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US-China Trade War

**Introduction**

An ongoing conflict between the United States of America and the Peoples' Republic of China is called the US-China trade war. Both countries impose tariffs and other economic barriers like red-tapes to hinder the opponent country's trade activity within their borders. China is an internationally acknowledged emerging global economic leader that is believed to supersede America in the next one or two decades is the largest economy of the world. The US on the other side has been facing trade deficits for a few years. The US accuses China of pursuing "unfair trade activities" and undermining the mandate of the World Trade Organization (WTO). China on the other side denies such accusations and claims that it does trade according to the international norms. China is also the greatest lender of the United States. There are many Americans that acknowledge that China has dramatically established itself as the most competitive economy of the world after appearing on the horizon of global trade as the largest exporter in less than four decades. Although the incumbent US policymakers do not care about such acknowledgments and they believe that China should be punished as it does not respect the international norms of trade. Trade War is a new phenomenon and it has become a hot topic since it started throughout the world because these two economic giants impact the whole world. An African proverb says *when elephants fight, it is the grass that suffers.* If these two economies agree to work together with cooperation and promote trade instead of introducing new red-tapes for trade, the smaller economies would face deadly setbacks and eventually would perish in the current global structure (Li, Chung, Chuantian He, and Chuangwei Lin. 1557-1577). Many scholars have discussed this phenomenon in an attempt to resolve this issue. This paper will discuss this phenomenon after consulting the latest information and observing the current world scenario. Literature written on this issue will be reviewed. Data will be collected using both qualitative and quantitative methods. Finally, the paper will analyze the data to conclude the latest state of affairs regarding this issue.

**Background**

Trade War started when the US President Donald Trump introduced some tariffs on Chinese imported goods in 2018 and announced that the US would increase these tariffs if China does not stop its "unfair trade activities", and cooperates with America to grow mutually instead of individually (Li, Chung, Chuantian He, and Chuangwei Lin. 1557-1577). Trump expressed that he had issues with unfair and imbalanced trafficking of human capital to China from America. China, in turn, did not consent to submit before America and they also warned that they would impose equal tariffs on American companies as a reaction to American tariffs. The whole world became conjectural after this conflict escalated and many scholars have been written on trade war since then. The following shreds of literature have been reviewed on this issue.

Article *Understanding the U.S.-China Trade War* by Tao Liu and Wing Thy Woo discusses this conflict between the US and China in detail. The authors review the US claims and accusations as well as the Chinese stance (Li, Chung, Chuantian He, and Chuangwei Lin. 1557-1577). They acknowledge that the US accuses China of damaging the American industry through mysterious mean tactics. Moreover, China transfers technology and human capital from America to China. And China's large trade surplus helps it to depress job creation in the US. The article concludes that the only resolution to this conflict is to make a mutual policy that can help the US and China to grow together (Glauber, Joseph W. N.p). The authors also warn that if the conflict is not stopped at once, it can lead to major global crises. Joseph W. Glauber’s article *Likely Effects of a Trade War for US Agriculture? Sad!* discusses the trade war's impacts on US farmers (Glauber, Joseph W. N.p). Glauber says that Trump has taken the wrong move to counter Canada and China through heavy tariffs on traders that would do more harm to our farmers than good, and it is unlikely that the Chinese farmers would face the same consequences as our farmers. He argues that America is a champion of democracy and free trade, therefore if we introduce new barriers to hinder trade, it would isolate America itself (Glauber, Joseph W. N.p). He quotes Trump's statement of October 19, 2016, regarding the North American Free Trade Agreement (NAFTA): "I will renegotiate NAFTA. If I can't make a great deal, we're going to tear it up. We're going to get this economy running again" (Glauber, Joseph W. N.p). he criticizes this statement of the president and stresses upon the policymakers to negotiate Transpacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) but never think to end these agreements or America would have to go through severe economic setbacks.

The other reviewed article *is Economic Impacts of the Possible China-US Trade War* that is co-authored by Chunding Li, Chuantian He, and Chuangwei Lin. The authors of this article have a difference of opinion from that of the previous article. They believe that the trade war is not in favor of any country, but it has more disadvantages for China (Liu, Tao, and Wing Thye Woo. 319-340). The authors argue in the start that China can endure the current tariffs imposed by the US authorities, but the US would suffer if China strikes back in defense. Nevertheless, they argue that if this trade war starts formally as the indicators are suggesting, it would affect more China than the US (Liu, Tao, and Wing Thye Woo. 319-340). A multi-country global general equilibrium (GE) model has been used to numerically simulate the effects of the war. The article concludes that the US has stronger bargaining power over China if cooperation measures are agreed upon. The final arguments of the article are about this war's effects upon the other economies especially the economies of third-world (Ciuriak, Dan. N.p). The authors wind up the discussion that China and the US both would be able to handle their economies after this dispute boosts, but the smaller and weaker economies would perish eventually. Therefore, it is the moral responsibility of both the global economic leaders to resolve this issue before it becomes a nightmare for those countries who are striving to be productive members of the global community and to prosper their peoples. Article *The US-China Trade War: Technological Roots and WTO Responses* was published in the Global Solutions Journal on4, March 2019. This article is authored by a Canadian professor of International Relations [Dan Ciuriak](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1316940). He also gives critical comments about the phenomenon. He considers that the American policymakers are dealing with the new emerging power in the wrong way. They should welcome new economies for it produces new sources for the economic laggards in the world. On the other side, he advises China to not offend America to avoid a new cold war. Both countries have the responsibility of all smaller and poorer economies of the world. The fight or rivalry between the US and China would be harmful to everyone. He proposes some structural changes in the global trade business to minimize the chance of clash.

All the reviewed shreds of literature are authored by credible scholars. This factor shows that Trade-War has become an issue of attraction for world scholars and everyone is in the wait to see the conclusion of this new phase of war although everyone looks weary and tired of clashes and now every community wants to stay with peace on the face of the earth.

**Research Methodology**

Qualitative research is a process of naturalistic inquiry that seeks in-depth comprehension of social phenomena. This method of research is applied when the researcher wants to talk about 'why' instead of 'what'. Data is collected in a free and natural environment where the respondents are free to answer a question with an explanation. Quantitative research on the other side is a systematic investigation of phenomena by gathering quantifiable data and performing statistical, mathematical, or computational techniques (Ciuriak, Dan. N.p). Data is not collected in a free or natural environment rather a special environment is created to ask questions. Questions are generally in yes/no form where respondents have limited choice.

Both methods will be applied to this research study. Some online surveys will be organized where people would have limited choices to answer. That data will be analyzed on the basis of numbers. It is categorized as quantitative research (Li, Chunding, Chuantian He, and Chuangwei Lin. 1557-1577). One the other side, interviews will be taken from the general public on a public place and some stakeholders will also be approached for an interview. Their answers will be analyzed qualitatively.

**Results**

Results will be provided after the completion of the research process.

**Conclusion**

Trade-War has suddenly appeared on the horizon of the global trade and it has blurred all the other major issues of the world like climate change, terrorism, and water crises. This is a new kind of war that is fought with imposing tariffs and creating other kinds of economic barriers against rivals (Li, Chunding, Chuantian He, and Chuangwei Lin. 1557-1577). This is called a new form of Cold War which has recently left the world. Donald Trump has a strict policy against China, and he claims that it is because China has no respect for global trade norms and the mandate of the World Trade Organization (Liu, Tao, and Wing Thye Woo. 319-340). China although denies such allegations and claims that it would not let America decide how should China do business or trade. Both countries are ready to punch one another but it has caused uneasiness among the other countries because China and America are two economic leaders of the whole world. This factor has encouraged scholars to write on this issue. Many scholars have warned that this dispute can lead to global catastrophe. This research is designed to study the issue from a new perspective to explore the new dimensions of the issue. Scholarly articles are reviewed to develop our argument. The important factor of this research is that the researcher has planned to follow both qualitative and quantitative methods to pursue this research. Final results and analysis will be provided after the completion of this research.

**Works Cited**

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