

How will Trump shape China policy? Maine Sunday

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Will he take a hostile 'Great Wall' approach or attempt a more cooperative 'Silk Road' strategy of increased trade?

BY **JOSEPH W. MCDONNELL** SPECIAL TO THE TELEGRAM

How will the Trump administration shape the United States' policy toward China? Will it adopt a "Great Wall" approach of estrangement and hostility or a "Silk Road" strategy of increased trade and cultural exchange?

The case for the Great Wall approach can be readily made from President-elect Donald Trump's speeches, tweets and appointments. Both on the campaign trail and post-election, he has brought contentious issues to the foreground with accusations of currency manipulation, violations of trade pacts and the militarization of the South China Sea. Doubts about the One China policy signal possible discontinuity with long-established U.S. policy.

Trump rode a backlash against globalization into the White House, supported by disaffected blue-collar workers in rural areas who have most acutely felt the disruption from the loss of manufacturing jobs. He blamed the country's leading trade partners, China and Mexico, for the loss of jobs, threatened to impose tariffs on imported goods and promised to bring back the lost jobs.

But Trump's campaign and post-election rhetoric may not necessarily presage his policy prescriptions because the economic consequences of his rhetoric would harm the U.S. economy. Once in the Oval Office, he may come to see a Silk Road strategy as more advantageous to U.S. interests.

The United States and China have their differences, but the two countries have forged a mutual economic relationship, with Chinese low-cost goods benefiting American

households and holding down U.S. inflation, and U.S. companies welcoming the opportunity to expand their markets to reach China's 1.3 billion people.

In an exhibition in Shanghai's Rockbund Art Museum last year, the artist Chen Zhen constructed two steamships one carrying products from China and the other with products from the Western world. The ships are both colliding and connected – a metaphor for the cooperation and tension between China and advanced economies like the United States.

After the 2008 Great Recession in the U.S. and Europe, China recognized that its own economy must reduce its dependence on exports and place greater emphasis on the service sector and increased domestic consumption.

On a trip to China a few weeks ago, I visited the U Town Shopping Plaza on Ritan Lu in Beijing. It has five floors of international stores, trendy restaurants and an amusement center for children. It speaks to China's interest in developing a consumer society and the U.S. interest in tapping into the Chinese market. Apple, New Balance, Old Navy, North Face, Nike, Starbucks and Calvin Klein are just some of the businesses in this mall.

U Town provides a glimpse into China's future as a consumer society and highlights the interdependency of the two countries. It also illustrates why it will be easier for the president-elect to push for greater engagement with China to open up opportunities for more U.S. businesses rather than restrictions that hamper trade.

We might imagine Chinese President Xi Jinping in a rowboat with Trump, each with one oar, attempting to steer their economies and the world economy. The two leaders will discover that each must pull in the same direction – for the benefit of their economies and the world.

Xi and Trump face the same challenge with respect to jobs – the inexorable trend toward automation replacing workers. Economists agree that most of the manufacturing jobs lost in the U.S. were attributed to automation. Manufacturers that are thriving in the U.S. are those that are highly automated, and the same will

eventually be true for much of China. In the short term, projects that rebuild the United States' infrastructure may employ many manual laborers, but in the long run, both countries have to provide more resources for education and training for 21st-century jobs.

In a keynote address at the 11th annual Confucius Institute Conference in December, China's vice minister of education, Hao Ping, reported that China's future depends on an educated workforce, which is why the Chinese government invested \$520 billion in education last year, particularly in science, technology, engineering and mathematics disciplines. If President-elect Trump is to improve the lives of those who supported him for election and their children, he will have to focus more resources on education and workforce training.

The world's two largest economies are interdependent; building roads that connect the two countries will prove to be a more successful strategy than constructing walls.

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