

U.S. and China Conflict: The 21st Century's Central Inter-Imperial Rivalry

August 28, 2019



The rivalry between the U.S. and China is the central inter-imperial rivalry of our epoch. Trump has made this abundantly clear in his administration's National Security Strategy documents, calling for a shift from a focus on the so-called "War on Terror" to "Great Power Rivalry," and naming China and Russia as "revisionist powers" that pose a threat to Washington's hegemony. Trump has confronted China over everything from trade to currency valuation to 5G technology and Beijing's claims to the waterways of the Asia-Pacific.

While his administration has raised all of this to a fever pitch, the roots of the conflict between the U.S. and China are deeper than Trump and his gang of hawks, protectionists, and white nationalists. The conflict is the product of developments in global capitalism, the relative decline of U.S. imperialism, and the rise of China as an imperialist power. This explains the growing consensus in the U.S. ruling class about the need to confront and contain Beijing.

Whatever their strategic and tactical differences, business owners, state managers, and politicians from Joe Biden to Bernie Sanders agree on this. Trump's solution to the strategic challenge posed by China is what some have called "illiberal hegemony"—a commitment to maintaining U.S. domination while abandoning multilateral cooperation for "America First" nationalism and launching a New Cold War against China.

The Relative Decline of U.S. Imperialism

Such inter-rivalry is exactly what the U.S. had hoped to avoid after the end of its Cold War with Russia. The entire strategy Washington pursued after the fall of Moscow's empire was to prevent the rise of an imperial rival that would challenge its hegemony. Its strategy was to superintend a neoliberal world order as the system's only superpower. It aimed to incorporate the rest of the world's states into that order by enticement, pressure, or if need be, force. Successive administrations used military interventions to crush so-called "rogue states" like Iraq and contain

crises in various states wrecked by neoliberalism. Throughout their overriding goal was to prevent the rise of a peer competitor, a new rival.

Three developments undermined this grand strategy. First, the neoliberal boom from the early 1980s to 2008 restructured global capitalism. It produced new centers of capital accumulation, most importantly China. The economic development of these states enabled them to become more geopolitically assertive. Second, the U.S. 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 counter-insurgency warfare. That compromised its ambition to lock the Middle East and its strategic energy reserves under its thumb, and in doing so positioned it to bully its potential rivals like China, which depend on the region for oil and natural gas. Third, the Great Recession disproportionately hammered the US economy. The ruling class did manage to drag the economy back from the brink of collapse with a combination of austerity and stimulus, but it has not been able to trigger a new boom. Indeed, the system and the U.S. and EU in particular are locked in what David McNally has called 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 ongoing boom sustained the economies of numerous countries from Australia to Brazil that export raw materials to feed China's manufacturing industries. Of course, China isn't immune from the crisis tendencies of the capitalist system; its stimulus project has only worsened its problem of debt, overcapacity, and overproduction, and these problems, compounded by Trump's tariffs, have begun to curtail growth to 6.2 percent, the lowest since the early 2000s.

The result of all these developments taken together has been 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 U.S. remains the dominant state power with the largest economy, military and geopolitical influence, but it now faces an imperial rival in the form of China and a host of regional powers from Russia to 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 world power. President Xi Jinping, who came to power in 2012, abandoned his predecessors' cautious grand strategy, which Deng Xiaoping described as "hiding your strength, biding your time." Instead Xi announced that his regime would pursue a "Chinese Dream" of reasserting China's rightful place as a world power after its "century of humiliation" at the hands of U.S., European, and Japanese imperialism. Since this announcement, Xi has focused on turning China's economic might into geopolitical muscle. He launched the \$1 trillion One Belt and One Road infrastructure project. Beijing is exporting its industrial overcapacity to construct overland and oversea transit routes throughout Eurasia. Its aim is to establish itself as an economic hub for the world economy.

Xi has also is determined to lead his economy's long march up the capitalist value chain through another initiative called China 2025. It will fund new national champions in high tech, especially 5G, to compete with rivals in the U.S., 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. Xi has also begun to project China's military strength in the Asia Pacific. He has built up its Navy, deployed ships, established militarized islands in the South and East China Seas to control shipping lanes, claim undersea oil and natural gas reserves, and assert rights to fisheries. Finally, China has become much more assertive in geopolitics, in issues from climate change to trade disputes.

The Quandary of U.S. Imperialism

China's rise and the relative decline of the U.S. has thrown Washington's imperial strategy into a quandary. It is faced with a geopolitical rival that it is deeply integrated with economically. Its multinational use it 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, 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 some policy analysts call "congagement." The U.S. tried to incorporate and pressure China to abandon its state capitalist organization of its economy and adopt free market capitalism. At the same time, it remained vigilant because of Beijing's reluctance to fully follow these dictates. As a result, the U.S. shifted back and forth between emphasizing the two poles of the "congagement" policy. Bill Clinton, during his honeymoon with China in the 1990s, called it a "strategic partner." Bush tilted in the opposite direction, naming it a "strategic competitor" at the start of his presidency. But, regardless of these different emphases, the U.S. tried to lure Beijing deeper into the neoliberal order of free trade globalization.

Obama was really the last gasp of "congagement." He emphasized the containment side of the strategy with his so-called Pivot to Asia. His play was to extract the US from its occupations in the Middle East and reorient US imperialism to contain China. He promised to integrate Asia economically into its neoliberal order through the ratification of the Trans Pacific Partnership (TPP) Agreement and thereby pressure China to abandon its state ownership and state intervention into its economy. He 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.

Despite Obama's best efforts, the Pivot failed. The U.S. remained bogged down in the Middle East, the TPP never even came up for a ratification vote, its alliances frayed as states doubted Washington commitment to the region and they opted for balancing between the two rivals. Thus, US 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 confront China. It has four dimensions. First, Trump wants to strengthen the security state by policing its borders, surveilling oppressed people especially immigrants and Muslims, but also Chinese students in US 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 on 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 is moving the U.S. into a New Cold War with Beijing. In economics, Trump is trying to batter down China through a trade war. He wants to stop forced technology transfer between U.S. and Chinese companies, force privatization on Beijing's state capitalist industry, open the country markets even more to U.S. multinationals, and stop its state support for national champions in high tech like Huawei. In geopolitics, Trump has tried to pressure U.S. allies to ban Huawei from their 5G infrastructure as national security threat. And he is trying to shore up alliance state by state against China. All of this is designed to prevent China from using its

economic might to draw Eurasia under its influence. To buttress all of this, the U.S. 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. All of this is escalating tension with Beijing, particularly over trade.

Neither Washington, Nor Beijing, But International Socialism

The two powers may end up cutting a deal to resolve the tariff war, but no one should be under the illusion that this will resolve their underlying inter-imperial rivalry. It is deeply rooted in Washington's determination to retain its hegemony and Beijing's commitment to establishing itself as a world power. At the same time, there are two counter-tendencies that cut against their rivalry exploding into open conflict: the two states' deep economic integration means they have interest in preserving the current set up of free trade, and both powers possess nuclear weapons, leading both to try and avoid the risk of mutually assured destruction.

Despite these counter-tendencies, though, the trajectory of this rivalry escalating in the coming years is unmistakable. This conflict between the U.S. and China will test the international left's ability to take a clear and independent stand against both imperial powers and for international solidarity from below. In the U.S., the left's first and foremost obligation is, to paraphrase the great German revolutionary Karl Liebknecht, to oppose main enemy, our own imperialist state.

But that is not our only task. We also must oppose China as a capitalist state that exploits its own working class and peasantry, oppresses nations and national minorities like the Tibetans and Uighurs, and projects its imperial power against the US and throughout the developing world. We must not fall for the foolish, faux anti-imperialist politics of "my enemy's enemy is my friend," but instead oppose both the U.S. and China.

To challenge both, we must build international solidarity between workers and oppressed groups in each state. In the U.S., we must win workers away from the siren song of economic nationalism sung by both the right wing nationalist and the liberal protectionist that will only bind us to our bosses and their state by painting Chinese workers as the main threat to jobs and wages. In a global economy, we have no choice but organization from below across borders against both imperialist states; that is, the politics of international socialist anti-imperialism.