

American Plutocratic Interests in the Coming War on China

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Abstract

The Chinese South China Sea militarization, the American stranglehold of Asian military bases, and the increasingly aggressive political stances shown by both countries against the other have presented a certainty of a war between the two nations on the horizon. It is evident that America's provocative military and trade practices against China stem from a need to maintain its imperialist hegemony, a position aided by the cheap labor, raw materials, and abundant markets in China which American corporations continue to exploit. As demands from American corporations grow for increasing control of Chinese economic policies and markets, and the wealthy American capitalist class of policymakers and businesspeople adopts a hardline stance against China - using excessive military force in war preparations, it is clear that the class system theory is the best lens to analyze the nature of this coming conflict.

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In the 21st century, there seems to be only one country that is the match for the American global hegemon. It is a country ever present on the news and thus in many Americans' minds when it comes to blaming the shutdown of a domestic factory, or the latest COVID-19 virus- which brought with it hordes of both genuine concern about the Chinese economic and health infrastructure along with sinophobic conspiracies leading to Anti-Asian hate crimes. In any case, China remains a key economic power and geopolitical force. However, as the world watches tensions escalate militarily and economically between the United States and China, an essential question to ask is: what is the driving force behind this aggression? The class system theory is the most viable explanation for the coming war on China, as the American hardline political aggression against China is a product of American plutocratic capitalist interests warring for control of Chinese production, resources, and consumer markets.

In order to develop a true understanding of any countries' future relations, it is essential to analyze past tensions and precedent. The nation of the People's Republic of China was established in October of 1949 under the leadership of Mao Zedong; the United States however, supported his opponent, Nationalist Chiang Kai-Shek. In its support of the Taiwanese leader, Washington signed a Mutual Defense Treaty during the Taiwan Strait Crisis- affirming American support for Chiang's nationalists against the communist government. This defense treaty, along with Chinese support of North Korea and subsequent retaliation when American troops approached its border during the Korean war, led to festering tensions between the U.S. and the mainland Chinese government. Thus, Sino-American relations were virtually nonexistent in the early decades of China's formation. In 1972, however, there was a dramatic change as President Richard Nixon visited China and signed the Shanghai Communique with Mao's government, opening the door for

discussion of contentious issues and better U.S.-China relations. This start of Sino-American dialogue opens the door for President Carter to attest to mainland China's One China principle, leading to the US severing legitimate ties with Taiwan (US Relations..., 2021).

Regardless of these nascent steps in creating friendly relations, it was clear that on many larger issues, the U.S. and China were in extreme disagreement. This was highlighted as even with constant reassurances with the One China policy, tensions arose from the continuing U.S.-Taiwan alliance and especially from the U.S. freezing relations with Beijing following the Tiananmen Square government-led massacre in 1989. These political issues have left their impressions on U.S.-China relations for decades and will continue to be contentious topics in diplomacy. Currently, U.S. commitments to Taiwan through arms sales and alliances and American concern over the multitude of Chinese human rights abuses are controversial issues in U.S.-China diplomacy (US Relations..., 2021).

A decade after Tiananmen Square, as Pres. Bill Clinton signed the U.S.- China Relations Act of 2000, the US and China kickstarted a permanent trading partnership and a future of extremely intertwined economics. This act allowed China into the World Trade Organization. In order for proper economic integration, China economic reforms- namely opening up its state-owned economy, reducing tariffs, simplifying and reforming laws and regulations, allowing for more private ownership, and committing to transparency. These reforms brought with them Chinese economic prosperity, which ballooned U.S.-China trade from \$5 billion to \$231 billion from 1980 to 2004 and made China America's second largest trading partner (US Relations... , 2021). With this market integration, came reciprocated foreign direct investment (FDI) by both countries. The United States, through 1,300 American companies which have established a significant proportion of their operations in China, has invested \$228 billion dollars from 1990 to

2015 as FDI, while China has invested around \$64 billion in American firms in the same time period (Hanemann 2018). This reciprocated investment is a strong display of how both the United States and China share a clear overlapping economic interest, indicating possible friendly relations.

However, China announced a Belt and Road Initiative (BRI) in 2013, a perceived threat to the dominance of American firms in Asia. The BRI looks to strengthen Chinese economic and diplomatic links with countries in its neighborhood- featuring efforts to strengthen infrastructure, investment, and trade across Asia. These partnerships resulted in extensive future plans, including oil and gas pipelines, shipping ports, and a railway system to connect Southwestern China to Laos, Thailand, Singapore, and Malaysia. Additionally, China continues to militarize man-made islands in the South China Sea with airfields, naval ports, and missiles (Stromseth 2019). China's two-pronged strategy of economic and military hegemony in Southeast China affirms a desire to maintain economic growth and have much greater geopolitical control of neighboring regions.

America's response to the South China Sea militarization along with the ambitious belt plan are economic partnerships and an overwhelming military force. To counter the BRI, the Obama administration authorized Trans-Pacific Partnership, a multinational free trade agreement and a move towards "increased investment- diplomatic, economic, strategic" with 8 Asian Pacific countries to counter growing Chinese clout in the area (US Relations..., 2021). While the Trump administration withdrew from the TPP, the Biden administration has created another BRI-rivaling Asian infrastructure plan which has support from the G7 (Wintour 2021). On the military side, the United States continues to maintain a gigantic presence in almost all of the major countries surrounding China- including Australia, Japan, Korea, Indonesia, the Philippines, and Singapore. During the Obama administration, the U.S. committed to maintaining 60% of its naval assets in the South China Sea region, increased its military presence in Australia, and reaffirmed its

commitments to Japan, Korea, and the Philippines. A key historical fact to note is that American maintains 32 military bases on Okinawa, a Japanese island, which is only 500 miles off the coast of Shanghai. These bases store both missiles along with battalions of air and naval forces. In fact, this South China Sea region has been the focus of aggressive American war preparations, the U.S. has gone beyond simply showing strength and presence in the region and regularly has close encounters with the Chinese army through its war rehearsals, which consist of “aircraft carrier formations, submarines, unmanned drones, and bombers” (Xiangmiao, 2020). At this point, can such overt aggression be classified as self-defense against increasing Chinese hegemony? Would the United States classify a Chinese missile base off of the coast of California, similar to the American base off of the coast of Shanghai, as a national defense necessity or an overture for war? The answer is clear when American self-interest is equated with the Chinese reality. Thus, the root of American aggression cannot simply be national defense- it must stem from an economic incentive- as is seen from the Biden-G7 deal, American multinational corporation domination of China, and the American desire to preserve its imperialist hegemony.

The class system theory explains these economic forces shaping world politics clearly- outlining how wars and political matters are the product of advanced capitalist states furthering their imperialist interests. Thus, conflicts between states simply represent the incompatible economic interests of states and the control of wealthy capitalists in international politics. There are four main tenets of this theory. Firstly, class system theory provides that politics are driven by primarily economic interests. Thus, the most dominant capitalist class of a country is the basis of its political and military power. Secondly, the capitalist system perpetuates lower development in poorer states compared to advanced capitalist states. Additionally, in order to maintain hegemony, advanced industrialized nations exploit poorer states. Finally, the primary actors in international

politics, according to class system theory, are multinational corporations and transnational class coalitions. Transnational class coalitions imply that the wealthy capitalist class across different countries have many more similar interests than the wealthy class of a country may have with their poorer countrymen (Genest, 2006). This theory, through its explanation of how economic factors and wealthy actors act to cause war between nations, is the main descriptor of why the United States would pursue war with China.

The class system theory provides that the capitalist system perpetuates uneven development between advanced capitalist states and poorer nations, with more industrialized states exploiting poorer states for labor and raw materials. This factor is clearly seen in the United States' relationship with China. Firms in China and key American foreign policy figures look to limit Chinese domestic growth and prevent Chinese control of its own economy. For instance, in the 2021 American Business in China White Paper by the American Chamber of Commerce in China (AmCham)- a major publication for American firms in China and for policymakers to offer their assessments and recommendations, stated that most US businesses wanted the Chinese government to increase their domestic market access to foreign entities. Cloud computing and medical institutions, some of the most popular and advancing industries, are limited at 50% and 70% foreign investment, respectively. These U.S. businesses, despite being promised Chinese foreign investment policies like Hainan Free Trade Zone- a tariff-free port, still want Chinese regulators to open up markets as they are eager for ownership of major Chinese industries. This clearly implies that American policymakers, led by American businesses, want significantly more foreign control of Chinese markets, a desire which will prevent domestic development in financial sectors, limit the Chinese people from having control of their economic destiny, and leave the country with lower-skill economic development. Along with more chances for investment,

American firms indicated that they felt that American products were discriminated against in the domestic market and wanted these products to be better pushed by the Chinese government. Clearly, American firms see the potential of the Chinese market, filled with a large population of eager consumers- as Fortune explains, “China hosts three out of the world’s top 10 shopping malls; has a larger beer consumption market than the U.S. or Germany, and accounted pre-COVID for one-third of the global sales of luxury goods” (Candelon, 2021). China’s consumer market signifies another essential resource to assist the ever-increasing pace of growth American firms wish to maintain. The market access of American goods has frequently been a point of contention by American policymakers in bilateral talks. However, through their new Dual Circulation Project, China aims to “increase domestic consumption and innovation while reducing reliance on foreign trade and investment” (US Businesses..., 2021). This turn to Chinese self-reliance leaves American firms concerned and they continue to lobby for decreased regulation to allow wider reach for their products in the Chinese market. By pushing to lower Chinese consumption of domestic products, it is clear that America’s goal is to lower Chinese self-sufficiency and development, looking to restrict higher-level development to the United States.

In AmCham’s White Paper, another top concern that American firms stated was the increasing labor cost. This is because the production arm for many American firms, such as Apple, General Motors, and IBM, are in China (US Businesses..., 2021). This is a key feature of the class system, in which multinational corporations, or in this case investment firms, aggregate profits in their base advanced nations by exploiting less developed countries’ cheap labor and raw materials. According to the International Trade Union Confederation, China ranks as 5- or as one of the world’s worst countries for workers, making it easier for businesses to exploit workers, keep wages low, and leave them to work in horrific conditions (such as Apple’s infamous “suicide nets” to

prevent workers from jumping) (Rapoza, 2021). An indicator of higher development, as shown in many advanced capitalist states, is higher wages and worker protections. However, U.S. policymakers clearly look to limit Chinese development in these regards and to keep its high abundance of cheap labor through impoverished citizens with a lower standard of living. Additionally, the US is heavily reliant on Chinese exports of neodymium magnets, which are used in computer hard disks and electric motors. Similarly, China refines 60% of the world's lithium and 80% of cobalt, metals necessary for batteries. China also has "75% of global cell fabrication capacity for advanced batteries" (Klein, 2021). Paralleling American firms' desire for cheap labor, the need for certain raw materials that only China can provide for cheaper prices would lead to American firms demanding more firm and aggressive control of China as such core materials are essential to the American tech industry, and thus have a large effect on American domestic production and national security.

Thus, to maintain their higher distribution of wealth and development and in order to continue to exploit poorer nations for inexpensive labor and resources, wealthier nations look to control impoverished nations through military force - and this struggle for dominance is what results in war. In order for the United States to maintain the cheap labor force China provides through lower development and in order for American businesses/policymakers to compel China to allow more foreign control of their domestic markets, the United States may resort to military means. In the past, America has used military force to maintain its access to essential material, such as with cobalt in the Congo, or to impose horrific living conditions to keep labor cheap, such as the coup which unseated Jacob Arbenz in Guatemala. In China's case, it provides both inexpensive labor and essential materials which American firms and national security are extremely dependent upon. Thus, any move from China to reform its labor practices or to restrict

access to or lower prices of raw materials would likely result in American businesses successfully lobbying policymakers to pursue military actions to push China to comply with American demands. This course of action is not new in the American playbook; America has tried and succeeded in pushing Guatemala to keep exploitative labor practices in Guatemala at the urging of the U.S.-based United Fruit Company (UFC) which had imported bananas from Guatemala. The UFC opposed the policies of the democratically elected president, Jacobo Árbenz, who enacted social reforms to provide peasants with a minimum wage and property. This affected the bottom line of the UFC, which succeeded in lobbying for a coup by the CIA, deposing Árbenz and replacing him with a regime of massacres which killed 200,000 indigenous Mayan people (Journeyman Pictures, 2003).

It can be argued that the United States has evolved and would not take the same inhumane approach, having learned from earlier blunders. However, the Council on Foreign Relations (CFR), a nonpartisan think tank of U.S. policymakers and business executives, has the same historical hardline stance, virtually calling for war with China. In its 2015 report on recommended U.S. strategy towards China, the council established that the U.S.'s strategy must be to keep its imperialist hegemonic "primacy" in Asia through any means, including a confrontational foreign policy against China which is likely to perpetuate war- a risk worth taking, according to the CFR. Even though the CFR is one group in a pluralistic system of interest groups in America, the CFR is a group with massive influence over American foreign policy. The CFR has either familial connections or membership of 17 out of 30 Biden team members, most of which are key foreign policy actors such as President Joe Biden, Vice President Kamala Harris, and Secretary of State Anthony Blinken. CFR members, such as former Secretary of State Henry Kissinger, have famously pushed America into its major modern imperial wars, i.e. Korea, Vietnam, and Iraq.

Additionally, President Joe Biden's advisors and cabinet feature mostly people who have many connections to the plutocratic corporate class such as JP Morgan Chase Bank, McKinsey, and Brookings which contribute to the CFR and hold similar imperialist views (Shoup, 2021). The plutocratic nature of the Biden team affirms another tenet of the class system theory- that multinational corporations and transnational class coalitions, such as the CFR, are the primary actors in international politics.

There are two main strategies the United States can use in the aforementioned war against China. The first being an economic path, utilizing tariffs and cutting American contributions to the Chinese market to negatively impact the Chinese economy. Both the Trump and Biden administration have taken this route. President Trump's administration increased tariffs in order to incentivize American firms to conduct more business domestically. However, this ended up being a purely political move, with less than 3% of American firms saying that they would relocate to the U.S. due to tariffs and less than 7% leaving China (Rapoza, 2019). The Biden administration also set up a strike force against China on trade and has continued tariffs (Klein, 2021); however, these policies are still likely to have little to no traction in inhibiting Chinese development and economic growth. Fortune, a leading business publication, states that regardless of economic tensions, "China is too large and dynamic of a market, with too many significant benefits to offer, for any global company's CEO or board to ignore" and advises American companies to double down in exploiting Chinese production facilities and consumers (Candelon 2021). Therefore, it seems that economic measures will only serve as political points, not necessarily being a real detriment to Chinese growth as long as American firms maintain their preference for Chinese markets. Thus, the only viable method to punish or control China America has left is its massive military. In the 2015 CFR report on American strategy towards China, it was stated that the U.S.

has the “geopolitical objective of ensuring that this (Asian) arena remains free of hegemonic control”- however through the previously mentioned stranglehold of American bases in key shipping routes (Okinawa, Jeju, Philippines), it is clear that this objective is implying that the U.S. must maintain its control of the area. For example, on Jeju Island off of the coast of Korea, there is an American base which has the power to shut down one of China’s lifelines to the world in oil, resources, and trade because Jeju island is a stop on this shipping route (Pilger, 2020). Currently, America shows increasingly aggressive war preparations in this same area. As previously stated, this includes exercises with aircraft carriers, submarines, unmanned drones, and bombers which have regular encounters with China’s southern defense system (Xiangmao, 2020). At some point, constant provocations and close encounters could very well lead to a war.

Due to the continuing presence of the class system, which incentivizes the wealthy capitalist class to wage wars in order to continue their exploitation of poorer states in order to further their own wealth, this war is inevitable. Across Presidential administrations or congressional candidates, the multinational corporations funding them are the same- the 30 Fortune 500 Companies which have donated the most money to Republicans and Democrats have donated a significant amount to both parties. For example, AT&T (a company with manufacturing operations in China) has donated \$3,022,815 to political parties in the last decade, 38.9% to Republicans and 60.0% to Democrats (Cain 2018). Additionally, the CFR, the nonpartisan think tank which advocated for war with China, is made up a good proportion of both Republicans and Democrats- i.e. Joe Biden (Democrat, current President) and Newt Gingrich (Republican, Former Speaker of the House). Thus, regardless of who is voted into office from the two major parties of the United States, change is not possible within the currently existing economic and political system.

If this war were to occur, it would not be winnable for either side. Both sides are nuclear powers and even though America's military spending and force is much higher than China's, China's militarization of the South China Islands, cyberattacks, and the increasing force of the People's Liberation Army guarantees that China will also have a sizeable amount of strength in a potential war (U.S. Relations..., 2021). It is inevitable that the Chinese market, supply, and production mechanisms that the United States is trying to acquire would suffer heavily from a war as well- so the ultimate objective of the United States in starting this war would not be reached. Thus, it is necessary to stem war through any means, no matter how small. Firstly, since change is impossible in the current political system where corporate interests prevail, the political system itself must change. In order to hinder the power of corporate and special interests, their donations in federal and local politics must be severely limited or banned. Additionally, antitrust laws must be adopted which break up large corporations and media conglomerates in order to limit the political clout that large firms often have. Furthermore, breaking up media conglomerates such as Fox News, would stop the wealthy class from spreading propaganda and misinformation which indoctrinates poorer people into supporting causes which actually harm them. The American people must also demand that policymakers are from the same walks of life as the people they legislate for, alongside demanding an end to the Rotating Door of Washington which allows policymakers to work for the interests of corporations looking for government contracts (Shoup, 2021).

Moreover, we must build better relations with China in order to prevent war. Firstly, we must work to limit fears of China as a hegemon. Our view of China as an economic superpower does not take the realities of China's population into consideration. Currently, the per capita GDP of China is still only a quarter of the United States- indicating that the standard of living is still

very low for the average Chinese person and any potential economic growth must account for this population disparity (INETeconomics, 2021). While there are still causes for concern with China- such as human rights abuses, working conditions, and climate change- none of these issues can be addressed by the United States unless it has a sober view, free of reactionary and false propaganda. Another move to build improved relations with China is to engage in more bilateral talks on military force and conduct. Recently, China held Code of Conduct (COC) consultations with the Association of Southeast Asian Nations. Since the United States is also a major power in this arena, and frequently provokes China with war preparations, American policymakers must insist on COC consultations and maritime cooperation between the two nations to prevent an incident which could start war (Xiangmao, 2020). Additionally, increased cooperation and bilateral talks have the potential for demilitarization in the South China Sea, a goal which both nations must work towards.

Within our current American political and economic system, it is very likely that a war with China is on the horizon. As long as wealthy plutocratic interests continue to lobby for a hardline strategy with China to bring about more American control of its production and markets, a course of action supported by the class system theory, increasingly aggressive encounters by American military bases surrounding China will follow- encounters that one day might be the perfect starting point for a large-scale war. This war will be an enormous detriment to ordinary citizens of both nations- both due to the destruction of economic infrastructure and the potential of civilian targets to be utilized in this war. Thus, we must work to limit the influence of corporate special interests in American politics and build a better bilateral relationship with China to soberly address real issues and to bring about a future of demilitarization.

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