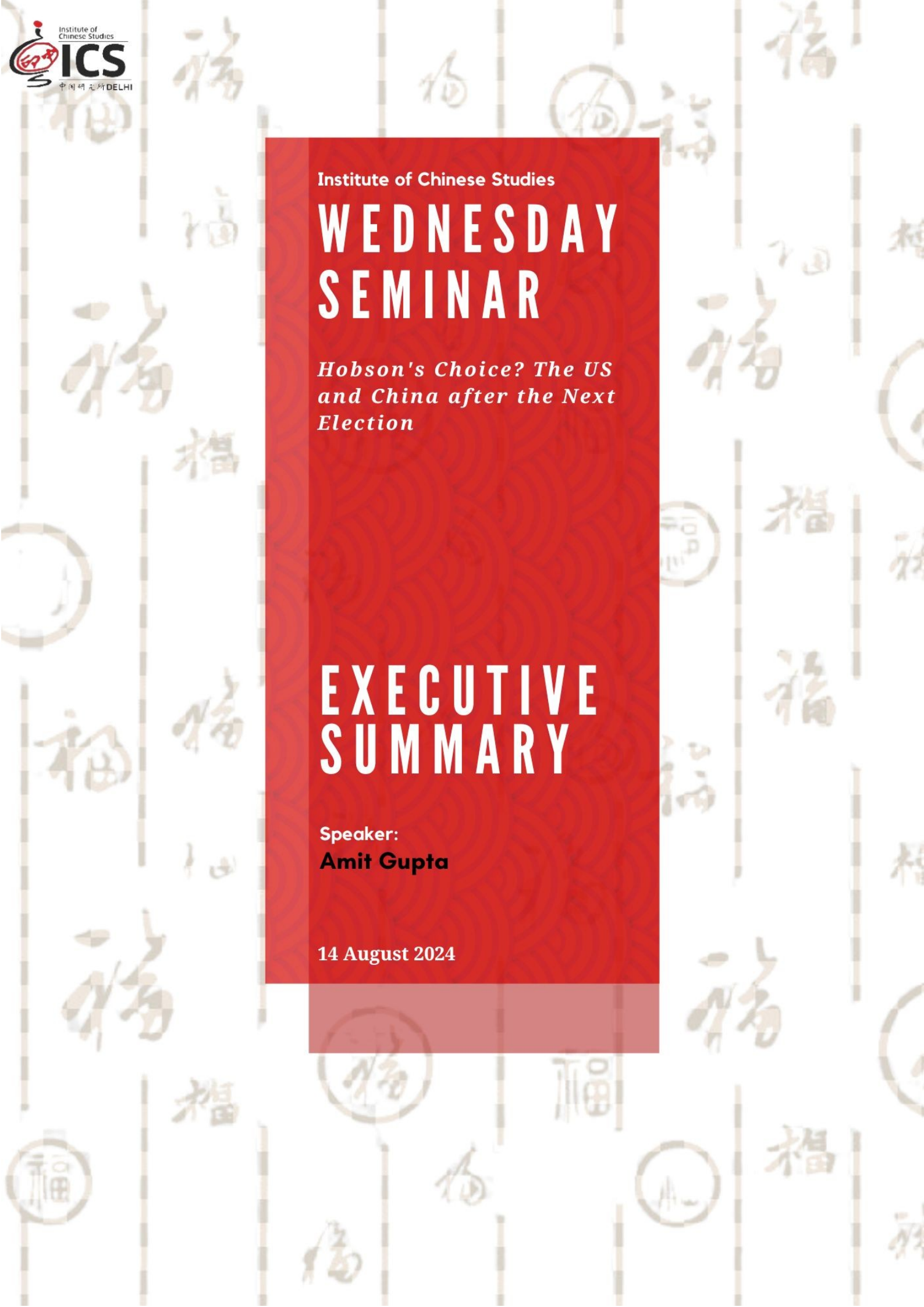




Institute of Chinese Studies

WEDNESDAY SEMINAR

*Hobson's Choice? The US
and China after the Next
Election*

EXECUTIVE SUMMARY

Speaker:
Amit Gupta

14 August 2024

EXECUTIVE SUMMARY

Speaker: Dr. Amit Gupta, Senior Advisor, Forum of Federations, Ottawa.

Chair: Prof. Alka Acharya, Chairperson and Professor, Centre for East Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi; and, Honorary Director, Institute of Chinese Studies, New Delhi.

Venue: Zoom Webinar

- The seminar examined the geopolitical and economic ramifications of the upcoming US elections, particularly with respect to China. The session provided an in-depth analysis of shifts in US foreign policy and their implications for global power dynamics. Prof. Alka Acharya highlighted the need to also bring in broader strategic consequences for India and the Global South.
- Dr. Gupta identified three major transformations in US foreign policy since the Obama administration. First, he noted a bipartisan consensus on China, with both Republican and Democratic administrations framing Sino-US relations in Cold War terms. Second, he discussed the struggle of the US in maintaining dominance, while simultaneously managing strategic challenges posed by Russia, China, and the Middle East. Third, Dr. Gupta highlighted foreign policy biases, arguing that the US has historically exhibited preferential treatment towards allies like Israel and Britain, while treating countries such as India with greater restraint, particularly in times of crisis.
- Expanding on the US strategy towards China, Dr. Gupta dissected its approach into three key areas: technological competition, military modernization, and economic protectionism. He explained that the US has pressurised European allies to restrict Huawei and imposed semiconductor restrictions as part of efforts to curb China's technological advancements. Simultaneously, the US has invested in lower-yield nuclear weapons to counter China's growing military capabilities. Furthermore, its economic policies have shifted away from free trade, as seen in the abandonment of the Trans-Pacific Partnership (TPP) and the implementation of increased tariffs against China.

- The speaker outlined two potential policy trajectories under a Harris administration. A "Biden Light" approach would involve maintaining existing tariffs with possible minor reductions to curb inflation while sustaining military posturing. Alternatively, a "Biden Heavy" approach would prioritise greater investments in military modernisation, stronger support for Taiwan, and an accelerated economic decoupling from China.
- However, the speaker cautioned that both approaches face structural challenges, including the financial burden of militarisation, the lack of operational unity among Indo-Pacific alliances, and the inherent difficulties of fully disengaging from China in economic terms .
- Prof. Alka Acharya emphasised the intricate relationship between economic and political dimensions in the US-China contest. She underscored the necessity for India to navigate Sino-American dynamics with strategic caution while prioritising its economic development. The discussion further explored the West's engagement with the Global South, India's policy choices in the face of US-China tensions, and American stance on Taiwan.
- Dr. Gupta concluded by asserting that India must recognise its unique standing in US foreign policy and proactively shape its economic and diplomatic engagements. He advocated for India to attract Chinese Foreign Direct Investment (FDI) while fostering collaboration with the US in non-defence sectors such as education, health, and manufacturing. By doing so, India could enhance its strategic autonomy while balancing its relationships with both global powers.

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