

Opinion **Donald Trump**

## The trade war with America is a strategic gift for China

Beijing's worst nightmare would be a visionary US president with convening power

**KEYU JIN**



Xi Jinping and Donald Trump. Fighting with China will not solve some of America's most deep-rooted problems © AP

Keyu Jin YESTERDAY

Escalating tensions between the [US and China](#) have led to expectations of a protracted trial of strength. Some warn that a [new cold war](#) is looming. On the contrary, the wrangling over trade practices and intellectual property is diverting attention from a deeper and more intractable conflict between the two powers: one concerned with China's aspirations, its development model and its challenge to US primacy.

China is deploying a smart stratagem. By fine-tuning its position and agreeing to make some concessions to the US, it is staving off the possibility of an outright collision. The bickering precludes a real diplomatic showdown. By giving a little on trade, it is playing for time to continue its economic expansion and reforms. As the US domestic [political infighting rages](#), China solidifies its own political unity to keep a firm footing.

This partly explains why China is willing to make more concessions on trade. Recently, it has resumed imports of US soyabeans; it has responded to US concerns over cyber espionage; it has just amended the law to ban forced technology transfers from foreign companies operating in

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China. In addition, 38 governmental institutions have signed a memorandum to crack down on intellectual property rights infringement. But these compromises are gains in disguise because they are compatible with China's long-term economic development.

Donald Trump is a strategic gift for China. The US president's divided domestic politics degrades confidence at home and moves the focus away from China. His alienation of America's core allies with an ostentatious display of disdain works to disrupt the formation of new alliances and trade partnerships.

Beijing's worst nightmare would be a strong and visionary US president with convening power. But what also plays into China's favour is that Mr Trump is neither ideologically driven, nor bound by America's moral prescriptions. He is a dealmaker, gratified by winning the appearance of a victory. He is most likely to put off intractable issues relating to economic contests and technological supremacy if he can win on [short-term bargains](#).

By contrast, wrestling with previous administrations over liberal values and ideology, state capitalism in addition to development models and human rights has been significantly more vexing for China. Mr Trump's approach is piecemeal, engaging attacks on all fronts and towards multiple countries.

So it is in China's interests to keep engaging with Mr Trump for a little longer, making a graceful exit from a deadly fight and satisfying the American president's ego. Of course, this stratagem has to be balanced against the domestic exigencies of not appearing too weak in the face of a rival. But of the two leaders, President Xi Jinping is under considerably less pressure to answer to his domestic constituents and to achieve nominal victories.

Fighting with China will not solve some of America's most deep-rooted problems — the stagnating incomes of its middle classes, diminished expectations for the younger generations, and a growing mistrust of elites and institutions. For Mr Xi, controlling subversive elements at home is the priority. This means ensuring domestic social stability and averting outright collision with the US. Trade disputes are manageable and compromise tolerable.

Resolving one set of problems only brings a new set, as China is well aware. But as long as the ebb and flow of disputes continue, war is unlikely to break out. China has to wiggle out of this geopolitical impasse with the US. It should shift its defensive strategy and devise a more active policy towards the US: conciliatory yet standing on dignity. For that, it needs time and a bit of elbow room. That is why, in the immediate future, the price of concessions on trade and intellectual property seems a price well worth paying.

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