

The US-China Trade War: It is all About Technological Supremacy

News:

“In July 2018, US President Donald Trump followed through on months of threats to impose sweeping tariffs on China for its alleged unfair trade practices. Over the 18 months that have followed since, the two countries have been embroiled in countless back-and-forth negotiations, a tit-for-tat tariff war, introduced foreign technology restrictions, fought several WTO cases, consequently leading US-China trade tensions to the brink of a [full-blown trade war](#).” (Source: [china-briefing.com](#))

Comment:

As America and China sign up to a phase 1 trade deal, there is little sign that this will culminate into a lasting comprehensive trade agreement between the two countries. This is because America’s main aim behind the trade war is to prevent China achieving supremacy over the next generation of technologies such as 5G and artificial intelligence (AI).

The manner in which the Trump administration has pursued Huawei and ZTE underlines America’s resolve to disrupt China’s determination to assume leadership of 5G and AI. The two technologies fall into the category of general-purpose technologies— similar to the likes of the steam engine, the combustible engine and the personal computer—responsible for producing other technologies or what some like to call recombinant economics.

Leadership of 5G means control over vast amounts data, which is the lifeblood of the new AI economy. This includes applications such as smart cities, autonomous transportation and advanced industry automation. As the fruits of the second industrial revolution become exhausted, the significance of 5G and AI increases amongst policy makers in Washington and Beijing.

China’s ambition to become the first mover in 5G and assumes stewardship of AI is no secret. In 2015, Prime Minister Li Keqiang launched “Made in China”, (MIC 2025) initiative—a major enterprise intended to upgrade China’s industrial capability and spur economic productivity.

The success of MIC 2025 rests on two important pillars. In 2013, Beijing established IMT-2020 5G Promotion Group to push for the global domination of 5G. In the same year, the Chinese government unveiled the Belt Road Initiative (BRI), one of the largest infrastructure projects in the world encompassing 4.4 billion people and possessing up to 40% of the global GDP. There is little doubt that BRI’s infrastructure drive will enable Beijing to have an advantageous position in countries deploying Chinese made 5G infrastructure.

America has been woefully slow to react to China’s 5G plans, BRI and the broader MIC 2025 initiative. Obama missed the opportunity to address these concerns in his pivot to Asia strategy announced in 2011, which was intended to reposition American military equipment and resources to mitigate insecurity apprehensions expressed by allies in the Asian Pacific region. It was left to the Trump administration to adopt a more confrontational approach to thwart China’s dominance in 5G.

In 2019, Trump under the banner of “security risks” banned Huawei on the domestic front, and coerced allies to bar Huawei from 5G deployments. Allegations regarding the vulnerability of Huawei’s 5G network are disingenuous. An American or European 5G network is also prone to security weaknesses. In practice, all networks are dirty. Manufacturers in their quest for high performance over security often fail to address embedded system vulnerabilities because of exorbitant costs. This provides governments with opportunities to eavesdrop.

The geopolitical nature of 5G means that the world instead of witnessing the next industrial revolution will be a victim of a bipolar technology order. A major causality will be interoperability between Chinese and Western technology spheres based on different versions of 5G.

Besides the commercial motives guiding America’s punitive actions against Chinese technology companies, Washington is also anxious about China developing such technologies to challenge America’s primacy in the Pacific Rim and Eurasia. The military application of 5G and AI could greatly narrow the gap between China and America on the battlefield. China has already instigated measures to achieve independence in computer chips and operating systems, the basic building blocks for harnessing the power of AI on 5G platforms.

Only Khilafah (Caliphate) can change the current situation to its favor and uproot this current capitalist world order in matter of days by using current rifts between capitalist countries and only Khilafah can liberate the world from such oppressive system where cries of children, bloodshed of innocent and the hunger of empty stomachs are part of their 80/20 rule.

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