



# *The United States-China Rivalry Future of Finance: Trends for the Global Economy*

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# Outline



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# + Theories and Perspectives about World

## Realism

Emphasis on POWER

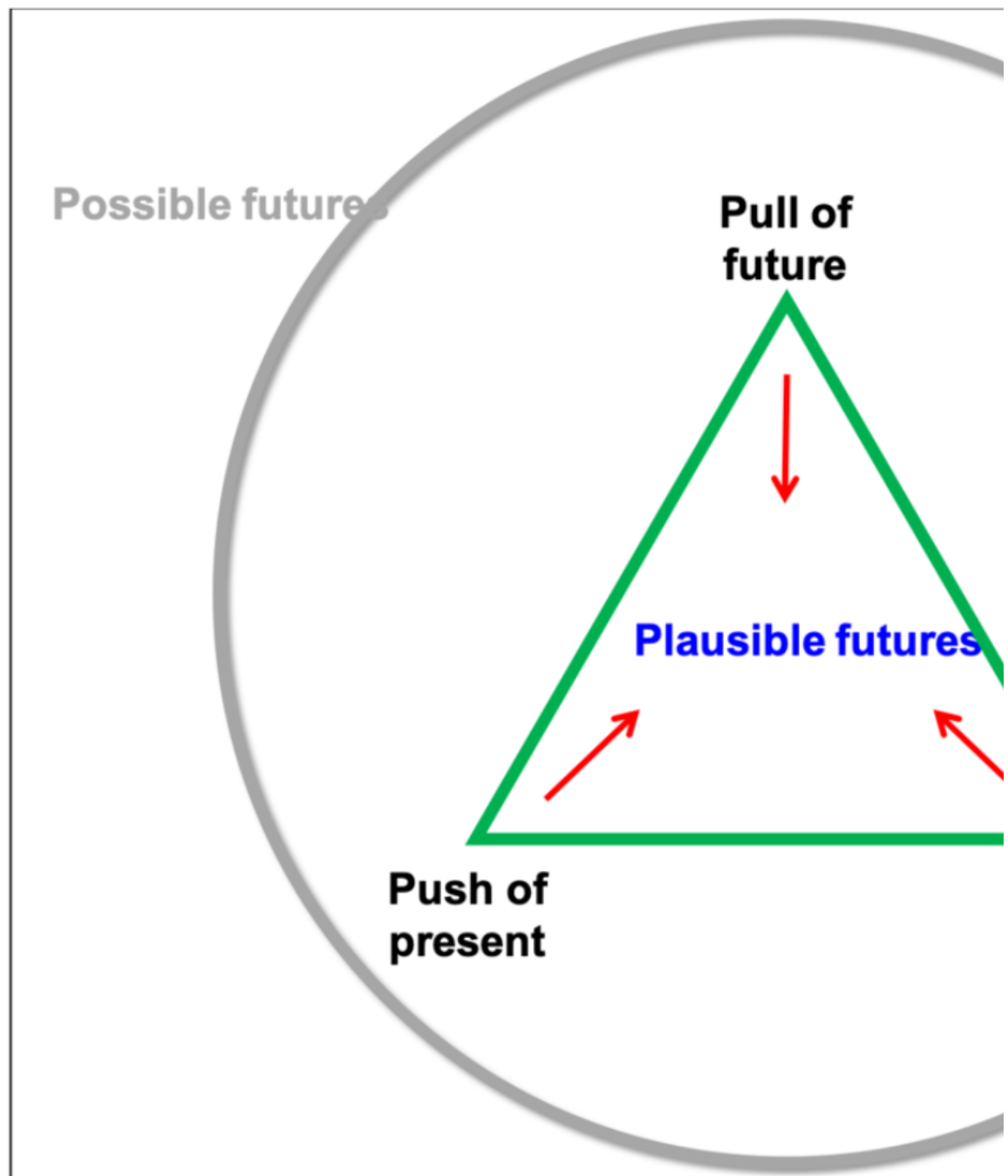
Sovereignty  
Military Power  
Geography  
Natural Resources  
Industrial capacity  
Population  
Diplomacy  
Government Strength

Realism  
Liberalism  
Constructivism  
Marxism  
Other theories

Liberalism

Emphasis on

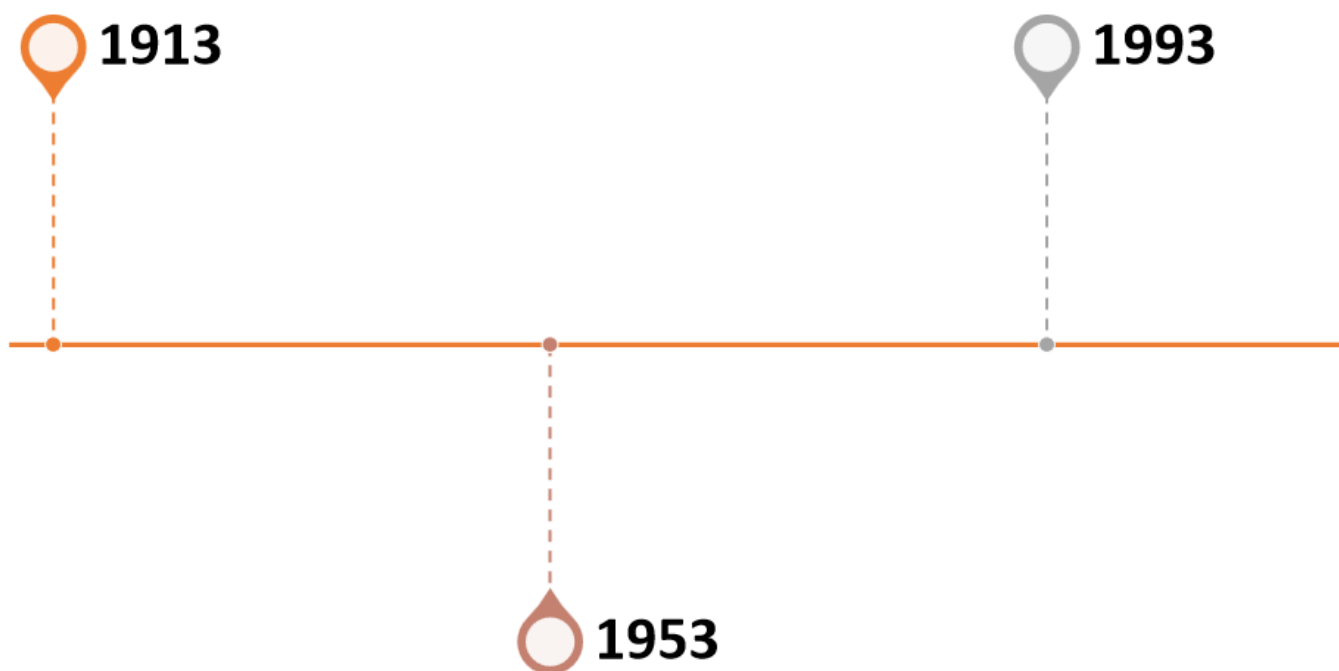
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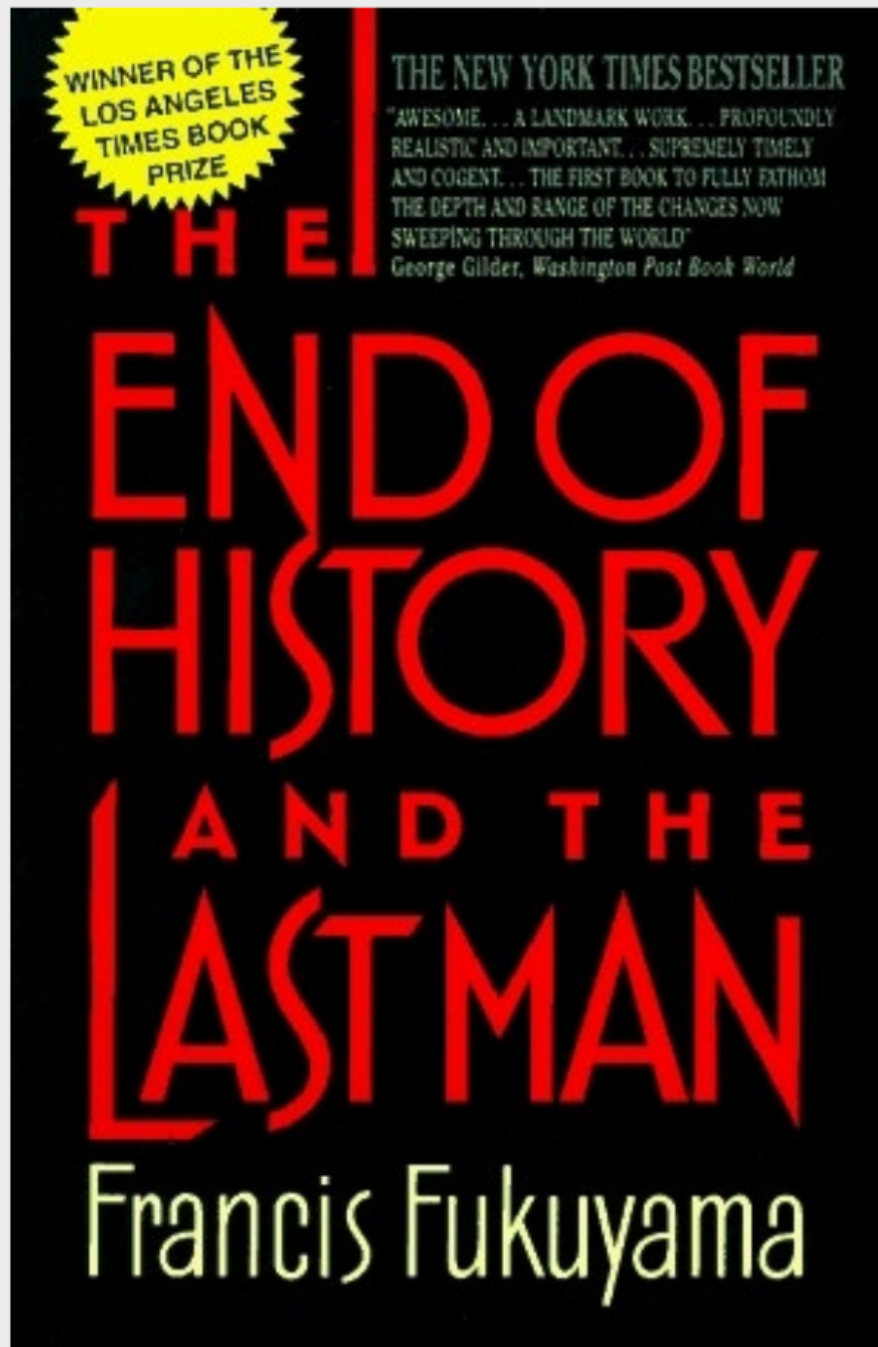
# Imagine 3 points in time



# Weight of the Past

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May 24, 2000

- *This is a good day for us. 10 years from now we will look back on this day and we did this. We will have given ourselves the chance to build the kind of future we want.*
  - President Bill Clinton (2000)
- *Our policy has succeeded remarkably well: the world has emerged and joined the global economy.*
  - US Trade Representative Robert Zoellick (2004)

# Unipolarity

- *American global power technological, cultural, and political realities of our age. No other country has been so powerful. Russia and China remain, but they have ceased to offer a credible challenge to the West. For the first time in history, the world's most powerful states operate on the global stage without a credible counterbalancing competitor. We have entered the age of American unipolarity.*

- 2005, G. John Ikenberry [Power and Unipolarity: America's postwar world](#) [International Relations](#) [Oxford Academic \(oup.com\)](#)

# Push of the Pr

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Domestic Politics and Geopolitics

China begins  
to  
“decouple”  
2005

Eliminate

Eliminate dependencies on critical technologies

Support

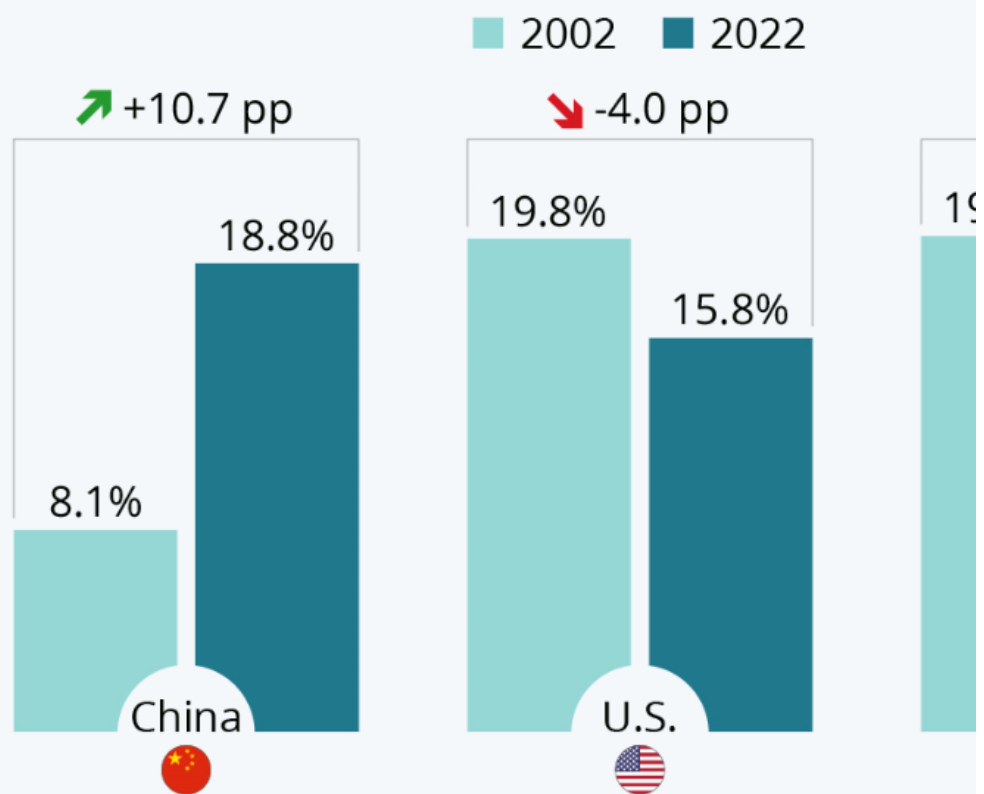
Support growth of firms

Leverage

Leverage that drive competitiveness

# China's Rise to Economic Superpower

China's share of global GDP (PPP, current dollars) vs. the United States and the EU



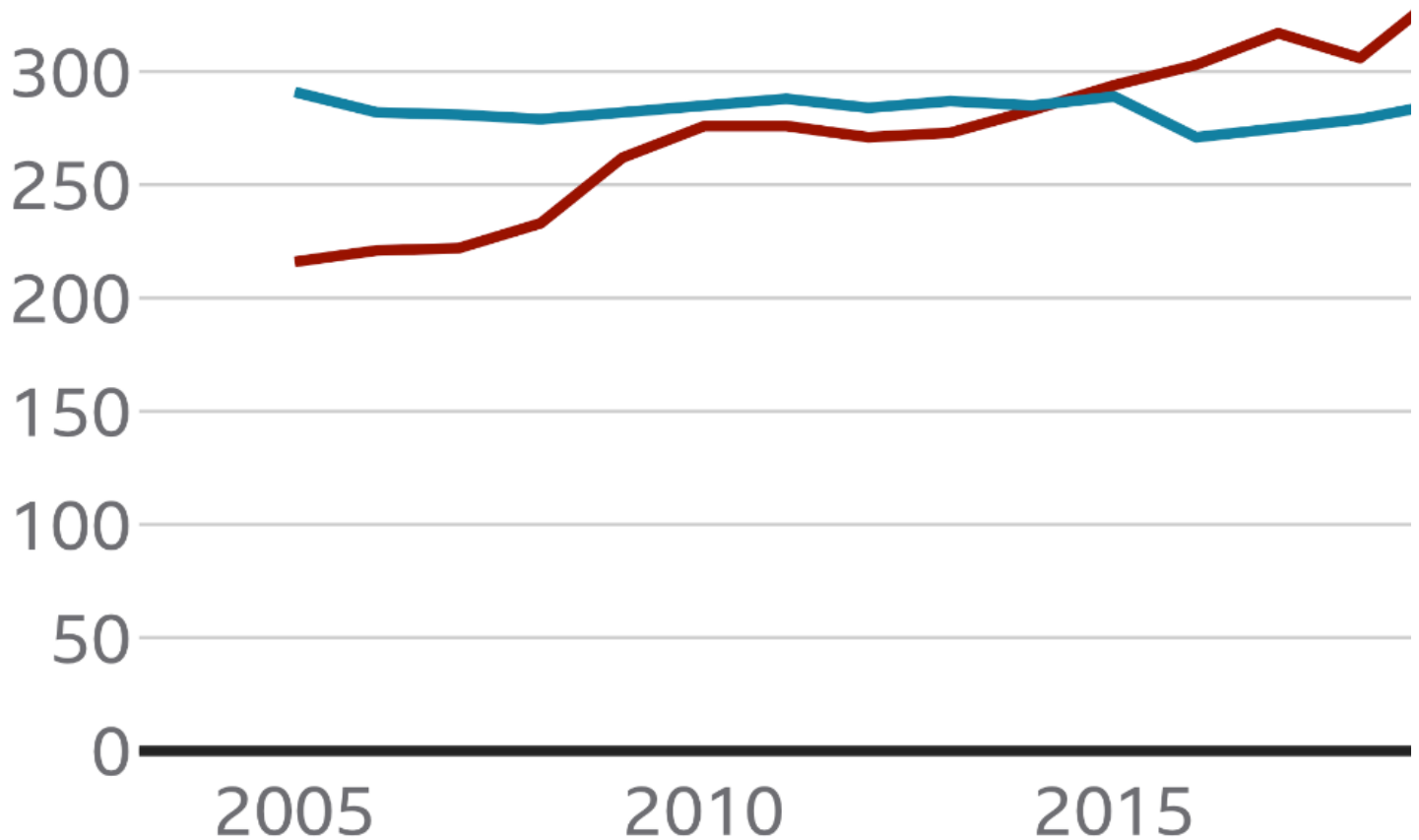
Source: IMF

Source:  
<https://www.digitalinformationworld.com/2022/08/heres-how-china-went-from-emerging.html>



# China has overtaken the US w: navy in the world

Numbers of principal combat ships since



Chinese figures exclude auxiliary and support ships, US and support ships

Source: US Congressional Research Service



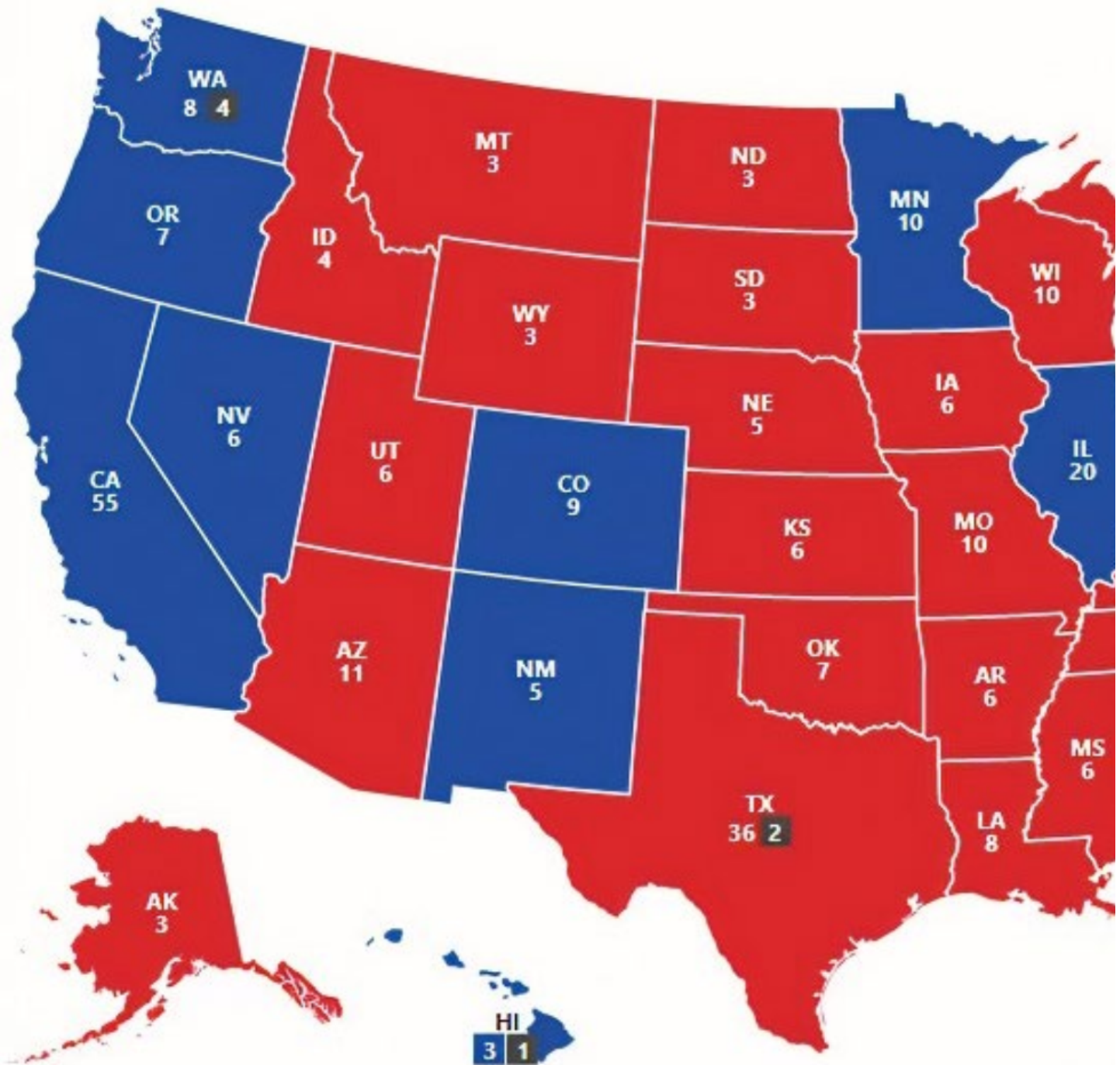
Ultraleftists call Xi Jinping's policy upheaval a new revolution that takes a harder line on everything from n  
Garcia

THE BIG STORY

# Bombard the head Jinping's crackd growing

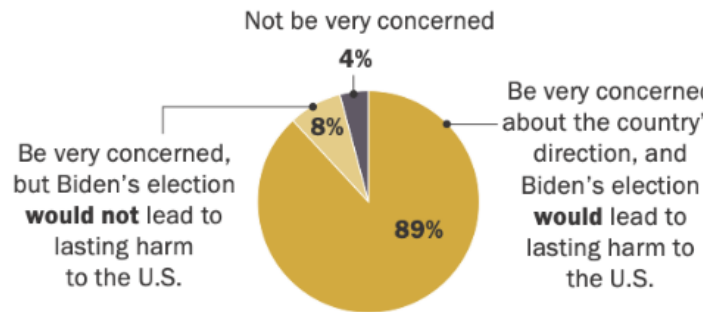
The new 'common prosperity' doctrine h

Clinton (D) 227

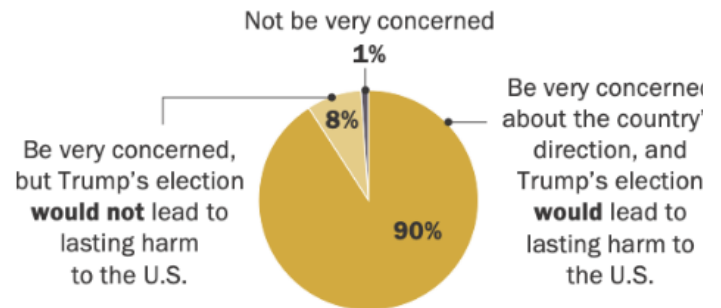


## Both Trump and Biden supporters say if the other wins, it would result in lasting harm to the country

% of **Trump supporters** who say they would \_\_\_\_ about the direction of the country if Joe Biden was elected president



% of **Biden supporters** who say they would \_\_\_\_ about the direction of the country if Donald Trump was reelected president



Note: Based on registered voters. No answer responses not shown.  
Source: Survey of U.S. adults conducted Sept. 30-Oct. 5, 2020.

PEW RESEARCH CENTER

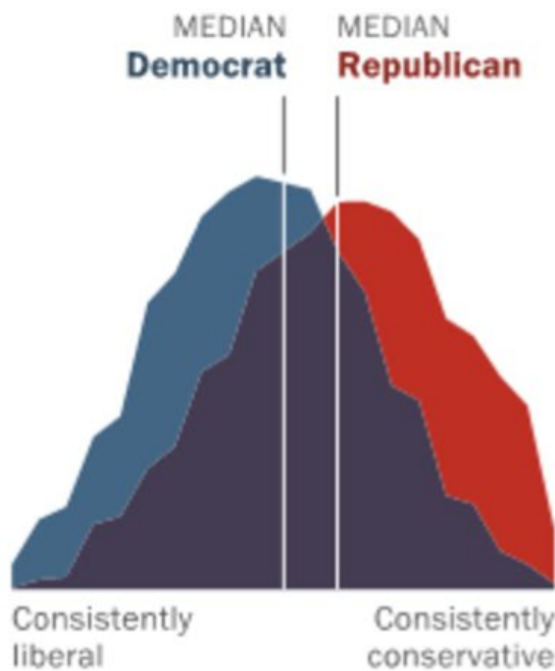
Source: <https://www.pewresearch.org/fact-tank/2020/11/13/america-is-exceptional-in-the-nature-of-its-political-divide/>

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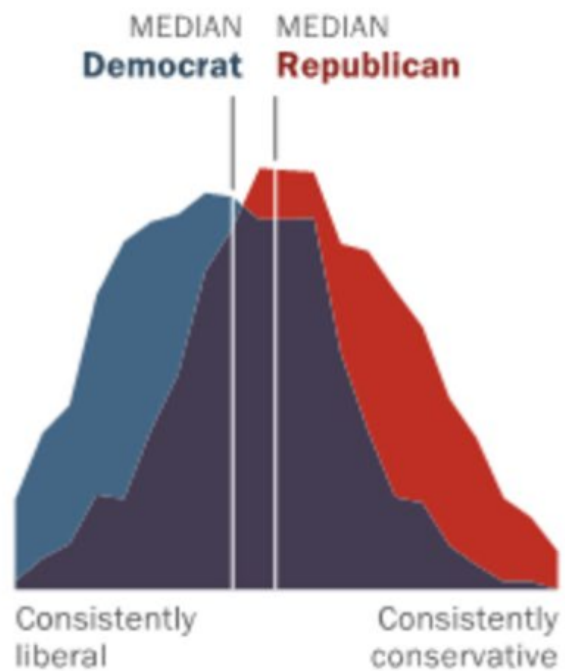
## Democrats and Republicans more ideologically divided than in 1994

*Distribution of Democrats and Republicans on a 10-item scale of political values*

**1994**



**2004**



Notes: Ideological consistency based on a scale of 10 political values questions (see methodology). The blue area of the chart shows the ideological distribution of Democrats and Democratic-leaning independents; the red area of the chart shows the ideological distribution of Republicans and Republican-leaning independents. The overlap of these two distributions is shaded purple.

Source: Survey conducted June 8-18, 2017.

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## China and US military strength

			
Army		CHINA	US
Ground forces 		915,000	476,200
Battle tanks 		5,800	2,380
Artillery 		8,954	5,410
Attack helicopters 		270	710
Navy			
Personnel 		250,000	329,850
Aircraft carrier 		1	1
Combat aircraft 		385	1,000
Destroyers 		27	3
Frigates 		59	1
Marines 		20,000	185,400
Submarines 		59	6
Air force			
Personnel 		395,000	325,000
Combat aircraft 		2,413	1,460
Missiles			
ICBM 		143	40
Nuclear warheads 		290	6,180
		CHINA	US
			

\*US Marine Corps

Source: IISS Military Balance 2019, Arms Control









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PODCASTS & SHOWS

SEARCH

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NATIONAL SECURITY

# Biden, again, says U.S. would help Taiwan if China attacks

September 19, 2022 · 1:30 AM ET

 JOHN RUWITCH 



## Embrace sufficien

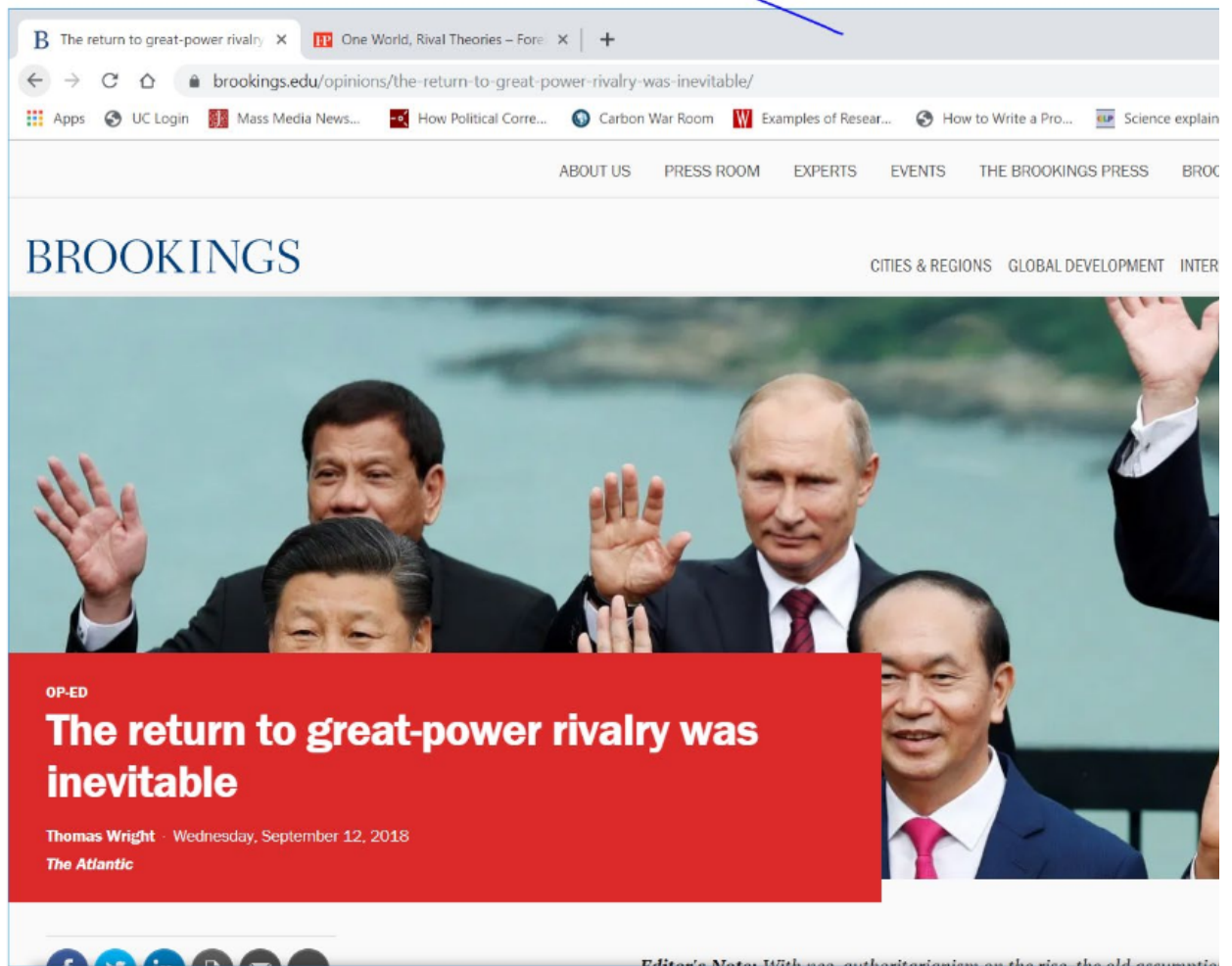
TarcherPerigee

Sponsor Message



Senator  
Tom  
Cotton,  
December  
2021

- *Well, it turns out, n  
dragon has fangs a  
our leaders, in thei  
monster by admitti*



# Pull of the Future



# Tensions/Trends in Financial Relationship

## Complex interdependence

- USA to China: higher returns
- China to USA: financing, exports,

US investors hold \$1.2 trillion

Chinese investors hold \$2.1 trillion

CCP 2021 crackdown on espionage

Biden authorizes Committee on US Trade and Investment to review Chinese investment in US tech

Biden admin curbs US ship exports to China

China control of rare earth minerals

Progress towards Central Bank Digital Currency

