


# Chapter 8

## United States–China Trade War 2019: Its Impacts on European Economies

**Hassan Syed**

 <https://orcid.org/0000-0003-2114-2473>  
*BPP Law School, UK*

**Sema Yilmaz Genç**

 <https://orcid.org/0000-0002-3138-1622>  
*Kocaeli University, Turkey*

### **ABSTRACT**

*Global economics has two versions. One is the economic realities that are based on our lived world view and explained by our experience of it each day. The other is the complex and theoretical economic view presented by mainstream economists. There is no correlation between the two world views. There is little respect left for the ‘predictions’ offered by mainstream economics through the use of obfuscating mathematics in practical business decision making. The 2008 financial crisis made this position even more profound. China, the United States, and Europe are the three main contributors to the total productivity of the globe.*

### **INTRODUCTION**

Global economics has two versions. One is the economic realities that are based on our lived world view and explained by our experience of it each day. The other is the complex and theoretical economic view presented by mainstream economists.

DOI: 10.4018/978-1-7998-2513-5.ch008

There is no correlation between the two world views. There is little respect left for the 'predictions' offered by mainstream economics through the use of obfuscating mathematics in practical business decision making. The 2008 financial crisis made this position even more profound. China, the United States, and Europe are the three main contributors to the total productivity of the globe. The global GDP stands at USD 80 trillion (World Bank, 2019).

The US and EU contributed 50% to the global GDP in 1980. In 2019 the US and EU combined share went down to 31%. Asian economies contribute 63% to the global GDP as of 2019. China takes the lion's share of 33%. Africa only adds 2% to the global GDP. The United Kingdom contributes 1% to the global GDP (Desjardins, 2019).

The reality of global economics is not the result of the forces of free markets or any of the economic equilibrium theories. The global economic situation is the outcome of intense global politics. The global economic policies also have strong influences from the world's largest military force, the United States. The United States has over 700 military bases around the world. These military bases allow the United States to leverage economic and political advantages from other nations (Davis, 2011). The US economic policies are firmly linked to its foreign policy. The foreign policy is guided by the US geopolitical and geo-economic interests combined.

It is still an enigma of how the US objectives for military dominance and economic hegemony are decided and translated into policy. The recent rise of the far-right movement in the United States is still not fully understood by the political scientists. Some attribute this far-right movement to the mass exodus of Central and South American populations escaping poverty and civil unrest in their countries and lining-up at the borders of the United States. Other's see it as a consequence of deteriorating racial relations in America due to the economic marginalisation of non-whites and fuelling of racial politics by politicians like Donald Trump. Regardless of the reasons, it is evident that the United States' internal politics and its foreign policy objectives for economic and political hegemony are distinct (Inwood, 2019). Since the 1980s, China has emerged as a global production powerhouse. The 1980's famous 'Four Modernisation' policies of Deng Xiaoping called for reforms in China. Deng Xiaoping set ambitious goals for reforms in China's defence capability, agricultural production, industrial outputs and innovations in science and technology (Zhang & Feng, 2019). The meteoric rise of China from the 1980's to date in all the four realms is a testimony to the discipline and political cohesion of the Chinese nation. There is no parallel in the contemporary world economic history of such massive national transformation. China has achieved the impossible and envious state of economic prosperity regardless of being the most populous country in the world. China's spectacular transformation has transfixed the attention of global power players in the United States and Europe. The current US-China trade war is linked to the

18 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: [www.igi-global.com/chapter/united-states-china-trade-war-2019/248896](http://www.igi-global.com/chapter/united-states-china-trade-war-2019/248896)

## Related Content

---

### Mapping a Way to Design, Implement, and Evaluate Literacy Instruction in School Settings: A Flexible Action-Oriented Data Analytic Framework

Kouider Mokhtariand Annamary L. Consalvo (2017). *Literacy Program Evaluation and Development Initiatives for P-12 Teaching* (pp. 1-21).

[www.irma-international.org/chapter/mapping-a-way-to-design-implement-and-evaluate-literacy-instruction-in-school-settings/164843](http://www.irma-international.org/chapter/mapping-a-way-to-design-implement-and-evaluate-literacy-instruction-in-school-settings/164843)

### Challenges of STEM Approach in Higher Education: A Bibliometric Analysis

Arnab Kundu, Gourish Chandra Mondal, Arpita Mandaland Sabuj Sau (2022).

*International Journal of Smart Education and Urban Society* (pp. 1-22).

[www.irma-international.org/article/challenges-of-stem-approach-in-higher-education/307114](http://www.irma-international.org/article/challenges-of-stem-approach-in-higher-education/307114)

### Disability Issues and Planning Education: Findings from a Longitudinal Survey of Planning Programs and Lessons for Urban e-Planning

Nathan W. Moon, Paul M.A. Baker, Robert G.B. Royand Ariyana Bozzorg (2014).

*International Journal of E-Planning Research* (pp. 38-52).

[www.irma-international.org/article/disability-issues-and-planning-education/116613](http://www.irma-international.org/article/disability-issues-and-planning-education/116613)

### Digital Community Planning: The Open Source Way to the Top of Arnstein's Ladder

Enzo Falco (2016). *International Journal of E-Planning Research* (pp. 1-22).

[www.irma-international.org/article/digital-community-planning/151462](http://www.irma-international.org/article/digital-community-planning/151462)

### The Unique Characteristics of the Horses for Humans Learning Purposes in Equine Assisted Learning Practice

Ilona Gehtmane-Hofmane (2019). *International Journal of Smart Education and Urban Society* (pp. 35-42).

[www.irma-international.org/article/the-unique-characteristics-of-the-horses-for-humans-learning-purposes-in-equine-assisted-learning-practice/228140](http://www.irma-international.org/article/the-unique-characteristics-of-the-horses-for-humans-learning-purposes-in-equine-assisted-learning-practice/228140)