

**PART ONE. IS PRESIDENT DONALD TRUMP A BLESSING OR A CURSE FOR CHINA?**

*This is Part one of a two part series that examines what the Trump Presidency means for China.*

*Here in Part One, we address the overall Sino:American geopolitical issues, China's role in the world and what President Trump means for China's regional influence and for China's culture.*

*In Part Two, we address the global security and trade implications and assess the overall implications of the Trump presidency for China.*

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When Donald Trump was elected as the 45th President of the United States of America on November 8 last year, the US media reported this

as a *"Big Victory"* for China and the American magazine *Foreign Policy* proclaimed that *"China Just Won the US Election"*.

President Trump's January shutdown of the TPP (Trans Pacific Partnership) was reported by the Washington Post as *"giving China its first big win"*.

On the other hand, some reports claimed that a Trump Presidency will be a nightmare for China with a trade war to be ignited. The Chinese stock market fell sharply on news of Trump's election.

Who is right? What do we really know?

Well, the first thing that we know is that we are unlikely to receive an informed answer to this question from the mainstream media.

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We are in the middle of a remarkable and unprecedented war between mainstream, mass media and the White House. Media moguls appear to be pursuing an agenda driven conflict to delegitimise the Trump Presidency.

Trump, of course, has long been waging a war against the establishment media. On January 20, he tweeted that the national media was his "opposition party". Just as "Wikileaks" was the word that set alight the internet as Word of the Year in 2010, so "FAKE NEWS" is the phrase that looks likely to dominate cyberspace and popular culture in 2017.

President Trump is challenging and bypassing the media in their self-appointed role as the traditional gatekeepers of power.

The challenge facing the media is that, at the same time as they are putting themselves forward as credible, independent commentators on political matters, they are abandoning true journalism in a spiral down to increasingly fact-barren tabloid reporting. This is a phenomenon that is not confined to America but which extends across most of the Western world.

Put simply, the majority of the Western world regards modern mass media as a source of entertainment, not as a reliable and credible source of news and editorial advice to be embraced and followed.

The American media failed to predict the Trump win that they opposed and feared, just as the UK media failed to predict the Brexit win that they opposed and feared.

Mainstream media is not predicting what is going to happen; they are not controlling what is going to happen. They don't like it.

They may like to paint Trump as a clown, but most people simply don't buy that. Nor should they. Divisive, yes. Difficult, yes. But Trump is undeniably smart and successful.

Anybody who believes that the Western media is fair, balanced and objective in its reporting on China is living in Alice's Wonderland. It is consistently negatively biased against China on many fronts.

Indeed, Trump and China share a common challenge in that both are a prime target of negatively biased media.

So, if we can't turn to the mainstream media for a view on what Trump means for China, that means we need to study the facts ourselves to make our own assessment.

To make an informed assessment, we need to have an appreciation of China. We need to have an appreciation of China's civilisation, culture, goals and objectives.

Far too much of the media commentary is emerging from media that is ill informed about Chinese aspirations regarding the role of China in the world.

### ***CHINA'S ROLE IN THE WORLD***

China has long been controlled from the centre, with all lines reporting to the Emperor.

Its management and governance of the country is almost like a company. It operates to a clear logic and to a long-term plan. It operates according to a national will. This distinguishes China from most Western democracies.

China is also an ancient and proud civilisation; one which has a deep knowledge of its own past and of its own nature.

US policy makers see the world through their world view and through the lens of heavy American use of military means to secure overseas goals.

They fear China will behave in the same way as America when it finally becomes the largest

economy in the world. From this perspective, they can then only conclude that a clash is inevitable.

However, that perspective is wrong. China does not wish to adopt America's model. History shows us that China uses trade and investment to achieve its overseas goals, rather than diplomatic activity, foreign aid, and military adventures. China does not see international relations are a zero-sum game like many Western countries do. They can see win-win outcomes not just win-lose outcomes.

China retains a strong preference to be non-interventionist and adopts a detached approach to the internal policies of other countries, so long as they don't hurt China. It follows predominantly an internal agenda with a focus on maintaining security and reducing poverty.

Importantly, China's leaders are not trying to promote communism, but rather are seeking to revive Chinese values and civilisation. Approaching China with this understanding and this perspective reduces the fear that China presents a military threat to the West. It allows us to pursue win-win models of cooperation and to foresee outcomes that do not involve a major clash.

In order for us to assess whether a Trump Presidency is a blessing or a curse for China, we need to drill down and consider what Trump may mean for China from a range of key perspectives, in particular: regional influence, culture, security and trade.

### ***CHINA'S REGIONAL INFLUENCE***

A Trump Presidency may well see a reduced US presence in the Asia Pacific region, with an expectation that regional allies, including Japan, will do more of the heavy lifting. This potential fuels fear in the region.

President Trump's withdrawal from the TPP is unequivocally a blessing for China. The threat to manufacturing jobs in the mainland that would have been triggered by the TPP awarding preferential treatment to exports from China's low-cost competition, especially Vietnam is clearly a free gift to China.

China and 15 other Asia-Pacific Rim countries have been negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement since 2012. This is a major trade policy initiative, approaching the scope of the TPP, but including China, Japan, India, Australia, and South Korea. It seeks to further lower trade barriers, whilst drawing trade away from America.



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With the demise of the TPP, both the RCEP and China's highly valued "*One Belt One Road*" (OBOR) initiative will receive greater attention and recognition. This is good for China.

OBOR is a key plank in Beijing's agenda to step up its role in global affairs. It focusses on increased connectivity and co-operation with Europe and Asia. China has invested heavily to promote OBOR, through building railways, roads, ports, and highways through South and Central Asia as well as in the Middle East and Eastern Europe.

China also has the opportunity to step into the vacuum created through Trump's antipathy towards international institutions. The European Union is keen for China to support the United Nations and the World Trade Organisation as Trump expresses his lack of trust in these institutions.

China is already being proactive. When Xi Jinping attended the World Economic Forum in Davos this

January, he made a clear statement that the Chinese government is, indeed, happy to take the lead in fostering globalisation.

Trump has already ignited deep seated fears in Japan and other regional players, raising concerns about the long term reliability of the US as a security partner. Of course, US military dominance and widespread cultural acceptability mean that the US will remain a central figure in the Asia Pacific for decades to come.

China can also reap geopolitical gains with other Association of Southeast Asian Nation (Asean) nations as it has done with the Philippines and Malaysia moving closer to Beijing in recent times. This creates potential for China to sign regional or bilateral agreements with other Asian economies.

Philippines' President Rodrigo Duterte is another example of a leader who is not following the agenda that the American media would like. He is not ramming his victory over China in the UN arbitration over its sovereign rights in the South China Sea down the throats of China as the West would like. He is choosing to pursue a less antagonistic pathway.

His reward is \$24 billion in investment aid from China and much safer fishing for the many Filipinos who operate in the area.

The impact of President Trump on China will extend far beyond the Asia-Pacific. For example it could also have significant implications for China in Africa and in the Middle East.

China has long been very active in Africa, with surging Chinese investment in Africa as part of President Xi Jinping's 2015 \$60 billion financial package and the rollout of OBOR. So far, Africa appears to rate very low on Trump's radar, with no visits to Trump Tower by African leaders. Declining US engagement in Africa would open the door further for greater Chinese penetration.

In the Middle East, China's world view, coupled with its need for imported oil have strengthened China's non-interference policy, which holds that no state has the right to interfere in the internal affairs of another state.

This policy has allowed China to continue economic activity and develop good relations throughout the Middle East.

Trump's policies may mean that China has to take more responsibility in the Middle East. Currently, China benefits from the U.S. naval presence providing stability and safe shipping routes for the oil that China needs, saving China from significant investment. In this context, President Obama referred to China as a "free rider".

The volatile situation in the Middle East, reflected in uprisings and in the collapse of states such as Libya, Syria, Iraq, and Yemen, is a direct threat to both China's overseas investments and to the security of supply of important resources.

American disengagement would necessitate an increased Chinese presence to protect its interests in this region. This would be both expensive and new to China, who do not traditionally operate military bases overseas.

China will also be monitoring with great interest the unprecedented and concerning deep conflict between Trump and his intelligence agencies. Trump takes a practical approach towards international security, challenging entrenched thinking and daring to question whether past overseas incursions actually made sense.

### ***WHAT ABOUT CHINESE CULTURE?***

The cultural implications for China of a Trump Presidency appear both to be clearer and more positive.

From a cultural perspective, Trump is likely to prove a blessing for China.

Already China has benefited from the recent US election campaign and the clear light that it shined on the very many serious shortcomings to democracy US style. Shortly after Trump's election, China's state news agency, Xinhua, wrote that the 2016 presidential election "*sent a clear signal that the U.S. political system is faltering*".

President Trump has kept a Day One promise to withdraw from the TPP. The TPP was a US initiative

designed to contain the rise of China and keep it isolated. It was also a Trojan Horse to extend the reach and influence of Hollywood culture, with the Motion Picture Assn. of America, supporting the deal because it felt it would open even more Asian markets to film distribution.



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Of course, every time the Western media engages in selective or negative reporting on China, regardless of merit, one can imagine Chinese state owned media swiftly rolling out its own "FAKE NEWS" response.

The attack on the credibility and accuracy of Western media led by Trump, whilst itself having merit, nonetheless is clearly very helpful to China and is a significant blessing for China.

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