Opinion – Are American Policies towards China a Path to Technological Bipolarity?

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The recent decline of American political influence across regional geopolitical systems alongside its populist nationalism under President Trump has pushed the US-China technological conflict on a path towards tech-commercial bipolarity. According to Francis Fukuyama, the rise of populism within the United States (US) under President Donald Trump led to the emergence of increasingly inward-looking policies; anti-immigration, protectionist-mercantilist, controls over the press alongside institutional deterioration. Furthermore, systemic factors such as the onset of financial crises in 2007, Russia's outward strategies in Eastern Europe, the US withdrawal from Afghanistan, Brexit, and more recently the COVID-19 have created both opportunities and constraints in regional geopolitical systems such as South Asia, Southeast Asia, the EU as well as Eastern Europe. For the developing states within regional geopolitical systems infrastructure, especially in the tech-commercial realm, remains of cardinal importance. For example, according to the estimates by the Asian Infrastructure Investment Bank (AIIB): 'Despite the rising importance of digital economy, Digital Infrastructure financing gap in Asia is growing significantly, estimated to reach $512 billion by 2040.'

The vitality of tech-commercialism not only means that developing states will be integrated into a globalized world, but it also adheres to self-sufficiency where limited resources must be utilized optimally. For example, high-tech manufacturing, artificial intelligence, contemporary telecommunication systems, big data science, affordable hardware, signify essential economic needs. That is because numerous industries today such as education, medicine, research, banking, consulting, logistics and construction among others increasingly rely on a changing modus operandi, where technological innovation has become a key influence. Furthermore, the US, Japan, China, and the EU rely on developing states for technological innovation and technology transfer in order to meet the demand from the evolving global tech-commercialism.

However, the essential question remains how would developing states across regional geopolitical systems respond amidst the US-China technological rift? As the American unipolarity in the international system determines numerous rules and norms in both the global economy and security, it now seems that it is under threat. Since Donald Trump became the USA's President, US liberalism has been camouflaged under populist nationalism which only downgrades the concept of the global free market system. According to Fareed Zakaria:

I've got to be honest, the most worrisome country is the United States. America is still an enormous power — both materially and symbolically — but I'd argue the erosion appears to be stronger here than in other places.

Furthermore, the trade imbalances and conflicts on a range of bilateral matters between the US and China should not be viewed as a new political debate. Arguably, the critical juncture was China's accession to the World Trade Organization (WTO) in 2001, which altered the international economic structure, where China's capacity in filling the commercial gaps in both the developed and the developing world became unparalleled. Trump's rhetoric towards China became increasingly aggressive during the 2016 Presidential election campaign, as he emphasized China's unfair trade practices, which lead to the trade war and by mid-2018, the U.S. had imposed $200 billion tariffs on Chinese goods.

It is important to note that during Barack Obama's Administration, geopolitics took a new precedent turn, as systemic events unfolded such as Russia's outward strategies in Eastern Europe, the US withdrawal from Afghanistan, the US-Russian interests over Syria, alongside the global financial crises, and China's strategy under the Belt and Road Initiative (BRI). Arguably, the US capabilities were openly challenged in the regional geopolitical systems by Russia's assertiveness in the former Soviet states and China's greater economic influence in Asia through its BRI strategy. In the aftermath of the global financial crisis China has certainly emerged as an economic leader

American exceptionalism under its competing realist-liberalist values now faces new systemic forces across regional geopolitical systems. These changes are not likely to be significant structural changes as America's seventy years of investment and development in institutions and technological innovations arguably surpasses any challenger. Nonetheless, Trump Administration's policies giving way to populist nationalism combined with geopolitical variations arising from power shifts have contributed towards a protectionist path and reinforced the ongoing technological rift between the US and China. As Fareed Zakaria rightly states "Trump's contempt for democratic norms could haunt us for years."

Ideological divisions between the American executive branch and the legislative branch on foreign policy issues has long been evident. In 2018, President Trump was able to garner support from the Senate towards his negative attitudes towards predatory policies by China on key issues such as trade, investment, national security, intellectual property, and technological theft. In terms of regional technological innovation such as 5G particularly, across the developing world and the progress of future telecommunication systems, the US-China technological rift has been exacerbated. This is primarily because the Trump Administration has viewed strong linkages of enterprises such as Huawei to China's security interests. By the end of 2019, the U.S. Federal Communications Commission considering the challenges to the overall national security threat agreed to bar the annual utilization of $8.5 billion a year of the Universal Service Fund for purchasing services and equipment from both China's Huawei and ZTE.

Moreover, estimates in 2019 showed that the US had lost around 300,000 jobs, with American companies estimated to have lost $1.7 trillion in the stock market. According to Zakaria,

We might be moving towards a bipolar world in digital technology with two walled-off ecosystems: U.S. and Chinese. This division would erode the open world economy, the deep levels of interdependence and the cross-border investments and supply chains that characterize the global economy today.

In addition, the technological commercial sector in the U.S. specializing in the production of microchips, artificial intelligence, and biotechnology have voiced great reservations concerning the dwindling revenues and pushback to their expertise especially from being swayed away from logistics and supplies that contribute to China's burgeoning tech sector.

It is also important to note that China's market share in global technology has grown at a significant rate globally. It is estimated that by 2023, it would become approximately 16%. For instance, globally amongst the top six smartphone providers, four are Chinese: Huawei, Oppo, Vivo, and Xiaomi. However, China arguably lacks technical capabilities, particularly in the production of the semi-conductor. Despite China's heavy reliance on policies of autarky, China's reliance on American tech industries remains crucial – at least in the short-term. For example, according to William Bao Bean who runs the Chinaccelerator (startup) based in Shanghai

there's a huge amount of investment happening around government policy. The Chinese government is really supporting investments in semiconductors, telecoms equipment, and a lot of hardcore traditional technology…But because of the US-China tech decoupling and the difficulty in sourcing international semiconductors, telecoms equipment, and even manufacturing equipment, you're seeing massive investment in these areas in China…China's semiconductor industry is behind. But when you dump money on a problem, generally, you get a solution faster. I still think China is still four to seven years behind.

In essence, any rising power on the path to their transcendence must have the prowess to translate their economic wealth in technological capabilities to match the lead power. Currently, China lacks this resolve: "China's true

Achilles' heel on the world stage is something else: its low level of technological expertise compared with the United States." To some extent, specifically in the commercial sector, a bipolar technological structure appears inevitable. However, external factors which are cyclical such as the COVID-19 pandemic, and responses of smaller states across geopolitical systems and structural factors such as the depth of the American alliance system, would predicate both polarity and magnitude of the technological structure. The political rift within the US and the recent US Presidential election now raised uncertainties over tech bipolarity. Most significantly, the magnitude of this tug of war particularly from the U.S. has had tremendous cyclical effects both domestically and globally in the tech sphere.

Therefore, with the effects of Trump's populism and the ongoing regional geopolitical tensions, the US-China tech rift has created new challenges and opportunities. According to the recent Asian Development Bank (ADB) estimates "Asia and the Pacific will require $26 trillion in quality infrastructure financing over the next decade", this does pose vital questions for the developing world in APAC. It must be noted that during the last decade, China has been able to fill these holes for weaker states such as Sri Lanka, Laos, and Myanmar through its BRI strategy and other economic resources. It is conceivable to argue that within certain regional geopolitical systems where China has been able to deliver, those states would look to China for technological development. In the long-term within those regional geopolitical regions, tech-commercial bipolarity may plausibly take an evolving path primarily because Chinese enterprises may be the only ones providing sustainable and affordable tech solutions. Thus, these ongoing technological rifts between the US and China are likely to continue when Joe Biden succeeds the Trump Administration by early 2021.

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