

Book review (9): The Tragedy of Great Power Politics

Instigators of the US/China trade war

Head of Equity Research & Economist:

Hajime Kitano

+81 3 6202 8371

hajime.kitano@mizuho-sc.com

Summary

The United States has a profound interest in seeing Chinese economic growth slow considerably in the years ahead. This may not be good news for the US or global economy, but it is positive for the US's chief concern of "security". This is taken from *The tragedy of great power politics*, J.J. Mearsheimer, Gogatsu Shobo, 2014)

Security defeats economy

John Joseph Mearsheimer is an international relations scholar at the University of Chicago, who specializes in security. Peter Navarro, Director of Trade and Industrial Policy at the White House, is a strong proponent of Mearsheimer's theory. Key points in Navarro's book *Crouching Tiger: what China's militarism means for the world* (Bungeishunju, 2016) refer to Mearsheimer's work.

Here's a rough recap from Navarro's book: Professor Mearsheimer of the University of Chicago says the following: that currently China is a formidable presence because it is a country headed toward prosperity with a sizeable population. Also, if GNP per person inches closer to that of Hong Kong, China will be a daunting military nation. A much more appealing strategy is to aggressively roll out policies aimed at stunting China's economic growth. If the economy doesn't grow, then China will not be able to transfer its wealth into military might, preventing it from becoming a latent hegemon in Asia.

Their logic is clear. First of all, "security" outweighs "economy". China has grown into a presence that threatens this "security". Eventually, China and the US will collide. In order to reduce this risk, the US needs to slow down China's growth. A side effect of this will be the US economy slowing down, but this cannot be helped. The IMF released calculations for the impact of the US/China trade frictions, which assumed that global GDP will fall around 0.5% by 2020. However, this is not that important to the two countries in question.

Inevitability of a US–China war

The title of the book in Japanese is "If the US and China were to go to war", but the book does not talk about what would happen should this hypothetical war come to pass. It talks about how the collision of the US and China is inevitable and that the US should be prepared. However, the original English title of the book is *Crouching Tiger: What China's Militarism Means for the World* and it does not make any "if" hypotheses.

"Crouching tiger" refers to the Chinese idiom "crouching tiger, hidden dragon". This is likely derived from the film which won the Best Foreign Language Film award at the Oscars in 2001, which in turn was based on the book of the same title. The original meaning of this phrase seems to describe "a hidden extraordinary talent", but Navarro appears to interpret it as "armor hidden beneath clothing", suggesting that he is one of few paying attention to this danger. We note that the Japanese edition of Mr. Mearsheimer's *The Tragedy of Great Power Politics* has the subtitle: "the US and China will collide!"

How high is the probability of a US–China war? Mr. Navarro believes that there is over a 70% chance of an emerging country clashing with an established country. Since 1500, war has erupted in 11 out of 15 cases (a probability of over 70%) where an emerging force like China confronted an existing superpower like the US.

So why does friction between an emerging new power and an existing super power result in war? This is where Mr. Navarro introduces Mearsheimer's theory. 1) The world has no governing force (no police presence). This means that 2) all countries fortify their military might. Meanwhile, 3) it is impossible to know the true intentions of another country. This means that those wary of (3) tend to confront (2) using (1) as an excuse, and this spirals out of control, often resulting in a war triggered by a slight misunderstanding or accident.

Now part of the Trump administration:

Donald Trump has enthusiastically embraced the Mearsheimer/Navarro theory. On 21 December 2016, Mr. Trump (president-elect at the time) newly established the White House National Trade Council, and appointed University of California professor Peter Navarro as director. As reported in the *Nikkei* on 22 December 2016, the director will advise on trade policy and suggest diplomatic strategies that combine national defense with trade policies in collaboration with the security council.

However, in May 2017, the White House National Trade Council was folded into the Office of Trade and Manufacturing policy, and Mr. Navarro's power weakened while investment banker and realist Gary Cohn gained influence as the director of the National Economic Council. However, Mr. Cohn left in March 2018 after clashing with the Trump administration's protectionist policies and this appears to have heralded the return of Mr. Navarro. Once again, "economics" is not an "objective" but a "means" to ensure absolute "security".

Some in the market have a tendency to believe that the objective of the US's trade war with China is to benefit the US economy. However, Messrs. Mearsheimer and Navarro's aim is to weaken China. From an economic perspective, this is not a win-win situation but a lose-lose situation. Mr. Mearsheimer notes that it is difficult to state confidently that mutual economic dependence will be a firm foundation for defending the peace of Asia in the coming decades.

Mr. Navarro is more extreme. He believes that in a time when the US is searching for a new balance in its trade with China, it is unclear whether such economic, political, and ideological barriers will be surmounted. He believes that whenever consumers buy a product made in China, they are contributing to the fortification of China's military prowess, which could damage themselves and their country. The economic, political, and ideological barriers Mr. Navarro mentions are the higher inflation rates that would accompany a US–China trade war, which would unfairly burden the poor, and resistance from the right, which has always advocated free trade. He believes they are fatalist, premeditated criminals.

A lose-lose situation

The US's strategy is unlikely to change so long as the Trump administration continues to formulate security and trade policies. So, will China surrender? We discuss this question in [EconoMIX: Who will win the trade war?](#) The US–Japan trade friction worsened in the 1980s. The Structural Impediments Initiative talks have resulted in reforms (Americanization), and unavoidable long-term stagnation. If China were to learn anything from the consequences of this trade friction, it is unlikely to select an easy compromise. We think it will be necessary to prepare for a lose–lose situation as a consequence of the quest for security supremacy.

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