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China and the US, war games in a tense world

Sources: The Daily Left [Illustration: Juan Atacho]

The visit to Taiwan by Nancy Pelosi, speaker of the US House of Representatives, produced a new jump in tensions with China. Beijing's response was to launch military exercises under Taiwan's nose. War games on a knife edge.

Last Tuesday, U.S. House speaker Nancy Pelosi landed in Taiwan. This island territory is claimed by China as its own, which is why the visit of US policy was taken as an aggression. As soon as it transpired that the official could make a stopover in Taipei (capital of Taiwan) as part of her tour of Asian countries, the representatives of the People's Republic warned about the harsh consequences that this visit could have if it were to materialize. Two days after it took place, China began extensive military exercises in the Taiwan Strait. The Chinese navy virtually blocked maritime traffic. At least nine missiles launched in these exercises flew over Taiwan, and several of them fell in Japan's exclusive economic zone, according to allegations made by authorities of the latter country.

The situation created an escalation unprecedented in decades, at a time particularly fraught with tension in interstate relations, dominated by the war in Ukraine with one of Beijing's main allies. While neither China nor the US – much less Taiwan – seem to have intentions, for various reasons, to continue increasing the level of aggression, the chances of crossing the Rubicon and ending in an unintended conflagration are stretched to the limit.

Taiwan and imperialism

In China's recent history, Taiwan was formed as a separate state when the nationalist Kuomitang Party, defeated by the revolution led by Mao Zedong's Communist Party in 1949, based itself in the strait and formed a regime hostile to the People's Republic there. From then until 1971 Taiwan usurped China's representation in the United Nations (UN), with support from the US and its allies. In October 1971, UN Resolution 2758 recognized the People's Republic of China (PRC) as "China's sole legitimate representative to the United Nations" and expelled "Chiang Kai-shek's representatives from their legal position at the United Nations."

When Richard Nixon approached China as part of a policy to isolate the Soviet Union, and traveled in 1972 to Beijing to have a historic summit with Mao Zedong, a new period opened up regarding imperialist policy toward China and Taiwan. It's what was called "strategic ambiguity." What was this? It was basically about not granting formal recognition to Taiwan – which lost recognition as a state at the UN – but expressing concerns against any threat of subjugation by Beijing. All this, without clarifying whether he would come to the aid of Taipei in case of an invasion, although this never prevented him from providing multiple economic support and various resources.

Deng Xiaoping proposed the doctrine of "one country, two systems" in the context of this rapprochement with the US during the end of the Cold War, and when he was taking the first steps in the transformations that would open the way for capitalist restoration in China. The proposal was aimed at creating a framework for the restitution of the dominated territories with Britain and Portugal, Hong Kong and Macau, but also aimed at Taiwan. Taiwan has always rejected this proposal. Leaders like former President Lee Teng-hui countered him with a "two-state" theory, obviously rejected by Beijing.

With the growing hostility that has been characterizing the relationship between China and the US since Obama announced 11 years ago the "pivot to the Pacific", which implied greater efforts for the US to. While the U.S. remained a player in Asia, aligning countries in its favor for each and more disputes with Beijing, Taiwan became a growing focus of attention. On china's side, since Xi Jinping took office, the issue of the reunification of China and Taiwan, always present in the CCP's policy, has gained greater prominence as part of a more emphatic nationalism that has characterized the regime.

The situation became more tense since 2016, with the arrival to the presidency of Taiwan of Tsai Ing-wen, belonging to the pro-independence Democratic Progressive Party, shortly before Donald Trump was installed in the White House. The tycoon broke as US president a tradition in force since Nixon, by accepting a bilateral conversation with the president of Taiwan, granting her a rank of head of state. From there, Trump made multiple gestures that began to overturn this "strategic ambiguity", but never made explicit his abandonment.

The shift from Taiwan was part of a more offensive policy overall. The global dispute, relatively larval, to maintain or gain influence and to cement alliances, with a focus on Asia but extended to the entire planet, left room in the last five years to more open frictions. The "trade wars" initiated by Trump, whose emphasis beyond the title was not so much on the trade confrontation as on the dispute over the primacy of fundamental technologies, and subsequently the dispute over 5G that continues, generated a rarity in relations between the two countries that did not fade with the arrival of Joe Biden. The US, which still maintains leadership in technology and innovation by various bodies – while noting with concern China's successful initiatives to close the gap or even lead in areas such as artificial intelligence – does not waste an opportunity to try to block Beijing's access to critical links for technological development. At the same time, it tries to concentrate state resources, in collaboration with large private firms, to recover the initiative in areas where it has been overcome, such as microchips. Interestingly, it is Taiwan, and not China, that has won the leadership in this area years ago; his firm, TSMC, far surpassed historically leading companies such as Intel over the past decade, which were unable to sustain, in a profitable way, the pace of investments required to stay in the race. But China also lurks with its own innovations in this strategic arena. The Biden administration intends to regain prominence in the branch, although the latest announcements, of a fund of USD 200,000 million, seem meager for the efforts that are proposed.

Although Russia's invasion of Ukraine opened up another front to attend to, Biden did not divert his attention from China. On the contrary, the revitalization of NATO thanks to this war gave new impetus to the Yankee strategists. Biden, like his predecessor, continued with gestures that leave behind the "strategic ambiguity" regarding Taiwan. In May of this year he warned China, from Tokyo, against any attempt to take Taiwan by force. The idea of an invasion, Biden claimed at the time, "is not appropriate. It would dislocate the entire region and would be an act similar to what has happened in Ukraine," making a clear parallel with Russian aggression, which enabled as a response the harsh sanctions by the US and its NATO allies.

It is not surprising that an eventual dispute over Taiwan that could lead to direct war between the US and China is among the main hypotheses of conflict drawn by the strategists of both countries, results of these exercises, in the case of US imperialism, do not usually end with reassuring results.

Reasons not to scale

But while the Taiwan conflict has long occupied the attention of military cabinets, Pelosi's scale in Taipei seems to have forced time and triggered actions that were not in the calculations. The last time a visit of equivalent rank took place was in 1997, when Newt Gingrich, then also speaker of the lower house, arrived there. But, as Claudia Cinatti observes, the context could not be more different. Domestically, "while Pelosi and Biden are from the same party, Gingrich was a staunch opponent of Bill Clinton's Democratic administration. And the consensus of the imperialist establishment was to integrate China into the 'neoliberal order'," pushing for its entry into the World Trade Organization.

The decision of the representative, without consultation, gives a sample of the divisions that prevail in the American bipartisanship and the weakness of the current government, which except for the achievement – probably ephemeral – of resurrecting the Atlanticist commitment of the European partners thanks to the war in Ukraine, does not have many successes to show and could suffer a hard defeat in the midterm elections. Biden made it known that he advised against Pelosi's landing in Taiwan. Intelligence agencies and diplomatic power plants also advised against it. Although rivalry with China is at the heart of all U.S. strategic articulation, this does not appear to be the best time to stimulate an open clash between China and Taiwan. But the president never formally asked the head of the House of Representatives not to make the visit. The fear of offering a new flank of attack to the Republicans in the middle of the election trumped any other consideration. He also sought to avoid cracks in the Democratic ranks, allowing the party's hawks to prevail over the considerations of the head of state (which can also be at times an advantageous division of tasks, although this conjuncture becomes very dangerous). International affairs expert Ian Bremmer observed, with some irony, that "Biden tried to prevent Pelosi's visit to Taiwan... but not enough to start a fight with her. Instead, it risks war with China." This difficulty in marking the times on the part of the head of state in the most strategic dispute, conditioned by the electoral dispute but also by his own internal dispute, is another clear example of the limits that the still main imperialist power finds to show a coherent intervention. The underlying conflict in the American political establishment is about the course to be followed to try to reverse the tendencies that, gradually but firmly, show a decline in its power and a change in the center of gravity of the capitalist world economy, oriented towards China.

See also: Imperialism today: towards "systemic chaos"?

Provoking China right now may have, as New York Times columnist Thomas Friedman observes, dangerous derivations in the Ukraine war, in which Russia is managing to make its foot in the Donbass, but at a much higher cost than Initially envisioned by Putin. While China, like many other countries, did not accompany the NATO-pushed economic sanctions, it does appear to have taken note of the warnings made by the US about any assistance to Russia. Friedman reports from official sources that Biden "personally told President Xi Jinping that if China entered the war in Ukraine on Russia's side, Beijing would be risking access to its two most important export markets: the United States and the European Union." China, Friedman continues, "has responded by not providing military aid to Putin, at a time when the U.S. and NATO have been providing intelligence support and a significant amount of advanced weapons to Ukraine." The risk is not only a clash with China in the Taiwan Strait, but that Xi will turn his policy and arrange for a more active collaboration with his ally that could produce an even more adverse outcome in Ukraine than is being drawn at the moment, with Russia controlling 20 percent of the country. For the U.S., a war that lasts over time and demands great efforts from Russia, with consequent attrition, is not inconvenient. If China intervenes more actively by helping to rebuild the Russian military's equipment and sustaining its economy, the war efforts may become more manageable and Putin may again increase his ambitions by going beyond what has been achieved so far.

For China, Pelosi's visit provided an opportunity for a shocking military deployment. In full preparations for Xi Jinping to assume a new mandate, and be the first leader after Deng Xiaoping to rule for more than 10 years, seeking an eventual indefinite extension of his presidency, the friction with the US allows him to give rein to nationalist inflammation.

However, the timing is also risky to start an escalation. The economy is on track to show the second year of worst growth in the last decade, second only to 2020 when the pandemic emerged. The difficulties in controlling the new outbreaks in these months, which were answered by Beijing with the "zero covid" policy that led to the closure of many cities for weeks. In the second quarter of this year the economy grew only 0.4% compared to the same period of 2021, and fell 2.6% compared to the first quarter of this year, showing the impact of health restrictions. The forecast is that this year the GDP will not grow more than 4%, a figure that could be enviable outside China, but that is much lower than the usual performance in this country and is below what was expected until recently.

La economía no padece solamente los estragos de la política de “covid cero”. El desinfle de la burbuja inmobiliaria, en buena medida empujado por el gobierno del PCCh cuando forzó a las firmas del sector a bajar los niveles de apalancamiento con deuda, y que llevó a firmas como Evergrande al borde de la bancarrota, continúa extendiéndose. El retraso de las obras, por dificultad de financiamiento en el marco de las restricciones impuestas por el gobierno para endeudarse, condujo a muchos compradores de casas a dejar de pagar sus créditos hipotecarios. Las casas en China se pagan por adelantado, y las constructoras vienen dependiendo cada vez más de estos fondos para edificar. El "boicot de las hipotecas" amenaza con paralizar la construcción todavía más por falta de fondos, y dejar a más compradores enojados.

La posibilidad de responder a los contratiempos económicos volviendo a estimular el crecimiento en base a deuda, un recurso al que el gobierno del PCCh apeló en numerosas oportunidades, se vuelve más complejo cuando los bancos centrales de todo el mundo, y sobre todo el de EE. UU., suben las tasas para hacer frente a la inflación y se convierten en "aspiradoras" de activos que buscan rendimientos elevados, pero también confiables. Hacer política expansiva en estas condiciones puede estimular la salida de capitales, a pesar de los controles que la limitan. El recuerdo del episodio atravesado en 2015, cuando la fuga de activos se aceleró abruptamente, está muy presente en las autoridades Chinas.

Las tensiones internas suelen ser un acicate de la agresividad internacional, como hemos visto en numerosas oportunidades. Pero la coyuntura encuentra a Xi Jinping con varios frentes abiertos como para acelerar ahora los tiempos de esta guerra para la que todos los actores se vienen preparando hace tiempo.

Otro salto sin vuelta atrás

La lógica de los acontecimientos, una vez iniciados, no necesariamente se ciñe a las motivaciones que puedan tener los principales actores de este drama para no seguir tensando la cuerda. Los próximos días o semanas veremos si las provocaciones cruzadas son respondidas solo con reproches diplomáticos cruzados, como está ocurriendo en estos días, o se va un paso más allá. Por lo pronto, el gobierno de China ya avisó que suspende el diálogo con EE. UU. por el cambio climático, lo que puede tener graves derivaciones.

Pero aunque la cosa no pase todavía a mayores en términos bélicos, la rivalidad que se viene exacerbando queda irremediablemente un escalón más arriba. De ambos lados, la puesta en escena de estos días ha sido una especie de ensayo general, o primer acto, de una conflagración hacia la que siguen avanzando y de cara a la cual seguirá produciendo acciones al filo de la navaja.

Looking at the bigger picture, the weight of geopolitical disputes over a world capitalist economy that has experienced unprecedented productive internationalization in recent decades continues to worsen, whose benefits were considerable for the main multinationals that dominate world trade, most of them based in the US and the European Union. although more and more China sneaks its own in the rankings of leading firms. The reluctance of big capital to renounce these benefits clashes with the growing aggressiveness of states, whose economic sanctions, military clashes still localized and preparations for more global conflicts torpedo economic integration or at least force it to discipline it under new strategies, privileging when it comes to investing the most related countries and not necessarily cheaper in terms of costs. Something that does not get along very well with the needs of cheapening production to impose itself on global competition.

In this rarefied climate, just as there was no turning back from Trump's "economic wars," neither will there be a turning back from the Pelosi affair and Xi Jinping's war games. The conflict is less and less a hypothesis and more and more a palpable perspective, imposing a logic of speed race to secure allies and equip itself, without neglecting at any time the fronts of the economy and innovation, which are decisive in any conflict of great magnitude like this that, beyond that it may have the immediate trigger in Taiwan, it aims to rediscuss how world capitalism is ordered and who dominates.

When the war broke out in Ukraine, we assessed that "the tendency to world disorder takes a qualitative leap with this war [...] we are moving one step closer to the confrontations for which US imperialism has been preparing for a long time with the ascendant Eastern power." The war games in the Taiwan Strait come to confirm that this is the sign of the times.

Source: https://www.izquierdadiario.es/China-y-EE-UU-juegos-de-guerra-en-un-mundo-crispado

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