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## TRUMP'S ECONOMIC STRUGGLE AGAINST CHINA AS A MEANS OF HYBRID DETERRENCE

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From the very beginning, the foreign policy of the 45th President of the United States, Donald Trump, was marked by several features, among which the acceleration of the decision-making process, the actualization of bilateral relations in comparison with multilateral formats, and the economization of foreign relations are primarily highlighted. The last point was very illustratively manifested in the relations of the United States with the People's Republic of China, which can be characterized as a relationship of rivalry, in which the administration of Donald Trump set the goal of maximizing the positive trade balance due to the introduction of tariff restrictions on Chinese products. Such steps, according to the president, were also used as a means of restraining the growing influence of China and preventing possible aggressive actions against the United States of America. Starting from February to March 2017, the development of a new strategy for economic relations with China, which was supposed to fully reflect the new administration's view on these bilateral relations, began on the instructions of the presidential administration. These views were reactionary, emphasizing the importance of reducing the openness of the US economy to Chinese goods and identifying tariff restrictions as a key factor in controlling the export-import balance in the relations between the two countries. Ideologically, such views corresponded to the permanent tradition of American isolationism, which saw economic autarky and rejection of the globalized economy as an advantage and guarantee of the stability of the economic and social system of the United States. At the same time, within the framework of relations with the People's Republic of China, the administration of Donald Trump has repeatedly emphasized the need to restrain China's geopolitical activity in the South China Sea and around Taiwan. In this context, trade policy began to be perceived and used as a tool of non-military hybrid pressure on official Beijing to influence its foreign policy decisions and course correction to one that would be more in line with the interests of the US and its allies in the region.

*Key words:* United States of America, People's Republic of China, foreign policy, international trade, Donald Trump.

In his inaugural address, Trump stated “We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs. Protection will lead to great prosperity and strength” [1]. This passage indicated the narrative of Trump's foreign trade policy early on – the autarky tendencies prevailed over multilateralism and the benefits of a globalised economy, and only in focusing on internal gains will the United States be able to create a profitable trade balance in its foreign relations. Similar policies and moves were visible in Trump's messages as early as the 2016 presidential campaign, and at that stage, they were heavily associated with messages about the purposeful uncertainty of his strategies. As an example, during his keynote speech on the future of US foreign policy, candidate Trump said the following: “We must as a nation be more unpredictable. We are predictable. We tell everything.

We're sending troops. We tell them. We're sending something else. We have a news conference. We have to be unpredictable. And we have to be unpredictable starting now" [2]. To assess this unpredictability, one should endeavour to divide specific sectors of Trump's administration's foreign policy and approach them with specific methodology instruments.

This article will focus exclusively on those aspects of the Donald Trump administration's foreign policy that focus on the use of non-military deterrents in foreign trade policy toward the People's Republic of China. Although international measures of financial pressure were actively used in US foreign policy during 2016–2020, they constitute a sufficiently weighty and comprehensive topic that should be covered in a separate scientific work. Also, within the scope of this work, certain aspects of the political and media narrative that were used personally by Donald Trump and/or members of his administration and the cabinet of ministers in the course of foreign trade policy will be considered only briefly.

The present issue has been widely covered in the English-language research community. In particular, it is worth highlighting the work of "The Effects of Trump Trade Policy on China's Economic Performance" by Estrada, Park, Lee and Apergis, which gives a comprehensive look on the repercussions of three years of Trump's trade policy through the lens of inter-spaces leaking coordinate system method [3]. Another research, conducted by Zhaohui Wang, applies a neoclassical realist framework to suggest an approach to analyse Trump's trade policy on China in the bigger ideological narrative of his foreign policy [4]. Also, we should mention Ricardo Fiorentini, who in his "On Trump's trade war" discusses that current and trade account disequilibria are ultimately due to differences between domestic savings and investments driven by macroeconomic fundamentals which in general do not depend only on the trade policies of foreign countries [5].

For a broader understanding of the context of relations between the United States of America and the People's Republic of China, it is worth starting with the general moments of contact at the highest and highest levels. Even before his inauguration, on December 2, 2016, Donald Trump called the head of Taiwan, Tsai Ing-wen. Despite the absence of any specific agreements during the conversation, the very fact of the conversation became the subject of criticism by the Chinese authorities, because the last time American presidents officially contacted representatives of Taiwan was before the establishment of diplomatic contacts with the PRC, and the main principle of relations between the PRC and the United States is the principle "strategic ambiguity". This strategy means that Washington supports the "one China policy", according to which Taiwan is considered a part of the People's Republic of China, but in the event of a threat to Taiwan's sovereignty, the United States is ready to intervene to protect its partner state. Already after the inauguration, on February 9, there was a telephone conversation between Donald Trump and Xi Jinping, in which the former confirmed the principle of "one China". However, this did not remove any contradictions: in January 2017, several American official speakers made statements against China's desire to control the disputed Spratly and Senkaku islands. It was obvious that the current partnership-oriented strategic approach to relations with China would cause more and more damage to the American economy, and military and diplomatic power every year, so the specialists at the National Security Council developed a new policy towards the PRC.

The stark mismatch between the regulatory framework for relations with the PRC left over from previous administrations and the realities in which the PRC refused to play by the rules (which became evident in the first months of Trump's presidency) led to the appearance of the term "strategic adversary" in the 2017 National Security Strategy. According to former NSC member and national security adviser Herbert McMaster, experts met several times in February-March 2017 to develop a new US position before the face-to-face meeting between

Trump and Xi at Mar-a-Lago in April [6]. It is interesting that right during the meeting, American aircraft struck Syria, about which Trump informed his Chinese colleague [7]. The new policy was supposed to become tougher: with the possibility of severing economic ties in certain areas and with a more categorical position regarding the protection of allies in the APR against possible Chinese economic and hybrid encroachments [6]. At the same time, the new concept excluded the conduct of hostilities against the PRC and was supposed to become a deterrent that would prevent bloodshed in the region, but also preserve the interests of the American government [6]. The specific actions that the Trump administration will take during 2017–2020 fit perfectly into this concept. Based on the postulates of the new concept, a step was taken that affected the economy, but was purely political: the Americans liquidated the JCCT (Joint Commission on Commerce and Trade) [8] and S&ED (Strategic and Economic Dialogue) [9] – two institutions responsible for economic cooperation with China. On the other hand, during his visit to Beijing in November 2017, Donald Trump was quite sensitive to economic issues (he stated that the Chinese side is not to blame for the trade imbalance between the PRC and the US), but he pressured Chinese leader Xi to influence North Korea, which posed a threat to US allies in the region with its missile tests and nuclear threats [10].

The persistent trade conflict between the United States and China was inaugurated on the 3rd of April, 2018, with the Trump administration levying a 25% tariff on 1,333 Chinese products, alleging intellectual property infringement. Preceding this, on the 23rd of March, 2018, the United States implemented a 25% tariff on steel imports and an additional 10% tariff on aluminium imports, grounded on section 232 of the Trade Expansion Act. In short succession after the U.S. government's announcement of forthcoming tariffs on Chinese imports, the U.S. Trade Representative initiated a case with the World Trade Organization pertaining to China's practices in technology licensing.

In response, China reciprocated on the 2nd of April, 2018, by imposing corresponding tariffs on two categories encompassing 128 U.S. products, impacting imports valued at \$3 billion. One category saw a 15% tariff applied to 120 products, inclusive of fruits, nuts, wine, ginseng, and seamless steel pipes, amounting to an aggregate import value of \$980 million. Meanwhile, another category faced a 25% tariff affecting eight products, including pork and pork-related items, as well as recycled aluminium, accounting for a total import value of \$2 billion. One of the strategic objectives was to target commodities associated with pivotal industries outlined in China's "Made in China 2025" strategic initiative. Subsequently, a 25% tariff on 818 items, valued at \$34 billion, took effect on the 6th of July, 2018, followed by an additional 25% tariff on 279 items, valued at \$16 billion, implemented on the 23rd of August, 2018.

In 2018, on the initiative of the administration and the US Department of Justice, the "China Initiative" was created – a special program of the Ministry of Justice, within the framework of which investigations should be conducted against cases of industrial and economic espionage related to China [11]. In December 2018, at the request of the American side, the top manager of Huawei Meng Wangzhou was arrested in Canada in connection with the violation of the sanctions regime regarding Iran and the supply of telecommunications equipment there [12]. Cyber security issues also played a major role in the deterioration of relations: Americans feared that Chinese technological products used by US government agencies could contain malicious software and become a threat to national security. For these reasons, in 2020 the US Interior Department deactivated 800 Chinese-made drones previously purchased for its use [13].

A new round of political confrontation between the People's Republic of China and the United States unfolded against the background of the outbreak of COVID-19. In February 2020, Chinese authorities revoked the accreditation of several journalists from The Wall Street Journal

due to their article on the coronavirus, which blamed the Chinese for the disease [14]. This provoked several sessions of mutual restrictions on the activities of journalists from both sides. In May 2020, mutual accusations began (not through official speakers, but through the media and opinion leaders) of the development and spread of COVID-19. Against the background of this and the still unresolved issue of Huawei's violation of the sanctions regime, the US government blocked the supply of semiconductors to Huawei on May 15, in response to which China threatened to put US companies (such as Boeing and Apple) on the list of untrustworthy [15]. In general, Donald Trump did not shy away from calling the coronavirus the "Chinese virus", which became the reason for the constant diplomatic dissatisfaction of the Chinese authorities [16]. In general, Trump's rhetoric during the coronavirus epidemic evolved from "China is handling the epidemic very well" in April 2020 [17] to "The world must hold accountable the country that released the virus: China" in September of the same year [18]. Obviously, this change is due to the increase in deaths from the virus and the loss of political popularity amid the spread of the epidemic, so Trump primarily tried to shift the blame to China for domestic audiences.

In general, 2020 has become perhaps the worst year in US-China relations, at least this is evidenced by the numerous statements and actions of American officials, the two programmatic anti-China speeches of Donald Trump in May and September, and the book released at the initiative of the administration, "TRUMP ON CHINA: PUTTING AMERICA FIRST", which includes speeches by the president and representatives of the political elite, explaining the danger of China to the United States [19]. In June 2020, the US dealt two blows to the PRC on the international stage: the US representative to the UN delivered a letter to the UN Secretary-General [20], in which it was noted that the PRC grossly violates international law with its territorial encroachments on islands in the South China and East China Seas; President Trump signed the UHRPA (Uyghur Human Rights Policy Act) [21], which allowed sanctions against Chinese officials involved in the oppression of the Uyghur population of the PRC. In July, according to the provisions of the act, a member of the Politburo of the Communist Party of China and the head of the Uyghur Autonomous Region, Chen Quango, was sanctioned [22]. In response, the Chinese imposed sanctions against several American congressmen. Diplomatic tensions continued to rise, with FBI Director Christopher Wray officially declaring at a briefing that China is the "greatest long-term threat" and that every 10 hours the FBI opens a new counterintelligence case involving China, and in total more than half of the 5,000 current counterintelligence cases have Chinese trace [23]. The US has also used China's human rights violations as justification for imposing economic sanctions: the government imposed sanctions on 11 Chinese companies involved in human rights violations in the Xinjiang Uyghur Autonomous Region, then on 11 individuals from mainland China and Hong Kong who participated in the suppression of protests. And the quintessence of strong rhetoric about China in 2020 was Secretary of State Mike Pompeo's statement, in which he said that "the United States will no longer turn a blind eye" and called Xi Jinping "really a believer in an empty totalitarian ideology" [24].

The primary problem that led to the anti-Chinese rhetoric and policies of the Donald Trump administration is the refusal of the Chinese to work in the field of international trade according to the rules established by international institutions, including the World Trade Organization. The strategic calculation of the USA during the establishment and development of relations with the PRC during the last quarter of the 20th century and the first decade of the 21st century was to accept the PRC into the "civilized family" by stimulating economic growth, which should lead to political liberalization, democratic reforms and the gradual westernization of China. At the same time, there was also a desire to obtain an economic benefit for the United States, taking advantage of the cheap price of Chinese resources and labour. It seemed to be a win-win strategy:

the PRC gets economic growth and ceases to be a political exile, the US gets economic benefits and gradually dismantles the threatening communist regime through economic “soft power”. However, the PRC was able to maintain an authoritarian style of political management without significant damage to the economy, with the growth of its economic power, it realized that it could become a counterweight to the United States and began to promote its Chinese way, contrasting it with the democratic systems of Western countries, as if showing that authoritarianism is more effective than democracy in the state administration [25]. It is the course for confrontation with the West due to a sense of one’s own power which is a refusal to play by the rules. This is a global problem, but it can be divided into specific ones:

1. Theft of technology and industrial espionage (the PRC uses its citizens in the US to steal technology from American enterprises and research centers, most of all this applies to militarily significant technological components) [26].

2. Economic ambitions (the People’s Republic of China has a plan called “Made in China 2025”, which envisages achieving dominance in the market of robotics, biotechnology and artificial intelligence by 2025, which means displacing the USA from there) [27].

3. Systematic violations of human rights (slow genocide of Uyghurs, suppression of protestors in Hong Kong, establishment of a system of social rating and spying on one’s own citizens) [28].

4. The spread of authoritarian influence (China uses such initiatives as “One Belt – One Road” to spread its influence over the countries of the Global South, thereby threatening US interests in Africa, Asia, and Latin America) [29].

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## **ЕКОНОМІЧНА БОРОТЬБА ТРАМПА ПРОТИ КИТАЮ ЯК ЗАСІБ ГІБРИДНОГО СТРИМУВАННЯ**

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Зовнішня політика 45-го президента США Дональда Трампа із самого початку відзначалася рядом особливостей, з яких в першу чергу виділяємо пришвидшення процесу прийняття рішень, актуалізацію двосторонніх відносин в порівнянні із багатосторонніми форматами та економізацію зовнішніх відносин. Останній пункт дуже ілюстративно проявився у відносинах США із КНР, які можна охарактеризувати як відносини суперництва, в яких адміністрація Дональда Трампа поставила за мету максимальне збільшення позитивного торговельного сальдо за рахунок введення тарифних обмежень на китайську продукцію. Такі кроки, за твердженням президента, також використовувалися як засіб стримування зростаючого впливу Китаю та попередження можливих агресивних дій проти Сполучених Штатів Америки. Починаючи з лютого-березня 2017 року, за дорученням адміністрації президента розпочалася розробка нової стратегії економічних відносин із Китаєм, яка мала повноцінно відобразити погляд нової адміністрації на ці двосторонні відносини. В основі своїй ці погляди носили реакційний характер, наголошуючи на важливості зменшення відкритості економіки США до китайських товарів та визначаючи тарифні обмеження ключовим фактором контролю за експортно-імпортним балансом у відносинах між двома країнами. Ідеологічно такі погляди відповідали сталій традиції американського ізоляціонізму, яку вбачав в економічній автаркції та відмові від глобалізованої економіки переваги та запоруку стабільності економіко-соціальної системи Сполучених Штатів. В той же час, в межах відносин із КНР, адміністрація Дональда Трампа неодноразово наголошувала на необхідності стримати геополітичну активність Китаю в районі Південно-Китайського моря та довкола Тайваню. В цьому розрізі торговельна політика почала сприйматися та використовуватися як інструмент не-військового гібридного тиску на офіційний Пекін із метою впливу на прийняттям ним зовнішньополітичних рішень та корекції курсу на такий, що більше відповідатиме інтересам США та їх союзників у регіоні.

*Ключові слова:* Сполучені Штати Америки, Китайська Народна Республіка, зовнішня політика, міжнародна торгівля, Дональд Трамп United States of America, People's Republic of China, foreign policy, international trade, Donald Trump.