

The Sino-US Trade War Winner Takes it SmAll

Anis H. Bajrektarević



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Does our history only appear overheated, but is essentially calmly predetermined? Is it directional or conceivable, dialectic and eclectic or cyclical, and therefore cynical? Surely, our history warns. Does it also provide for a hope? Hence, what is in front of us: destiny or future?

One of the biggest (nearly schizophrenic) dilemmas of liberalism, ever since David Hume and Adam Smith, was an insight into reality; whether the world is essentially *Hobbesian* or *Kantian*. As postulated, the main task of any liberal state is to enable and maintain wealth of nation, which of course rests upon wealthy individuals inhabiting the particular state. Hence, if wealthy an individual, the state will rob you, but in absence of it, the pauperized masses will mob you. The *invisible hand* of Smith's followers have found the satisfactory answer – sovereign debt. That 'invention' meant: relatively strong central government of the state. Instead of popular control through the democratic checks-&-balances mechanism, such a state should be rather heavily indebted. Debt – firstly to local merchants, than to foreigners – is a far more powerful deterrent, as it resides outside the popular check domain. With such a *mixed blessing*, no empire can easily demonetize its legitimacy, and abandon its hierarchical but invisible and unconstitutional controls. This is how a debtor empire was born. A blessing or totalitarian curse? Let us briefly examine it.

The Soviet Union – much as (the pre-Deng's) China itself – was far more of a classic continental military empire (overtly brutal; rigid, authoritative, anti-individual, apparent, secretive), while the US was more a financial empire (covertly coercive; hierarchical, yet asocial, exploitive, pervasive, polarizing). On opposite sides of the globe and cognition, to each other they remained enigmatic, mysterious and incalculable: *Bear* of permafrost vs. *Fish* of the warm seas. Sparta vs. Athens. Rome vs. Phoenicia... However, common for the both was a super-appetite for omnipresence. Along with the price to pay for it.

Consequently, the Soviets went bankrupt by mid 1980s – they cracked under its own weight, imperially overstretched. So did the Americans – the 'white man burden' fractured them already by the Vietnam war, with the *Nixon shock* only officializing it. However, the US imperium managed to survive and to outlive the Soviets. How? The United States, with its financial capital (or an illusion of it), evolved into a debtor empire through the Wall Street guaranties. Titanium-made *Sputnik* vs. gold mine of printed-paper...

Nothing epitomizes this better than the words of the longest serving US Federal Reserve's boss, Alan Greenspan, who famously said to then French President Jacques Chirac: "True, the dollar is our currency, but your problem". Hegemony vs. *hegemony*.

House of Cards

Conventional economic theory teaches us that money is a universal equivalent to all goods. Historically, currencies were (space and time- related) locality-dependent. However, like no currency ever before, the US dollar became – past the WWII – the universal equivalent to all other moneys of the world. According to history of currencies, the core component related to the non-precious metals money is a so-called promissory note – intangible belief that, by any given point of future, a particular shiny paper (self-proclaimed as money) will be smoothly exchanged for real goods.

Thus, roughly speaking, money is nothing else but a civilizational construct about imagined/projected tomorrow – that the next day (which nobody has ever seen in the history of humankind, but everybody operates with) certainly comes (i), and that this tomorrow will certainly be a better day than our yesterday or even our today (ii).

This and similar types of social contracts (horizontal and vertical) over the collective constructs hold society together as much as its economy keeps it alive and evolving. Hence, it is money that powers economy, but our blind faith in (constructed) tomorrows and its alleged certainty empowers money. Clearly, the universal equivalent of all equivalents – the US dollar – follows the same pattern: Strong and widely accepted promise. What does the US dollar promise when there is no gold cover attached to it ever since the time of Nixon shock of 1970s?

Pentagon promises that the oceans' sea lines will remain opened (read: controlled by the US Navy), pathways unhindered, and that the most traded commodity in the world – oil, will be delivered. So, it is not an oil or its delivery what is a cover to the US dollar – it is a promise that oil of tomorrow will be deliverable. That is a real might of the US dollar, which in return finances Pentagon's massive expenditures and shoulders its supremacy. Admired and feared, Pentagon further fans our planetary belief in tomorrow's deliverability – if we only keep our faith in dollar (and hydrocarbons energized economy), and so on and on in perpetuated circle of mutual reinforcements.

These two pillars of the US might from the East coast (the US Treasury/Wall Street and Pentagon) together with two pillars from the West coast – both financed by the US dollar and spread by the open sea-lanes (Silicone Valley and Hollywood), are an essence of the US posture.

This very nature of power explains why the Americans have missed to take our mankind into completely other direction; towards the non-confrontational, decarbonized, de-monetized/de-financialized and de-psychologized, the self-realizing and green humankind. In short, to turn history into a moral success story. They had such a chance when, past the Gorbachev's unconditional surrender of the Soviet bloc, and the Deng's Copernicus-shift of China, the US – unconstrained as a *lonely superpower* – solely dictated terms of reference; our common destiny and direction/s to our future/s.

Winner is rarely a game-changer

Sadly enough, that was not the first missed opportunity for the US to soften its forthcoming imminent multidimensional imperial retreat. The very epilogue of the WWII meant a full security guaranty for the US: Geoeconomically – 54% of anything manufactured in the world was carrying the *Made in USA* label, and geostrategically – the US had uninterruptedly enjoyed nearly a decade of the 'nuclear monopoly'. Up to this very day, the US scores the biggest number of N-tests conducted, the largest stockpile of nuclear weaponry, and it represents the only power ever deploying this 'ultimate weapon' on other nation. To complete the irony, Americans enjoy geographic advantage like no other empire ever. Save the US, as Ikenberry notes: "...every major power in the world lives in a crowded geopolitical neighborhood where shifts in power routinely provoke counterbalancing". Look at Russia or China and their neighbors. The US is blessed with neighboring oceans – all that should harbor tranquility, peace and prosperity.

Why the lonely might, an *empire by invitation* did not evolve into **empire of relaxation**, a generator of harmony? Why does it hold (extra-judicially) captive more political prisoners on Cuban soil than the badmouthed Cuban regime has ever had? Why does it remain obsessed with armament for at home and abroad? One of the leading architects of the American foreign policy, Simon Serfaty laments: "The irony is plain for all to see. Ten years after the fiasco in Iraq, the global demand for American power has never been higher, but its credibility rarely lower and its reliability more in doubt...a preponderant power must be right...for its enemies it must be strong, it must inspire trust..." What are we talking about here – the

inadequate intensity of our confrontational push or about the false course of our civilizational direction?

Indeed, no successful and enduring empire does merely rely on coercion, be it abroad or at home. However, unable to escape its inner logics and deeply-rooted appeal of *confrontational nostalgia*, the prevailing archrival is only a winner, rarely a game-changer.

When the Soviets lost their own indigenous ideological matrix and maverick confrontational stance, and when the US dominated West missed to triumph although winning the Cold War, how to expect from the imitator to score the lasting moral or even a momentary economic victory?

Neither more confrontation and more carbons nor more weaponized trade and traded weapons will save our day. It failed in past, it will fail again any given day.

Interestingly, China opposed the I World, left the II and ever since Bandung of 1955 it neither won nor joined the III Way. Today, many see it as a main contestant. But, where is a lasting success?

Greening international relations along with greening of economy (geopolitical and environmental understanding, de-acidification and relaxation) is a way out. Historically, no global leader has ever emerged from a shaky and distrustful neighborhood and by offering little bit more of the same in lieu of an innovative technological advancement. Ergo, it all starts from at home. Without support from a home base, there is no game changer. China's home is Asia.

Hence, it is not only a new, non-imitative, turn of technology what is needed. Without truly and sincerely embracing mechanisms such as the NaM, ASEAN and SAARC (eventually even the OSCE) and the main champions of multilateralism in Asia, those being India Indonesia and Japan first of all, China has no future of what is planetary awaited – the third force, a game-changer, lasting and trusted global leader.



Prof. Anis H. Bajrektarević,

Author is chairperson and professor in international law and global political studies, Vienna, Austria. He has authored six books (for American and European publishers) and numerous articles on, mainly, geopolitics energy and technology.

Professor Bajrektarević is editor of the NY-based GHIR (Geopolitics, History and Intl. Relations) journal, and editorial board member of several similar specialized magazines on three continents.

His 7th book, 'From WWI to www. – Europe and the World 1918-2018' has been just realised.