

Why the Trans-Pacific partnership should not be Trump's final weapon

Cindy Xi

January 10, 2020

The trade war between the United States and China over tariffs has not been as effective as the Trump administration had originally predicted. Though China has slowed economically, the major impacts desired have not manifested. Perhaps the US' greatest fear, China normalizing in spite of these tariffs, could come to fruition. In light of Trump's increasingly ineffective tariff war, the implementation of the Trans-Pacific Partnership (TPP) will likely have economic ramifications on the world.

The TPP was put in place to divert trade away from China while building stronger partnerships between the countries of the Pacific Rim and the US. Originally, the US under the Obama administration designed the TPP to "prevent China from writing the rules of the game in the Pacific Rim." The US wanted to push China aside as the major economic powerhouse in the southeast in order to "balance" the power and help countries such as Malaysia, Vietnam and Japan rise economically. This created an issue for signers as China was hesitant to sign onto an agreement where they would willingly weaken their economic standing. Implementing the TPP without the signature of China could spark conflict with the US and potentially China's surrounding countries.

Yet, Donald Trump's primary concern with the TPP was not relations with China, but rather securing manufacturing jobs. His logic was simple — by boosting, and oftentimes subsidizing, the economies of Pacific Rim countries, low-wage labor will be encouraged and thus taking jobs away from US manufacturers. That would be worse than allowing China to run rampant in the region. In his defense, he has made it a point to bring manufacturing jobs back to the United States, just not from that region.

There has been a paragon of inaction in the region as a whole, and Trump instead attempted to weaken China directly rather than cooperating with its fellow superpower. This is detrimental for a multitude of reasons, not least of which is continuing to allow China to expand its economic imperialist agenda to the countries that have already agreed to join our side. The US is no stranger to seeing the vacuums of power it leaves exploited by hostile powers.

Rather than implementing the TPP, Trump would be well-suited to enter negotiations with China with the leverage of the other regional players on his side. They would act as complements, providing Trump with a comprehensive detente strategy that would see China humbled. In fact, it would allow Trump to more effectively reach his stated goal of weakening China. It would also act as a preemptive measure against any economic ramifications from a weakened China by strengthening the manufacturing powerhouses that would be most affected by such an event. Some experts go even further. According to the Cato Institute's Scott Lincicome, "a more

effective strategy would involve more multilateral coordination, especially through the World Trade Organization.” By working with these countries, rather than alone, to combat China’s economic power, the United States could have more success.

What is currently happening, instead, has the potential for global ramifications beyond the scope of Southeast Asia. In his attempt to directly, and oftentimes abruptly weaken China’s absolute, rather than relative economic standing, Trump has weakened the preemptive defenses of the regional players. A weaker China does not de facto strengthen the surrounding countries; it takes a concerted effort to ensure a redistribution of that power. Markets fluctuate with each tweet as they are well attuned to the impact China can generate on the global economy. As the TPP attempts to weaken China, the closer we inch toward reversing global economic recovery, of which China and the region as a whole are crucial factors.

Trump’s goal to weaken China absolutely has caused him to miss the forest for the trees. However, he has focused on one sole aspect of an incredibly important economic region to global trade. While the TPP strives to boost the economies of regional players so they are less dependent on China, and so the global economy sees a more egalitarian and less concentrated break-up of manufacturing and overall economic prowess, this policy is driven to cause rifts between the countries in the region. When power is less concentrated, there is less of a chance of any single actor determining global economic conditions.

Most importantly, is that Trump has taken a narrow approach with China. The restraint and redistribution of some of China’s power would humble some of its global and regional ambitions, and force it to approach the negotiations with a less aggressive mindset. Trump should not rely solely on one strategy, which also means he should not rely only on the TPP. The TPP has its shortfalls and without proper supplementary policies, it would also serve to further embolden China.