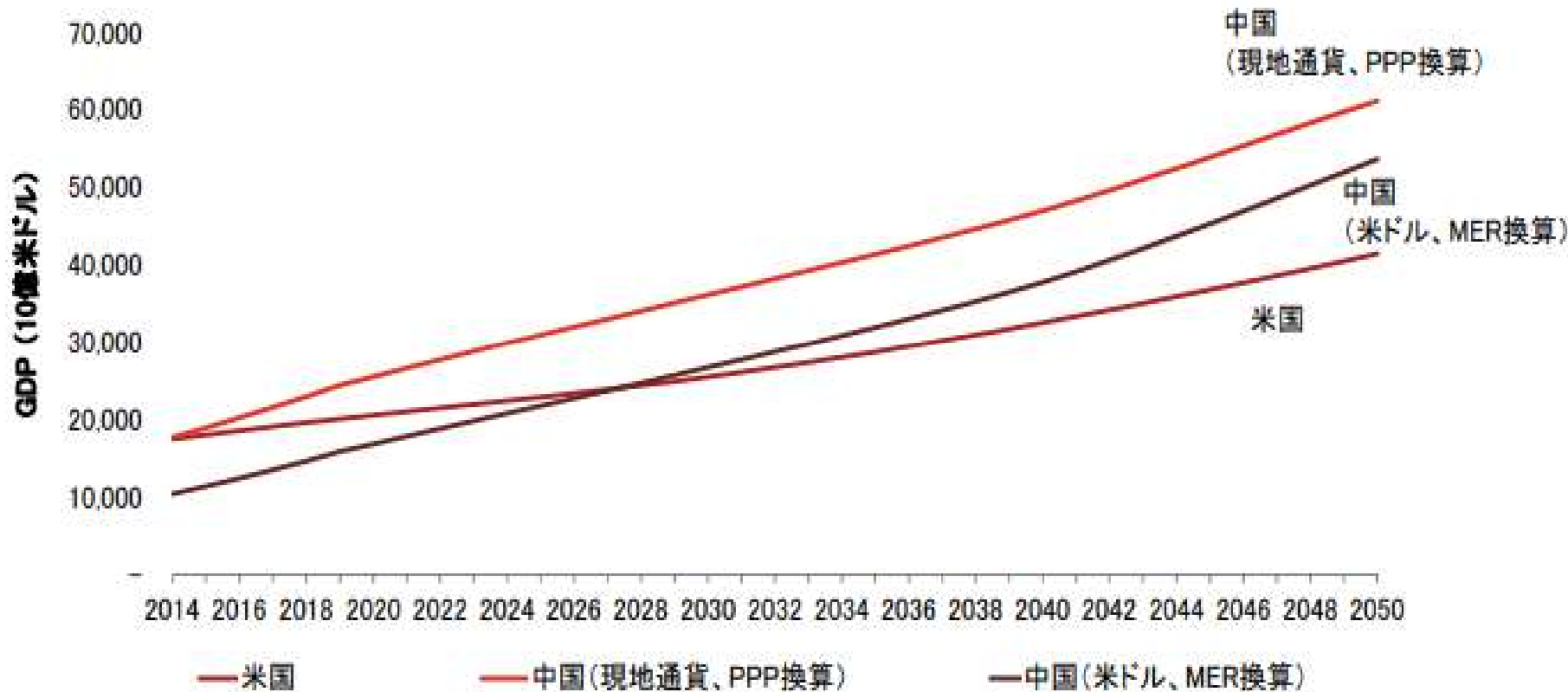
- **TPP**
- **Paris Accord on Climate Change**
- **UNESCO**
- **Jerusalem**
- **UNRWA**
- **Iran nuclear deal**
- **WTO (appointment of members of the Appellate Body)**
- **UN Human Rights Council**
- **International Criminal Court (ICC)**
- **International Court of Justice (ICJ)**
- **Climate change report**
- **Golan Heights**
- **Arms Trade Treaty**



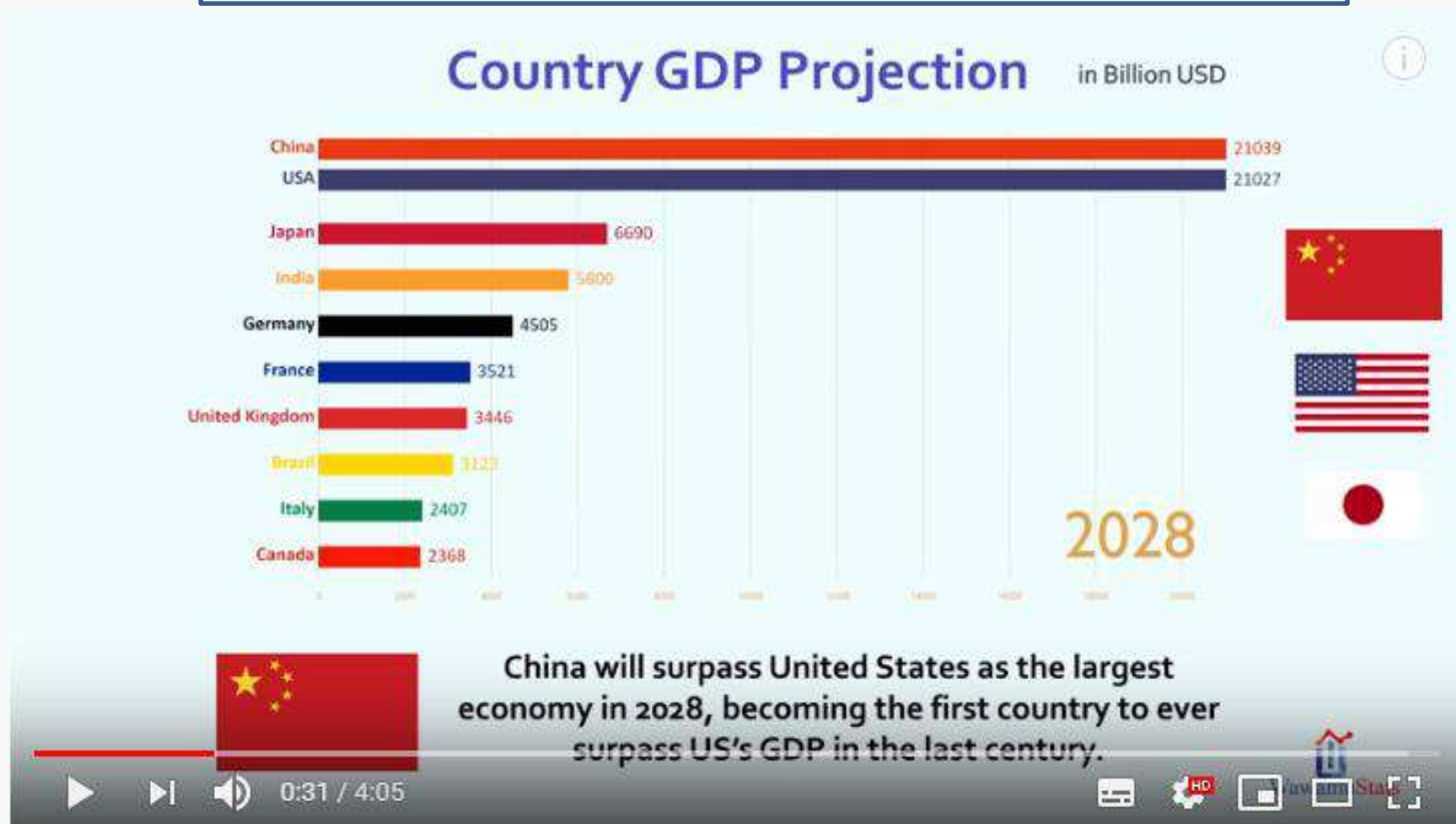
“We reject the ideology of globalism, and we embrace the doctrine of patriotism” (Trump at the UN GA, Sep. 2018) “The future does not belong to globalists. The future belongs to patriots” (Sep. 2019)

2, The Rise of China

GDP Growth of China and the U.S.



Country GDP Projection 2018-2100



Crude Steel Production, 2018, (Total 1.81 billion tons)

<2018年>

順位	国名	単位：千トン
1	 中国	928,264
2	 インド	106,463
3	 日本	104,328
4	 米国	86,698
5	 韓国	72,463
6	 ロシア	71,680
7	 ドイツ	42,440

Automobile Production, 2018 (Total 95.6 million)

<2018年>

順位	国名	単位：台
1	 <u>中国</u>	27,809,196
2	 <u>米国</u>	11,314,705
3	 <u>日本</u>	9,728,528
4	 <u>インド</u>	5,174,645
5	 <u>ドイツ</u>	5,120,409
6	 <u>メキシコ</u>	4,100,525
7	 <u>韓国</u>	4,028,834



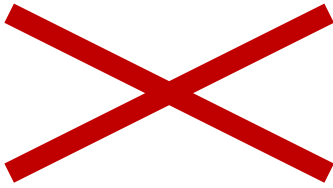
As of the end of 2018, Huawei sold 200 million smartphones. They reported that strong consumer demand for premium range smart phones helped the company reach consumer sales in excess of \$52 billion in 2018.

Huawei announced worldwide revenues of \$105.1 billion for 2018, with a net profit of \$8.7 billion. Huawei's Q1 2019 revenues were up 39% year-over-year, at US\$26.76 billion.

Where Is China Heading?

A view of convergence:

As China integrates into the existing international order through trade and investment, it will inevitably, out of sheer self-interest, accept that order and take part in maintaining it.



A view of divergence:

China, Iran, Russia, Turkey and others will continue to pursue their own national interests and will not respect the existing international order as they believe that it is the product of the West for its own interests.

China and Universal Values

The debate over universal values, 2010



China Takes Aim at Western Ideas, NY Times, Aug.19, 2013

Seven subversive currents to be eradicated were enumerated in a memo, referred to as Document No. 9, that bears the unmistakable imprimatur of Xi Jinping, including:

- Western constitutional democracy
- “Universal values” of human rights
- Western-inspired notions of media independence and civic participation

Chinese censorship is spreading beyond its borders; Western companies and universities have strong incentives not to offend Beijing, by Gideon Rachman – FT, October 15, 2019

19:46 4 Dec

US House votes for China sanctions over Uighurs



China reacts angrily to a bill that accuses it of "mass internment of a million Muslims".

International Order Challenged by China



ASIAN DEVELOPMENT BANK



丝路基金
Silk Road Fund



One Belt, One Road' initiative



"The Asian strategic order is dying" (6 August 2019, FT, by Gideon Rachman)

“ ...a regional security order is coming apart. America’s military pre-eminence and diplomatic predictability can no longer be taken for granted. And China is no longer willing to accept a secondary role in east Asia’s security system.

“ China’s challenge to American power has raised the question of how long the US’s strategic dominance in Asia will last. ...But doubts about American leadership are not matched by any desire to embrace a China-dominated region. On the contrary, from Tokyo to Taipei and from Canberra to Hanoi, there is growing anxiety about Beijing’s behavior.”

Chia's sharp power



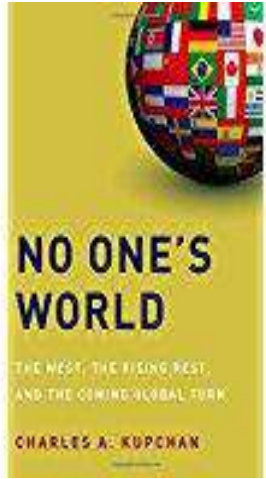
December 14, 2017

Sharp power is the use of manipulative diplomatic policies by one country to influence and undermine the political system of a target country.

The term "**sharp power**" was coined in November 2017 by the National Endowment for Democracy to describe aggressive and subversive policies employed by authoritarian governments as a projection of state power in democratic countries, policies that cannot be described as either hard power or soft power.

The NED article specifically names the Russian state-funded RT News Network and the Chinese state-sponsored Confucius Institute educational partnerships as examples of sharp power.

3, The Emerging Leaderless World

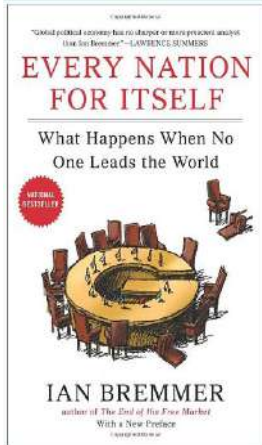


Elites in the West have operated on the ideological conviction that liberal democracy is the only legitimate form of government and that other forms of government are not only illegitimate but transitory.

The West is losing not only its material primacy as new powers rise, but also its ideological dominance.

The emerging landscape is one in which power is diffusing and politics diversifying, not one in which all countries are converging toward the Western way.

It is doubtful that any country, region, or model will dominate their next world. **The twenty-first century will not be America's, China's, Asia's, or anyone else's; it will belong to no one.**



(Charles A. Kupchan, No One's Land – the West, the rising rest, and the coming global turn, 2012)

Is the U.S. Abandoning Its Global Leadership Role?

- ◆ **As a policeman of the world**
- ◆ **As a promoter of democracy and the rule of law**
- ◆ **As a protector of human rights**
- ◆ **As the leader of free trade**
- ◆ **As the harbinger of global response to emerging issues**

Is the Liberal International Order Over?

2017/04-28



Niall Ferguson versus Fareed Zakaria: Is the Liberal International Order Over?



2018年5月28日発行



The Rise of China and the Future of Liberal World Order

Chatham House • 視聴回数 2.5万 回 • 4 年前

Professor John Ikenberry examines the challenges to global order that are posed by the rise of China and current shifts in global ...



The End of the International Liberal Order?

Stanford CDDRL • 視聴回数 6,555 回 • 1 年前

Fair Winds Foundation Speaker Series, Taipei, April 2017 Production:
<https://www.youtube.com/user/udntv/> See the original video ...



The rise and fall of the liberal international order

CISAus • 3.1万 回視聴 • 3 か月前

The so-called rules-based international order is under serious threat. But it is a mistake to blame Donald Trump. In fact, that order ...



YES2019. Summary Debate: The Liberal International Order is Over?

PinchukFoundation • 1万 回視聴 • 1 か月前

“The rise and fall of American leadership” by Martin Wolf, the Financial Times, May 31, 2017

“ The western alliance is still the world’s biggest economic bloc and largest repository of scientific and business knowledge. But it is disintegrating. As Angela Merkel admitted, Europe can no longer rely on the US.

“ The west may not be dead. But as a set of countries with shared interests and values, it is moribund. This looks like the end of the US-led world order.

“Disgraceful exit from Paris Pact” NY Times, June 3-4, 2017

Mr. Trump’s policies — the latest of which was his decision to withdraw from the 2015 Paris agreement on climate change — have dismayed America’s allies, defied the wishes of much of the American business community he pretends to help, threatened America’s competitiveness as well as job growth in crucial industries and squandered what was left of America’s claim to leadership on an issue of global importance..

Risks Shared by Asian Countries to End the Asian Century



Asia's Risk Map. Artwork by Olivier Ballou.

出所: "The End of the Asian Century" by Michael R. Auslin

4, A New Kind of Cold War



It is a new kind of cold war that could leave no winners at all. Super power relations have soured. China is caught between the dream of regaining its rightful place in Asia and the fear that tired, jealous America will block its rise because it cannot accept its own decline.

The potential for catastrophe looms. Both sides need to feel more secure, but also to learn to live together in a low-trust world.

The temptation is to shut China out, not just Huawei but almost all Chinese technology. But at huge cost. The economies of America's allies in Asia and Europe depend on trade with China. It would be just as unwise for America to sit back.

US-China: A new kind of cold war – how to manage the growing rivalry between America and a rising China, The Economist, May 18-24, 2019

US-China Relations

- **China sees America as deeply opposed to China's rise, and driven to do whatever it takes to prevent China usurping American regional and global power.**
- **The U.S. rejects it is undermining or containing China. Instead, it sees China as seeking to push the U.S. out of Asia.**
- **Chinese political, economic and foreign policy influence in Asia will continue to grow significantly, while China will also become a more active participant in the reform of the global rules-based order.**

(“The Future of U.S.-China Relations Under Xi Jinping Toward a New Framework of Constructive Realism for a Common Purpose”、Kevin Rudd)

Remarks by Vice President Pence on the Administration's Policy Toward China, October 4, 2018

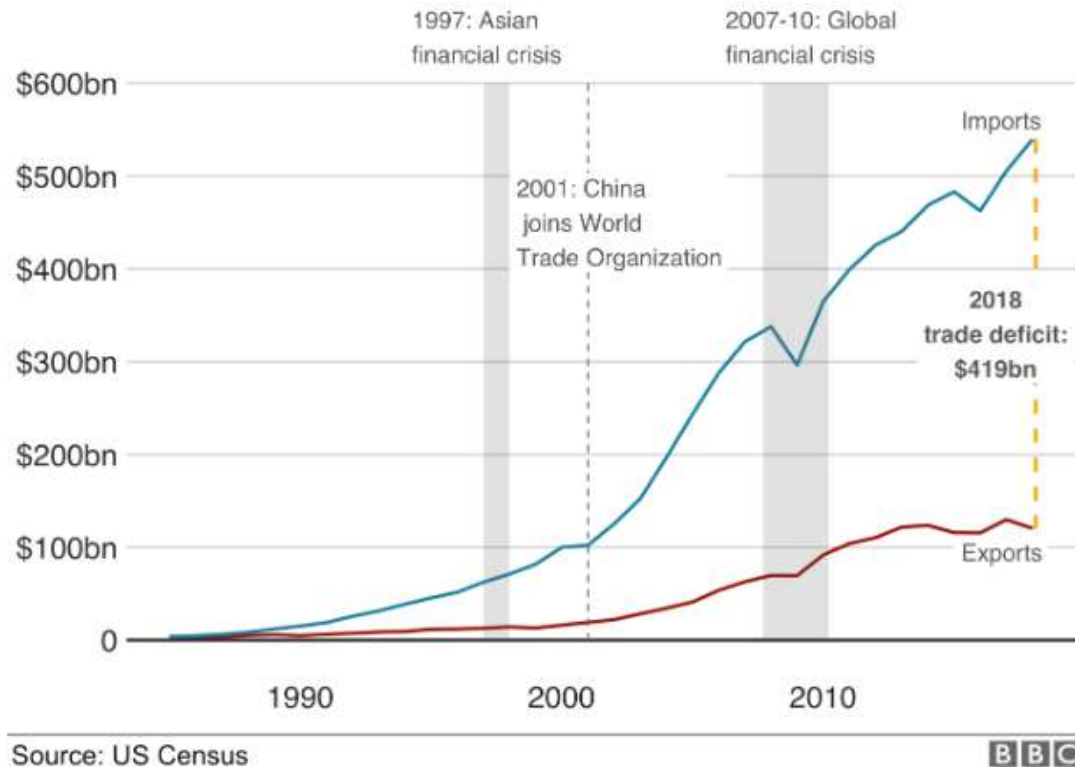
“After the fall of the Soviet Union, we assumed that a free China was inevitable. Heady with optimism at the turn of the 21st Century, America agreed to give Beijing open access to our economy, and we brought China into the World Trade Organization.

Previous administrations made this choice in the hope that freedom in China would expand in all of its forms—the entire family of human rights. But that hope has gone unfulfilled.

Today, China has built an unparalleled surveillance state, and it's growing more expansive and intrusive – often with the help of U.S. technology. ”

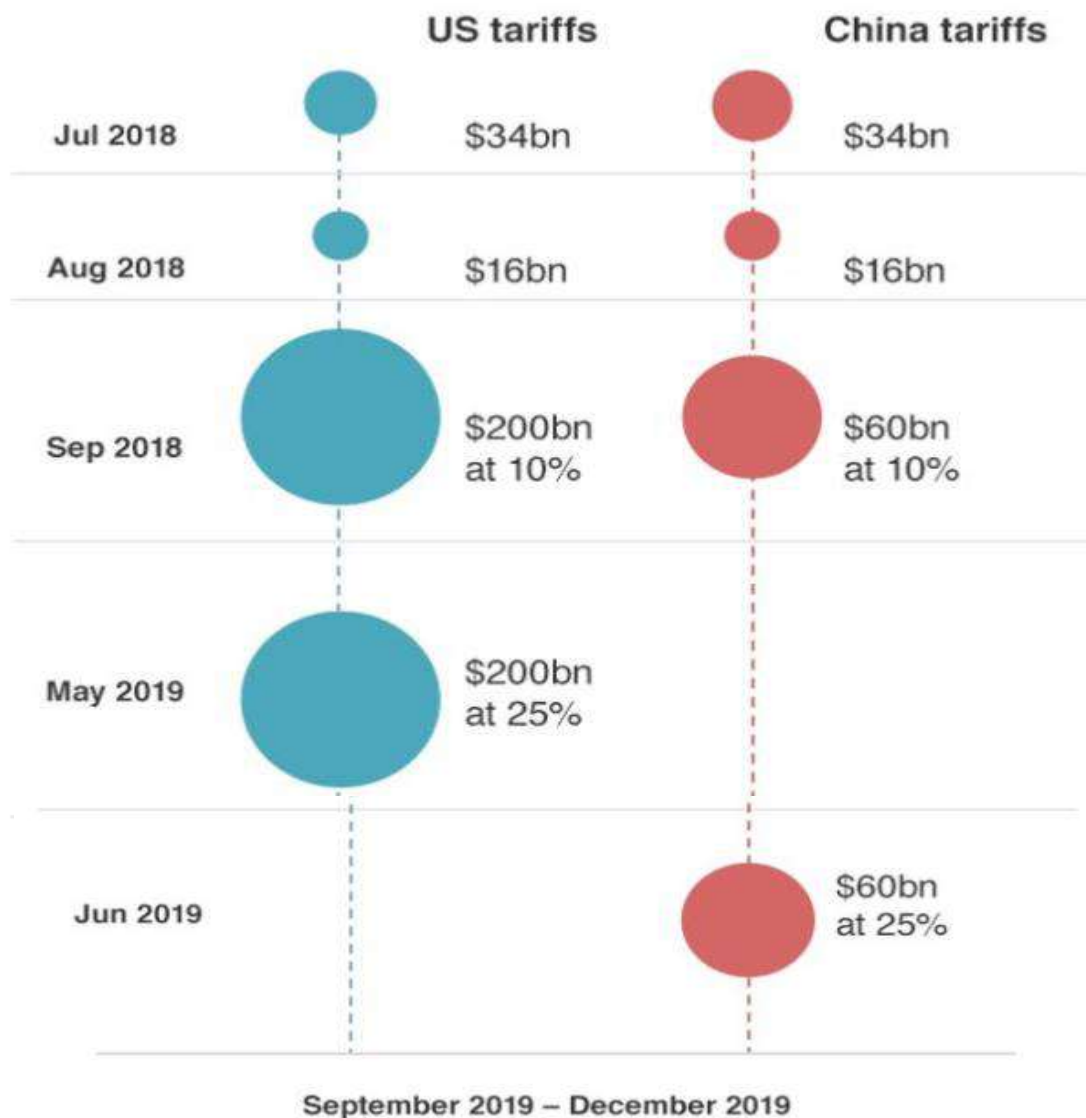
US trade with China

US trade deficit with China has soared since 1985



米国にとって、中国は最大の貿易相手国(第2位はカナダ、第3位はメキシコ、第4位は日本)である。また、中国にとっても、米国は最大の貿易相手国(第2位は日本、第3位は韓国)である。米中貿易総額は、米国の貿易総額の16.3%を、中国の貿易総額の14.3%を占める。米国の貿易総額に占める対中貿易総額の割合は年々高まっている。

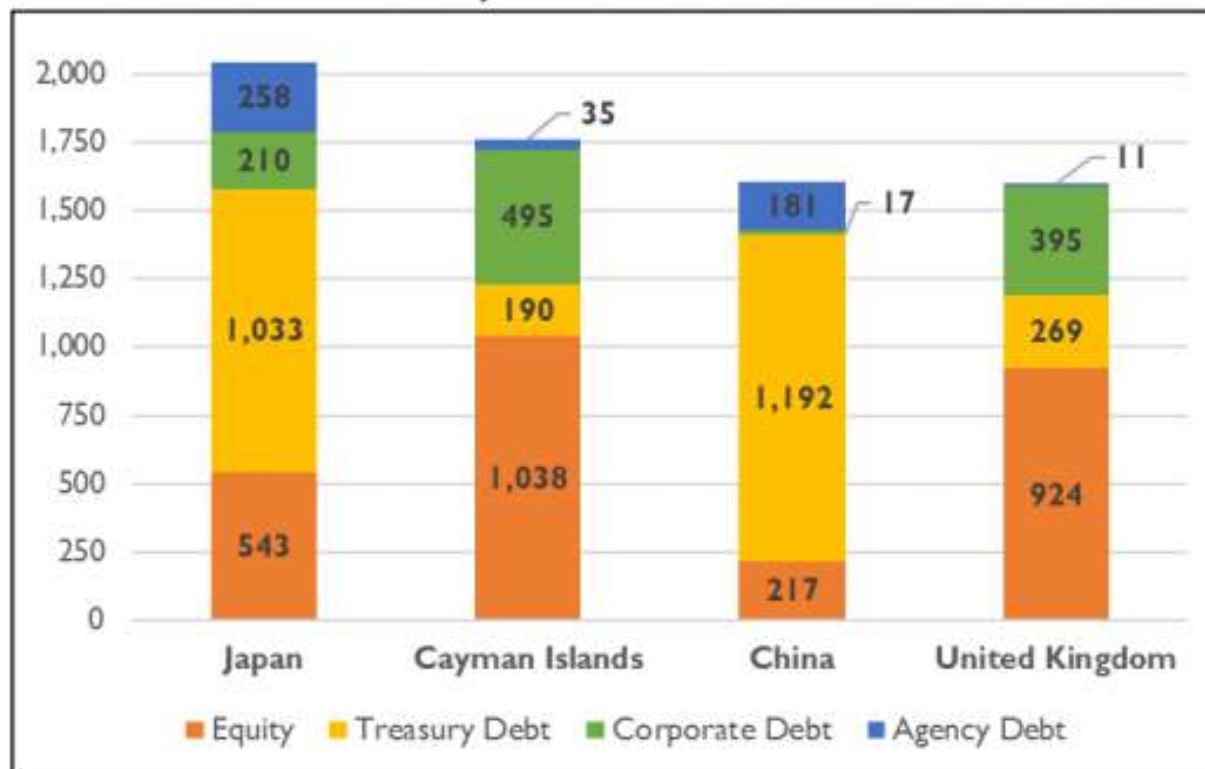
How the US-China trade war has escalated



The US and China have threatened to impose new tariffs and increase existing ones.

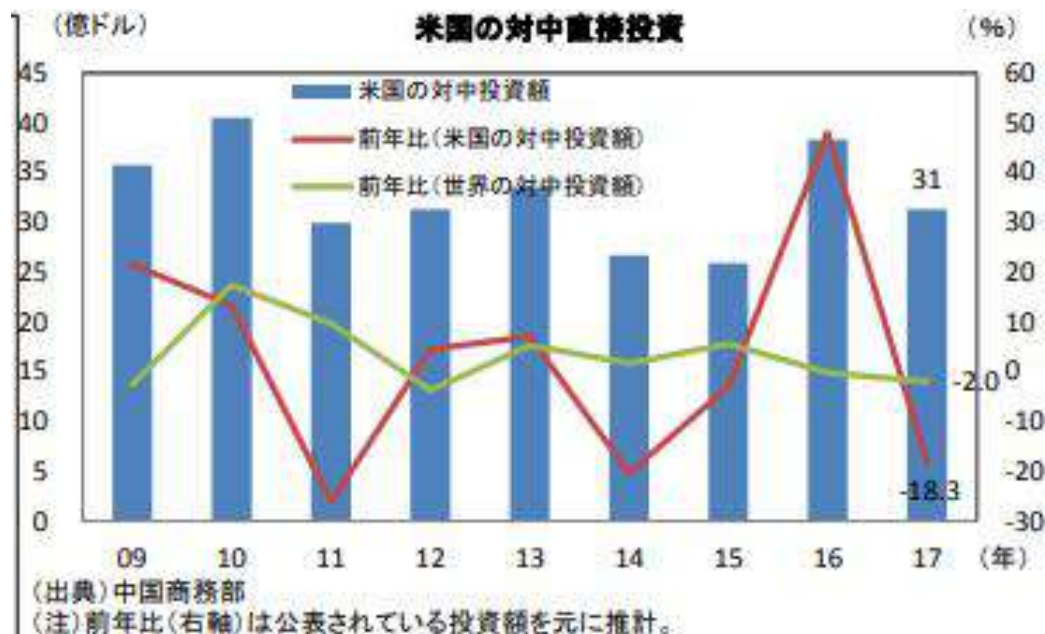
Foreign Holdings of U.S. Securities in 2018

(in billions of U.S. dollars)



Source: CRS with data from the U.S. Department of the Treasury.

2017年の米国債の海外引受分に占める中国の割合は中国 が第1位 (18.9%)。日本は第2位で16.9% (米国財務省)。



○2017年の米国の対中直接投資額は31.3億ドルで、中国にとって 第4位の投資国(第1位はシンガポール, 第2位は韓国, 第3位は日本)。世界の対中直接投資の2.4%を占める。



○2016年の中国の対米直接投資額は103.4億ドル(世界の対米直接投資の2.3%を占める)で、米国にとって第10位の投資国であるが、その額は増加傾向にある。

Huawei says latest US ban based on 'innuendo'

BBC

🕒 22 November 2019



🔗 Share



US telecommunications regulators have declared Huawei and ZTE national security threats in the latest action by the US government against the Chinese tech giants. The Federal Communications Commission (FCC) has also proposed forcing US customers to replace equipment previously purchased from the firms. Huawei called the decision "profoundly mistaken".

Hong Kong protests: Trump signs Human Rights and Democracy Act into law

BBC

Nov. 27, 2019

🕒 44 minutes ago



🔗 Share

Hong Kong anti-government protests



US President Donald Trump has signed into law a bill that supports pro-democracy protesters in Hong Kong. The Human Rights and Democracy Act mandates an annual review, to check if Hong Kong has enough autonomy to justify its special status with the US.

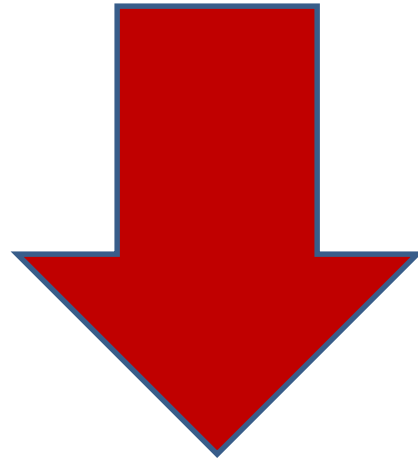
China's foreign ministry said it would take "firm counter measures" - accusing the US of "sinister intentions". It said the US decision was a serious interference and "doomed to fail".

Confrontation between US and China

Trade war (2018 -)

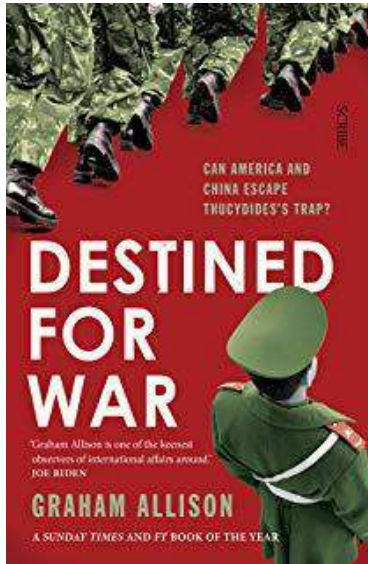
Technology war (2018 -)

Financial war (2019 -)



Decoupling of the two powers

Military war ?



US-China war is much more likely than anyone thinks.

When Athens went to war with Sparta some 2,500 years ago, the Greek historian Thucydides identified one simple cause: a rising power threatened to displace a ruling one.



「米中戦争前夜——新旧大国を衝突させる歴史の法則と回避のシナリオ」(グラハム・アリソン)

「トウキュディデスの罠」にはまって、米中は戦争の危機にある。

Antonio Guterres, UN SG, 24 September 2019

There is a risk looming in the horizon that may not yet be large, but it is real.

I fear the possibility of a Great Fracture: the world splitting in two, with the two largest economies on earth creating two separate and competing worlds, each with their own dominant currency, trade and financial rules, their own internet and artificial intelligence capacities, and their own zero sum geopolitical and military strategies.

We must do everything possible to avert the Great Fracture and maintain a universal system – a universal economy with universal respect for international law; a multipolar world with strong multilateral institutions.



China and US in new ‘cold war’ that is ‘more difficult’ than Soviet-era, says former US Ambassador to China

China and the United States are locked in a “kind of cold war” that is “more difficult” to resolve than the four decade stand-off between the US and Soviet Union, according to the former American Ambassador to Beijing, Max Baucus. “I think we’re in a kind of cold war that is more insidious than the last cold war,” Baucus told an event in Hong Kong on Friday. “The last cold war was easy, with MAD – mutually assured destruction – that brought transparency. This is much more difficult, much more pervasive.”

Baucus said that the root of the US-China dispute is that “we do not trust each other” and professed that “I think it's very dangerous. I personally think we're sliding” towards a longer term dispute than many people imagined was possible. His comments were echoed by Charlene Barshefsky, former US trade representative during the Clinton administration.

What Xi Jinping Wants

China's leader is determined to turn his country into "the biggest player in the history of the world." Can he do it while avoiding a dangerous collision with America?

Graham Allison, May 31, 2017

"When he took office, Xi Jinping declared his overarching ambition for China in a single phrase: "The greatest Chinese dream is the great rejuvenation of the Chinese nation." His "China Dream" combines prosperity and power. It captures the intense yearning of a billion Chinese: to be rich, to be powerful, and to be respected. Xi exudes confidence that in his lifetime China can realize all three by sustaining its economic miracle, fostering a patriotic citizenry, and bowing to no other power in world affairs."



Beware of 2049