



**CANADIAN GLOBAL AFFAIRS INSTITUTE**  
**INSTITUT CANADIEN DES AFFAIRES MONDIALES**

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by **Ferry de Kerckhove**  
November, 2017

# POLICY PAPER

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## **A WORLD LARGER THAN TRUMP’S: CHINA’S**

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Prepared for the Canadian Global Affairs Institute  
1800, 421 – 7th Avenue S.W., Calgary, AB T2P 4K9  
[www.cgai.ca](http://www.cgai.ca)

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ISBN: 978-1-988493-69-5



## ► **Executive Summary**

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*While China's climb towards global, superpower status has now been underway for decades and is accelerating rapidly, that ascent is being helped enormously by the crisis of American leadership exemplified by Trump. This should be a major concern for the United States and the rest of the world. Through his “concession speech” at the United Nations on September 19, Trump has allowed a rekindling of the concept of spheres of influence. In Asia, China represents a model many hope to emulate to bring their people out of poverty. With it, for governments, comes the attraction of power unfettered by the shenanigans of democracy. In Europe, the U.S. foreign policy dearth has had allies looking for a new paradigm, order, stability and a minimum of predictability. China has taken over the number one rank as a donor or investing country in Africa and expects to invest half a trillion dollars in Latin America. The U.S. continues to exercise considerable influence over events, lead the fight against terrorism, brokers negotiations between foes, dominates a large chunk of the world economy, leads on innovations, and is the world's preeminent military power. But under Trump, beneath all these evidences, confidence in the U.S. has been broken and uncertainty prevails.*



**“The price of greatness is responsibility.”**

**Sir Winston Churchill**

**C**hina's climb towards global superpower status has been underway for decades and is accelerating rapidly for economic, political, local and geostrategic reasons. The crisis in American leadership, exemplified by President Donald Trump, is enormously helping this ascent. This will be a major concern for the United States and the rest of the world if no effort is made to assess its consequences and to adjust policies accordingly. Trump's presidency is thwarting these efforts.

The Western media and think tanks understandably spend an inordinate amount of time focusing on Trump or on looking at the world through his prism. Although they did the same when former president Barack Obama was in office, Obama offered a much clearer vista on the world and therefore dampened the prism effect or allowed alternative views and sights. Trump has no prism but himself. He has no global view of the world other than his unfortunately uninformed hunches and invariably wrong instincts coupled with a quasi-vicious desire to destroy anything that smacks of Obama's legacy. This is why it is insufficient and even dangerous to be focused on the world according to Trump. There are very significant events, initiatives and developments taking place outside of the “planet nine orbit of Trump”, and inside the conventional sphere of earthlings where China is making its mark. Yet, the study of that larger world requires first a nihilist affirmation of the Trump world, if only to understand the growing space between his reality – an alternative universe<sup>1</sup> – and the larger one beyond himself to which he pays scant attention.

## **I. The world according to Trump**

At a 1990 meeting with Francis Fukuyama, author of *The End of History and the Last Man*, we were struck by the deliberate simplicity of the argument about the triumph of economic and political liberalism. French scholar François David, of the Université Jean Moulin Lyon 3, postulates that “the Trump tornado” might demonstrate that “we are reaching the end of a democratic cycle as if the postulates of the *End of History* were reversed whereby wars and geopolitical struggles would not cease under a universal democracy.”<sup>2</sup> Trump's speech at the UN states in a way that “what is good for America may not be good for the world and who cares?” This is the most fundamental reversal of Woodrow Wilson's 14 points. Trump's perspective is also a rejection of the embedded right while the rest of the world feels it has to politely dictate U.S. behaviour or at least recommend what it should be. The dialectics of the master and the slave no longer applies in Trump's world.

Beneath the tornado also lies the fundamental question of the functioning of democracies in today's world. In a way, the U.S. is the most glaring example of the system's failure to produce honest results that reflect the real will of the majority of the people. The intensely divided politics of the U.S.'s two-party system, the electoral college skew, the limitless money spent on legitimately buying votes and the shameless gerrymandering of electoral constituencies, plus the



fact that fewer than 10 states decide the final results of a presidential election, all make a mockery of the U.S.'s democratic fibre. At least, this is the impression that allies and foes have, all the more so since there has been no appetite, no revolution, to change the system. The same inequities apply to congressional elections. More broadly, as David demonstrates, similar skewed results occur under proportional representation in other countries, notably Germany. Canada's Prime Minister Justin Trudeau was elected by a minority of votes due to the split between the two other parties, allowing him to squeeze in with more votes than each of the other two. Previous Canadian prime ministers have similarly benefited from the outcome of a two-and-a-half party system.

So there is nothing unusual in what is happening, although populist movements – which should not be systematically equated *pari passu* with demagoguery – are clearly a reaction to political inequities and growing economic inequalities. But Trump's utterances and behaviour, in addition to startling people in general, affect the credibility of a system/order that is already weakened. Other countries have noticed that Trump's election – very much based on identity as confirmed by the focus on sovereignty in his “remarkable” (in the neutral sense of the word) speech at the UN – not only means the strengthening of their free hand in their rediscovered spheres of influence, but also the rejection of political globalism and, to a considerable extent, economic globalization. On the foreign policy front, these other countries are wondering to what extent Trump's multiple reversals or postponements on issues as fundamental as “obsolete NATO”, the U.S. embassy's move to Jerusalem, cancelling NAFTA, decertifying the Iran nuclear agreement and dumping the issue on Congress, actually mean for the future.

David points to nationalism as the explanation, which he translates as the affirmation of U.S. national interests in ignorance of, or with minimal accountability toward, the interests of others. However, there is enough uncertainty even in applying that criterion to convince other countries to adjust by discounting the present value of American foreign policy. This is as real for security as for the reliance on U.S. assistance more generally. Might Trump's initial disdain for Puerto Rico's plight after the passage of hurricane Maria – compared to his empathy for Texas and neighbouring states – reflect the fact that Puerto Ricans do not vote in U.S. elections despite being American citizens? Finally, there are serious concerns about the sustainability of international law under a Trump administration, as evidenced by his executive orders on immigration. For other countries – illiberal, undemocratic, authoritarian, dictatorial – all this is good news.

Trump has made the world within his reach more dangerous as evidenced by his reckless handling of North Korea, his “bizarre” handling of the Iran nuclear deal – to paraphrase Fareed Zakaria,<sup>3</sup> whereby “the president is harshly criticizing a policy that he is also upholding,” – and his full embrace of the Saudi perspective on the Middle East. Not to mention the free hand he delivered to Israeli Prime Minister Benjamin Netanyahu on further settlements. “Bizarre” is insufficient to describe the treatment of the Iranian nuclear deal as it annuls *ab initio* any possibility of agreement with North Korea. Kim Jong-un would likely – and legitimately – denounce as unreliable anything the Trump administration put forward. It is no surprise that he excluded any diplomatic discussion with the U.S. for the time being and that Ayatollah Khamenei has expressed similar feelings regarding the U.S.'s reliability.



More fundamentally, for the first time in recent history, there is no clear – good or bad – U.S. strategy. This deeply reduces American influence, credibility and indispensable soft power, regardless of the proposed \$50 billion addition to the defence budget or the weird 10 times proposed increase in the U.S.'s nuclear arsenal. Enough said, but the implications are significant. We may indeed enter a new era hastened by serious questioning of the Western democratic model that Trump has trampled. Senator John McCain's recent denunciation of this as "unpatriotic ... to abandon the ideals we have advanced around the globe, to refuse the obligations of international leadership and our duty to remain 'the last best hope of Earth' for the sake of some half-baked, spurious nationalism cooked up by people who would rather find scapegoats than solve problems"<sup>4</sup> may be too late.

## **II. The world beyond Trump**

One can look at different parts of the world where Trump's "America First" mantra has allowed the concept of spheres of influence to rekindle. Notably, this is seen in the growing assertiveness of President Xi Jinping's China, Vladimir Putin's revisionism and Trump's "concession speech" at the UN on Sept. 19. New or reinforced coalescences are building which Trump ignores at his country's peril, notwithstanding all the efforts of key members of his security team to maintain a semblance of continuity.

### A) Asia:

While there are two competing giants in Asia – China and India – it is not simply a matter of military prowess but also of competing attractiveness in a time of changing perspectives and values. Economically, China is clearly exercising considerable attraction for most countries of Southeast Asia as well as for its Pakistani ally, while the other south Asian countries are mainly in India's orbit. As Xi himself intimated at the recent meeting of the National Congress of the Communist Party, China represents a model many hope to emulate to bring their people out of poverty. This begs two questions: a) are there correlations between economic and political aspirations? and b) what are the impacts of the political culture underpinning these nations? The assumption is that there are overarching Asian values as Lee Kuan Yew of Singapore intimated. As Michael D. Barr puts it, "According to conventional wisdom, Lee Kuan Yew launched the concept from Singapore as part of a self-serving effort to justify Singapore's paternalistic and illiberal system of government and to argue that Asian cultures are so different from Western cultures that they are exempt from considerations of human rights."<sup>5</sup>

In the immediate aftermath of the 1997 Asian financial crisis, China had not yet attained the level of economic prowess it would reach over the next 20 years, but it helped bail out the distressed southeast Asian economies while the West was content to criticize those countries. Emerging common interests and glimpses of common values would follow new synergies. The 2008 economic crisis was probably the most significant economic event of the last decades<sup>6</sup> as it



destroyed the confidence of non-Western nations in the supremacy of the democratically underpinned free market economy. Asian nations, traditionally divided among themselves and on the extent of their political relations with the West/U.S., increasingly looked at China's modernized communist model of economic development, one that was faithful to its authoritarian strictures. A choice started to emerge for Asian countries between the U.S./Western free enterprise model of economic development and the Chinese dirigiste approach. The latter model was maturing in contrast with post-2008 ongoing crises such as the Greek meltdown and the Spanish economic downturn.

Today's Brexit is certainly not adding to the feeling of confidence towards the Western model of economic integration. Trump's inability to deliver on any of his economic commitments other than proudly ripping apart the Trans-Pacific Partnership, threatening NAFTA, emasculating the Affordable Care Act (Obamacare), and his promise to reduce development assistance funding as well as the State Department budget, is adding to the estrangement of many Asian nations, pushing them further into China's arms. But even Obama's vaunted Asian pivot failed to materialize strongly enough to entice a major pick-up, despite a clear initial demand by several of the region's countries. Today, the Chinese alternative meets that demand. One is not talking about a holus-bolus embrace of China. There are pushes and pulls and some still don't like the Chinese model. Interestingly, while one would have assumed that Singapore's leaders would be comfortable with fellow authoritarian regimes, their security alignment is with the U.S. and the more China grew, the less Singapore's economic model became relevant. As Bo Zhiyue, an expert on Chinese elite politics, put it: "I think China is now trying to become a role model for the rest of the world. Nobody else is a good enough model any more. The China model is the way to go."<sup>7</sup> Relations became tense after the Hague-based tribunal rejected China's claims in its dispute with the Philippines. Singapore's Prime Minister Lee Hsien Loong said the verdict delivered a strong statement about international law in maritime disputes and even called for a greater U.S. involvement in the issue.<sup>8</sup> Singapore has serious concerns about the impact of China's growing regional hegemony.

The political underpinning is attractive, particularly for Asian countries facing stiff internal opposition. That is when the Chinese model becomes politically appealing. Yet, ambiguity remains over what model is chosen ultimately between the U.S.<sup>9</sup> and China, and potential clients sometimes look at a possible blending. Vietnam is a special case and it is doubtful its strong nationalism will eventually be at peace with China, as evidenced in the 2014 incidents at sea between the two countries.<sup>10</sup> However, Trump's cancellation of the U.S.'s commitment to the TPP has made the Chinese free trade area of the Asia-Pacific proposal very attractive for many countries in the region. Although Vietnam stood to gain considerably from the TPP,<sup>11</sup> the U.S.'s withdrawal from the treaty might change the China-Vietnam relationship, allowing the latter in any trade arrangement with its foe to dispense with the TPP's openness requirement.

While one should avoid over-generalizing, clearly the starting line was skewed given the proximity of China and the sharing of common land and maritime borders for many, the latter with its associated delimitation issues. Today, China is the first economic partner of all the countries of the region, including India, and a sense of common destiny is confirmed daily by a growing





academic, business and political community, a trend which is not well known in the West. That density of relationship in all spheres feeds convergence. The growing autocratic tendencies in the region are very consonant with China's evolution now that Xi has emerged as the incarnation of Chinese power and a powerful alternative to the West, particularly to Trump's evanescent representation of the West. The result is that the old model whereby democratic political reform went hand in hand with economic progress no longer holds firm.

In Thailand, Malaysia and the Philippines authoritarian regimes have strengthened their hold on power with seeming legitimacy while at the same time clinging increasingly to Beijing. President Rodrigo Duterte – Mr. “I don't care about human rights”<sup>12</sup> – won the UNCLOS battle on the Spratly Islands against China but has opted for closer relations with Beijing through negotiations on fishing rights while strengthening its coast guard capability with purchases from Japan. Thailand's royal family travels extensively to China and Beijing invests heavily, to the tune of \$30 billion, in the Isthmus of Kra to allow a bypass of the dangerous straits of Malacca.<sup>13</sup> China is everywhere in Thailand through trade associations and its diaspora. Meanwhile, the military rule in Bangkok is in full consonance with the palace. China keeps Cambodia afloat. Laos is frail and very susceptible to China's influence. Malaysia's authoritarianism has kept pace, from former prime minister Mahathir Mohamad to current prime minister Najib Razak. Malaysia seems to have a one-party system, fighting within itself, with rampant corruption, repression of opposition and control of the media.<sup>14</sup> Some sources say that Beijing has even offered to offset the \$700 million swing deal which Razak is being accused of pocketing.<sup>15</sup> The Chinese group Geely recently bought a controlling interest in the Malaysian company producing both the Proton car and the Lotus.

The growing confusion of power among the executive, the legislative and the judiciary in these countries makes life easier for China which would like to see it extended to the whole of Southeast Asia. This would allow it to further coerce the Association of Southeast Asian Nations (ASEAN) as it did to get condemnation of its South China Sea policy removed from official communiqués.<sup>16</sup> Strong, pro-business executive branches produce compliant private sectors while the media's space shrinks. Failures find easy scapegoats.

Not all ASEAN countries are as pliant. Vietnam resists better in a complex relationship notwithstanding the existence of communist parties in both countries. Resistance to China is part of the population's ethos. While Indonesia's natural resources tie it closely to the Chinese economy, President Joko Widodo's policy of domestic transformation creates difficulties in the relationship. China has seized upon the general failure of democracy in the region and taken advantage of rejection of the Western model with a savvy, progressive appeasing of reticence. It has done this by underscoring the region's strategic interest in its relationships with the dominant country, notably through an emphasis on a community of destiny.<sup>17</sup> Even the lack of homogeneity within ASEAN has made it easier for China to divide and conquer peacefully. On a broader scale, the concept of a community of destiny underpinned by China has been reinforced beyond Asia by the One Belt One Road





initiative. This culminated in May with the massively attended Leaders' Belt and Road Forum for International Co-operation which most Western countries as well as India, BRIC membership notwithstanding, avoided or attended at a much lower level. Through this initiative, which is infused with a mix of idealism and realism, China is attempting to carve out a position of equality for itself with the U.S. But, as former Australian prime minister Kevin Rudd puts it: "Washington's policy is that any greater role for China should be subject to a dominant U.S. role,"<sup>19</sup> something that is clearly evidenced by the U.S.'s negative view on the Asian Infrastructure Investment Bank. The U.S.'s diffident view towards the Belt and Road initiative predates Trump's presidency and was criticized earlier: "Given its leading role in decades of global development, the United States should keep an eye on the Belt and Road initiative's expansion but avoid instinctively reacting negatively to China's global economic ambitions."<sup>20</sup>

Of course all things don't go China's way but even the difficult and possibly dangerous relationship with India attracts little attention in Washington. There are regional security issues which cannot be overshadowed by economic integration. As Patrick Bratton underscores it in his reference to Chinese "encirclement" of India, "One of the most recent sources of tension is the perception that China has been expanding its influence into the Indian Ocean. Many observers have noted Chinese assistance in the development of port and military facilities in Myanmar, Bangladesh, Sri Lanka and Pakistan ..."<sup>21</sup>

While fraying democracies are clearly assets for China, one cannot discount the Indian role in providing an alternative model of a sui generis functioning democracy competing with the Chinese model on both economic and political fronts. Yet, Prime Minister Narendra Modi's Hindu-centric policies, and particularly the rabid anti-Muslim attitudes of his supporters in organizations like the Shiv Sena and the Rashtriya Swayamsevak Sangh (RSS), could make a serious dent in both



the Indian democratic underlay and the model's appeal in the region. The new Indian citizenship amendment bill if passed, would help turn India into a "Hindu homeland ... This policy in the Indian context would be contrary to the ideals of secularism and pluralism and thus unconstitutional."<sup>22</sup>

Can India reduce China's lead? Trump and Modi reaffirmed the strong strategic relationship between India and the U.S. during their June 2017 meeting. There is also a trilateral India-Japan-U.S. institutionalized strategic dialogue partnership, initiated in 2011, which has extended to Australia. However, India's perennial autarchic reflexes and the U.S.'s present attention deficit disorder do not allow for much strategic thinking.

## B) Europe and the Middle East:

One would think that European scenery is part and parcel of the Trump world. While at odds with German Chancellor Angela Merkel, Trump has bonded with France's President Emmanuel Macron and British Prime Minister Theresa May. However, his silence on Ukraine<sup>23</sup> has not endeared him much to most European leaders. He reaffirmed American support for Ukraine's sovereignty and territorial integrity during Ukrainian President Petro Poroshenko's visit to the White House, but that was, of course, the least he could have said.

There is a lack of foundation to Trump's approach and the context he mostly created himself is of little help. There is his spin back towards NATO in exchange for the two per cent of GDP commitment to defence expenditures by allies and Congress's pressure on Russian sanctions which he was forced to sign (although their implementation remains in limbo). There was also special counsel Robert Mueller's narrowing in on Russian interference in the presidential election and the rejection of the U.S.'s UN Security Council partners, plus Germany's pleas on the Iranian nuclear deal. Trump's lack of a security and foreign policy framework makes him both oblivious to the larger critical question of the future relationship between China and Russia, and incapable of exerting any influence on its outcome.

Is Putin's dream of a Eurasian empire sitting between West and East but a dream, or is it one of various tools to break further away from U.S. hegemony? When does such a perspective clash with, or match, China's? Already under the Obama administration, one could argue: "the Russia-China relationship is not limited to mega oil and gas deals. There is a tactical and often strategic congruence between the two countries which owes as much to their domestic political regimes as it has to do with their fundamental rejection of Pax America. Neither country is interested in joining the liberal democracies of the world which they consider dysfunctional and ineffective. Their joint exercise of their veto right as members of the Security Council has put a serious dent in the ability of the UN to pursue its humanitarian, peace and security mandates. They both refuse to be constrained by international norms."<sup>24</sup>

Since then, the Belt and Road initiative has taken off at such a level that, depending on how Russia ultimately plays its share of the Road while pursuing its own Eurasian Economic Union, there



might be either growing incompatibilities between the two or an increasingly unequal partnership as China's military prowess progressively accents its economic domination. However, as ably put by Bobo Lo, "As the U.S.-led international system struggles under the strain of multiple challenges, the complex web of relations between Russia, China and India will be critical for the formation of a new world order ... Whereas Moscow sees the world in largely tripolar terms, shaped above all by the balance of power between the United States, Russia, and China, Beijing's view is more akin to a bipolar-plus arrangement, dominated by the only truly global relationship - between the United States and China."<sup>25</sup> A French diplomat and sinologist put it in a more vivid way: "Xi Jinping considers himself as the Emperor of China and as such only considers one other Emperor, namely the US President, all the others, Russia included, are subordinates."<sup>26</sup>

The soft approach China has taken in developing the Belt and Road initiative is in stark contrast with the Eurasian Economic Union's protectionist, dirigiste, post-Soviet approach.<sup>27</sup> Mathieu Boulègue explains it well: "While the EEU is a protectionist reinterpretation of the post-Soviet Eurasia, the BRI represents a reinvention of the power projection by China in the world. Where the EEU is first and foremost a geopolitical Russian vector with a weak geo-economic arm, the BRI proffers a functionalist approach to regionalism essentially from a geo-economic perspective."<sup>28</sup> It is pretty obvious, as Boulègue expands on his analysis, that the China-Russia relationship will be increasingly asymmetrical and that Russia, as ultimately a supplier of raw materials, may well become both an economic and strategic vassal of China, with all the associated security risks. Although the U.S. remains the focus for both Russia and China – far less so India which is more concerned by its competition with China – as Bobo Lo concludes: "The future of the Russia-China-India Matrix will also be shaped by developments elsewhere, in particular the changed landscape of US foreign policy under Donald Trump, and continuing uncertainties over the course of US - China relations." Yet, there are not many signs that the U.S. administration, certainly not its president, has developed a strategy to manage these complex relationships. These are the issues that Trump should be discussing with U.S. allies instead of spewing tweets on "Rocket Man". Meanwhile, the Chinese empire moves on.

The U.S. foreign policy dearth has had other allies looking for a new paradigm, order, stability and a minimum of predictability. Despite Trump's embrace of authoritarian regimes such as Egypt or Saudi Arabia, "in the Middle-East, there is a reconfiguration of power equilibria as well as a reinterpretation of alliances taking place. The region is remodeled by the Iranian resurgence, the return of Russia's power and the retreat of the US. Saudi Arabia is clearly taking into account these emerging equilibria and is tracing new paths."<sup>29</sup> In welcoming King Salman recently, Putin, ever the tactician, underscored his ability to sing whatever tune his interlocutors want to hear from him in the region and beyond. However, it also indicates that despite the pageantry of Trump's visit to Saudi Arabia, the latter may not feel fully reassured of U.S. commitment to their alliance, however recently rekindled. While Saudi Arabia was quick to praise Trump's announced policy on the Iran nuclear deal, it does not change the value of the statement by Richard Haas, president of the Council of Foreign Relations: "Trump foreign policy has found its theme: The Withdrawal Doctrine."<sup>30</sup>



The major past crisis between Europe and America was the refusal by continental Europe, led by France, to join George Bush's war against Saddam Hussein's Iraq in 2003. Trump's new Iran "policy" was exemplified by Secretary of State Rex Tillerson's recent admonishment to European companies not to engage in business with the Iran Revolutionary Guard's corporations<sup>31</sup> while the U.S. is considering further sanctions against Iran.<sup>32</sup> This could produce a crisis of similar proportions to the Iraq one. For Europeans, the Iranian market, however attractive, pales in comparison to the U.S. market, thus making compliance by European governments and companies possible. However, the sense of economic blackmail among Europeans would be exacerbated by the feeling of betrayal and recklessness on the part of the U.S. for toying with an agreement that the overwhelming members of the international community deem fundamental for peace and a potential foundation for managing nuclear proliferation issues. For China, it is further evidence of the U.S.'s unpredictability, irresponsibility and waning role. Gal Luft ably put it a year ago: "China is no longer willing to sit on the sidelines and watch the region descend into chaos."<sup>33</sup> The Persian Gulf matters a lot to China: "the Sunni-Shiite divide is of particular concern to China. As home to a large portion of the world's conventional oil reserves, the Persian Gulf region is critically important to China's resource-intensive economy."<sup>34</sup> Stability in the region is key to China's interests but Trump does not seem to realize that U.S. interests are in sync with China's energy interests. Indeed, while Russia controls the European corner of the market, the U.S. oil companies want to make sure that they control the oil and gas flows to Asia, including India and China. It is not clear today that the U.S. administration is as aware of its strategic interest as it was a few years ago when we wrote: "As the world's major power projection nation, the U.S. cannot stay indifferent to any threat against the free flow of oil and gas as essential components of the world economy. Freedom of navigation, Israel's security, and a measure of control on the energy flows towards Asia underpin the continued presence of the U.S. in the region – and as such are not in contradiction with the Pacific 'pivot' or 'rebalance,' but rather complementary."<sup>35</sup>

### C) Africa:

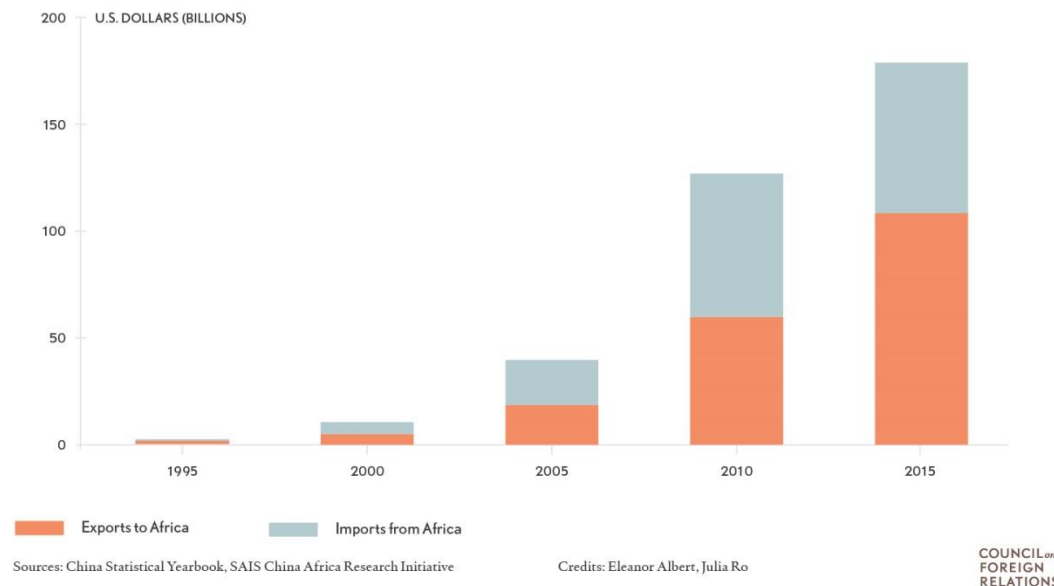
In a sense, it would appear that Trump's U.S. has ceded to Europe the issue of African security or, more accurately, Trump seems to have little interest, knowledge and feelings for the African continent, at least anything south of the Sahara. This is not to say that the U.S. is not continuing its efforts to fight terrorism in the Sahel region in co-operation with its European allies.<sup>36</sup> It is simply that it takes place within narrow parameters with a continuation, for now, of some of the economic assistance programs launched by Trump's predecessors, such as Bush's contribution to ending civil wars in Sudan, Congo, Angola, Liberia and Sierra Leone. This "[enabled] him in the second term to launch a very aggressive development program"<sup>37</sup> such as the President's Emergency Plan for AIDS Relief (PEPFAR) aimed primarily at African countries. Obama's Power Africa aimed at doubling access to electricity in sub-Saharan Africa and Feed the Future, the global hunger and food security initiative, had 12 of its 19 target countries in Africa. Trump did meet leaders of Côte d'Ivoire, Ethiopia, Ghana, Guinea, Namibia, Nigeria, Senegal, Uganda and South Africa during UNGA 2017. Yet, beyond applauding some of the countries' economic



progress and inviting their companies to invest in the U.S., there were no new commitments; Trump indicated a continuation of health initiatives partnerships and of the very critical U.S. Millennium Challenge Corporation. The key question remains how much of these efforts will maintain their level of funding given the White House's stated intention of cutting development assistance funding?

In contrast, China has been investing in Africa for the long haul with few worries about the nature of regimes it deals with as long as prospects of long-term stability exist. The Council of Foreign Relations puts it clearly: "Over the past few decades, China's rapid economic growth and expanding middle class have fueled an unprecedented need for resources. The economic powerhouse has focused on securing the long-term energy supplies needed to sustain its industrialization, searching for secure access to oil supplies and other raw materials around the globe. As part of this effort, China has turned to Africa."<sup>38</sup> Not only has China become Africa's largest trading partner (see chart below from the CFR), but very often it has supplanted traditional donor countries in terms of aid flow. For instance, very recently, China has overtaken France in development assistance to Ivory Coast.

## CHINA'S TRADE WITH AFRICA



As evidenced during the author's recent trip to Ivory Coast, the expansion of China's investments in the continent is starting to raise some concerns about choices made, the effective returns of these investments for the countries' economies and improvements for the populations. Similar concerns are being uttered as well about the European Union's recent attempt to alter some of the earlier agreements providing West African countries privileged access to Europe's market. Some question the validity of maintaining the pegging to the euro of the franc CFA, the currency used in parts of West and Central African countries, printed and guaranteed by the French treasury.





While a decade ago, China's development assistance was labelled "rogue aid", implying China followed the same pattern in Africa as it practices in its immediate region, with little time for issues of good governance, rule of law, human rights and questionable business practices, it seems the story is much more mixed nowadays as Lily Kuo has well researched.<sup>39</sup> It is true that populations often resent the takeover of local trade by aggressive Chinese small entrepreneurs invading after the initial large investments by oil and gas and mining companies. But overall, Africa's growing dependency on, and influence of, China is seen as either somewhat or very positive by 63 per cent of Africans recently surveyed by *Afrobarometer*.<sup>40</sup> Kuo's analysis can be summarized as follows:

- a. Only one African country, South Africa, ranked among the top 20 recipients of Chinese-funded projects.
- b. African countries do receive more Chinese aid in the strict OECD definition of official development assistance. China doesn't give much. Most of what China donated or lent is in the form of export credits and market, or close-to-market rate loans. Only about a fifth of China's overall financial contributions around the world can be defined as ODA, compared to the U.S. where most of its overseas financing can be defined as aid.
- c. China's more commercially oriented forms of overseas assistance did not boost economic growth in recipient countries.
- d. Xiaojun Li, using a political freedom index compiled by Freedom House, concluded that the democratizing effects of Western aid through conditions on governance [have diminished](#) as African countries have been able to seek Chinese funding.<sup>41</sup>

What is more important and of significant interest for the Western world is the change in China's involvement in Africa "from 'business only' to include peacekeeping and other political interests."<sup>42</sup> For Cruvinel, the Chinese military base under construction adjacent to the Chinese-built Doraleh port in Djibouti "represents Beijing's first permanent overseas installation and may bring an end to its long-held policy of 'non-intervention' across the African continent, from the Horn of Africa to the Democratic Republic of Congo (DRC)." These are issues that Tillerson should be discussing with China and should bring to Trump's attention in terms of either potential co-operation or, alternatively, concern.

## D) Latin America:

Probably unfairly, what people remember of Trump's utterances on Latin America is limited to the Mexican wall, the threat of intervention in Venezuela and the promised dismantling of Obama's Cuba policy. There was also a sprinkling of condemnation of the Cuban authorities for the unfortunate "ultrasound" attacks on U.S. diplomats, even though the Cuban government has invited the U.S. to help in its own inquiry. Listening to Trump's opening remarks at his working dinner with Latin American leaders on Sept. 17, 2017 in the context of UNGA, underscored a total



vacuity of thought and empathy. Former Mexican foreign minister Jorge Castañeda was far more forceful less than three days after the U.S. elections: “No region will suffer more under Trump’s presidency than the Western hemisphere. For Americans and Latin Americans alike, the election of Trump has marked the start of a difficult road.”<sup>43</sup>

Paul Coyer puts the real challenge as squarely as it can be. His piece’s title says it all: “Undermining America While Washington Sleeps: China In Latin America.”<sup>44</sup> He argues that “the nature of Chinese economic interaction with Latin America has tended to have long-term negative economic and normative effects in the region and to strengthen anti-American regimes.” The hollowing-out of the U.S. is depicted in two sets of statistics: “In 2000, the Chinese share of Latin American trade was merely 2%, while that of the United States was 53%. As of 2010, the Chinese share had grown to 11% of the total, while that of the United States had dropped to 39%.” Coyer’s main point is that all this is deliberate and corresponds to a typically long-term Chinese strategy. China has become the [second largest trading partner](#) and third biggest source of investment for Latin American countries, as bilateral trade has soared over 20 times in the past 10 years.<sup>45</sup> For the International Institute for Strategic Studies (IISS), Trump’s “tilt against trade agreements could present strategic opportunities for China in the region.”<sup>46</sup>

Yet, scholar Matt Ferchen paints a very mixed picture of the overall relationship: “In Latin America, as elsewhere, Chinese officials want badly for China’s soft power to help leverage China’s commercial and diplomatic ties to the region, but so far such efforts seem to have had a minimal effect or to have been completely offset by local stereotypes or outright bias.”<sup>47</sup> Katy Watson concludes: “In a region where U.S. influence has often been resented politically, although welcomed economically, the future could look very different with more Chinese investment.”

While the map of the One Belt One Road is very Euro-Asia centric, a growing number of Latin American leaders look at its transpacific potential now that TPP is on life support. Indeed, “As the Belt and Road puts international connectivity and infrastructure development at its core, South America should make the most of it ... For South American countries, poised to make the big leap toward being fully developed nations, but not quite there yet, their association with Asia represents the best hope to make that happen.”<sup>48</sup> China is already the largest trading partner of Brazil, Chile and Peru and by 2025, China’s investment in Latin America will reach half a trillion American dollars.

## **Conclusion**

There is an inherent bias in this analysis. It is entirely dichotomous with a focus on Trump on the one hand, and on China’s reach and outreach on the other. It is undeniable that over, under and beyond Trump, the U.S. continues to exercise considerable influence over events, lead the fight against terrorism, broker negotiations between foes, dominate a large chunk of the world economy, lead on innovations – as recognized by a plethora of Nobel prizes – and is the world’s preeminent military power. However, confidence in the U.S. has been broken and uncertainty prevails. No work by Trump’s cabinet members can repair the damage caused by daily tweets,





presidential incoherence and inability to stay any course. The Iran nuclear deal non-certification is the most significant example of that confidence failure on the altar of domestic politics and the quest for the rekindling of the president's base trust. Trump must have seen with horror the front page of the *Economist* labelling Xi Jinping "the most powerful man in the world". These are dangerous times ... as Graham Allison puts it, "... tensions between American and Chinese values, traditions, and philosophies will aggravate the fundamental structural stresses that occur whenever a rising power such as China threatens to displace an established power, such as the United States."<sup>49</sup> It is hard not to agree with Jeffrey Sachs: "The U.S. is in the midst of a political meltdown, unable to manage a domestic economic agenda or a coherent foreign policy. The White House is in turmoil; Congress is paralyzed; and the world is looking on in astonishment and dread."<sup>50</sup> And when Susan Shirk calls for getting China "to act as a responsible stakeholder in the international system"<sup>51</sup> did she type "China" by mistake and could she not have written "Trump" instead – or as well?

<sup>1</sup> « Le moment Trump, révélateur photographique de la démocratie libérale? » [https://www.diploweb.com/Le-moment-Trump-reveleateur-photographique-de-la-democratie-liberale.html?utm\\_source=sendinblue&utm\\_campaign=NL164250917&utm\\_medium=email](https://www.diploweb.com/Le-moment-Trump-reveleateur-photographique-de-la-democratie-liberale.html?utm_source=sendinblue&utm_campaign=NL164250917&utm_medium=email)

<sup>2</sup> Idem

<sup>3</sup> <http://mailchi.mp/cnn/fareed-president-trumps-bizarre-iran-speech?e=4f5a791fb1>

<sup>4</sup> [https://www.mccain.senate.gov/public/index.cfm/press-releases?ID=3E879161-766F-4E0B-8FC9-F446A9F341F5&utm\\_source=Fareed%27s+Global+Briefing&utm\\_campaign=a0cbb59e8a-EMAIL\\_CAMPAIGN\\_2017\\_10\\_17&utm\\_medium=email&utm\\_term=0\\_6f2e93382a-a0cbb59e8a-83618225](https://www.mccain.senate.gov/public/index.cfm/press-releases?ID=3E879161-766F-4E0B-8FC9-F446A9F341F5&utm_source=Fareed%27s+Global+Briefing&utm_campaign=a0cbb59e8a-EMAIL_CAMPAIGN_2017_10_17&utm_medium=email&utm_term=0_6f2e93382a-a0cbb59e8a-83618225)

<sup>5</sup> "Lee Kuan Yew and the 'Asian Values' debate," *Asian Studies Review*. ISSN 1035-7823 Volume 24 Number 3, September 2000.

<sup>6</sup> As emphasized by former founder of DFAIT's economic bureau, Philip Somerville, during his remarks to the author's students at Glendon College.

<sup>7</sup> As quoted in <http://www.scmp.com/news/china/diplomacy-defence/article/2095310/has-china-outgrown-its-need-singapore-role-model>, May 24, 2017.

<sup>8</sup> <http://www.scmp.com/week-asia/politics/article/2006266/there-may-be-trouble-ahead-china-and-singapore> Aug. 22, 2016.

<sup>9</sup> The reference to "U.S." vs. "Western" is deliberate and reflects the conceptual framework of Asian countries.

<sup>10</sup> See Frédéric Puppatti, "La stratégie chinoise vis-à-vis de l'ASEAN », in *L'Énigme chinoise* », reader, Pierre Journoud, *L'Harmattan*, 2017, pp. 69-78.

<sup>11</sup> <https://thediplomat.com/2014/09/the-potential-of-the-tpp-for-vietnam/>

<sup>12</sup> <http://www.aljazeera.com/news/2016/08/rodrigo-duterte-human-rights-160806211448623.html>

<sup>13</sup> See, for the importance of the Isthmus, Ankit Panda's Dec. 1, 2013 article in <https://thediplomat.com/2013/12/how-a-thai-canal-could-transform-southeast-asia/>

<sup>14</sup> Wong Chin Huat (Penang Institute), "Can Malaysia's Opposition End UMNO's Corrupt Party-State?" Aug. 29, 2017 <http://www.eastasiaforum.org/2017/08/29/can-malysias-opposition-end-umnos-corrupt-party-state/>

<sup>15</sup> <http://www.scmp.com/week-asia/politics/article/2052636/has-china-offered-bail-out-malysias-1mdb-what-cost>

<sup>16</sup> See Ferry de Kerckhove, "L'Indonésie et la mer de Chine orientale, » forthcoming in the Collection « *Stratégie, Politiques et Relations Internationales* », Presses Universitaires de la Méditerranée (PULM).

<sup>17</sup> See [http://usa.chinadaily.com.cn/opinion/2013-10/09/content\\_17016306.htm](http://usa.chinadaily.com.cn/opinion/2013-10/09/content_17016306.htm)

<sup>18</sup> From Wikipedia

<https://www.bing.com/images/search?view=detailV2&ccid=dqlwjDNp&id=60D335A9AB0AD9FA493B4DEB3DFC007728CA8499&thid=OIP.dqlwjDNp20qy6Ackmw3A3gFDDB&q=belt+and+road+silks&simid=607996426935537015&selectedIndex=0&ajaxhist=0>



<sup>19</sup> [http://www.chinadaily.com.cn/opinion/2015-04/24/content\\_20525919.htm](http://www.chinadaily.com.cn/opinion/2015-04/24/content_20525919.htm)

<sup>20</sup> Ariella Viehe, Aarthi Gunasekaran, and Hanna Downing, "Understanding China's Belt and Road Initiative," Sept. 22, 2015, <https://www.americanprogress.org/issues/security/reports/2015/09/22/121628/understanding-chinas-belt-and-road-initiative/>

<sup>21</sup> "Coping with China? Indian Security Perceptions of a Rising China," in Journoud *op.cit.*, p. 99.

<sup>22</sup> Wamika Kapur, "The Trouble with India's New Citizenship Bill," *The Diplomat*, March 11, 2017, <https://thediplomat.com/2017/03/the-trouble-with-indias-new-citizenship-bill/>

<sup>23</sup> During the presidential campaign he intimated he would recognize Crimea's takeover and early in his presidency appeared to be casting doubts about Russia's support of separatists in Eastern Ukraine.

<sup>24</sup> Ferry de Kerckhove, *The Strategic Outlook for Canada 2016*, Vimy Paper 22, page 10, February 2016, Conference of Defence Associations Institute.

<sup>25</sup> Bobo Lo, *New Order for Old Triangles? The Russia-China-India Matrix*, *Russie. Nei. Visions*, n°100, IFRI, April 2017.

<sup>26</sup> Personal communication.

<sup>27</sup> The following table established by French scholar Mathieu Boulègue underscores the contrast.

**Tableau comparatif de l'UEE et de la BRI : objet, nature, finalités, projection**

|                   | <b>Union Economique Eurasienne (UEE)</b>  | <b>Belt &amp; Road Initiative (BRI)</b>   |
|-------------------|---|---|
| <b>Objet</b>      | - Accord d'intégration régionale signé par 5 États membres (Russie, Kazakhstan, Kirghizstan, Arménie, Biélorussie).<br>- Possible ouverture au Tadjikistan et à la Moldavie<br>- Une quarantaine de pays en discussion pour la coopération économique                 | - Plateforme souple de coopération et « label » dont l'activité est principalement orientée vers la mise en place et le financement d'infrastructures<br>- Au moins 65 États pour l'instant concernés |
| <b>Nature</b>     | - Institutionnalisation et régulation extrême dans un cadre légal contraint : zone de libre-échange, union douanière, codification et normes communes, etc.<br>- Projet fermé permettant de donner un traitement préférentiel à un marché intérieur parmi ses membres | - Aucune institutionnalisation, dérégulation<br>- Entité floue et qui se définit « en marchant »<br>- Connectivité et multi-modalité  |
| <b>Finalités</b>  | - Maintien du contrôle économique et politique sur la région post-soviétique<br>- Approche protectionniste : diversion permettant d'éviter la libéralisation du commerce avec la Chine et l'Union européenne (barrières douanières)                                   | - Création de liens commerciaux et de diplomatie publique<br>- Ouverture commerciale et financière par les investissements : sorte de « plan Marshall » chinois                                       |
| <b>Projection</b> | - Projet personnel de Vladimir Poutine et relativement peu populaire en Russie (« eurasiens-scepticisme »)<br>- Axé sur le marché intérieur   | - Temps long lié à la projection historique du centenaire de la Révolution chinoise en 2049<br>- Orienté vers l'extérieur   |

Réalisation : Mathieu Boulègue pour *Diploweb.com*, 2017.

<sup>28</sup> La « lune de miel » sino-russe face à l'(incompatible) interaction entre l'Union Economique Eurasienne et la « Belt & Road Initiative » ; 15 octobre 2017, [https://www.diploweb.com/La-lune-de-miel-sino-russe-face-a-l-incompatible-interaction-entre-l-Union-Economique-Eurasienne-et.html?utm\\_source=sendinblue&utm\\_campaign=NL167161017&utm\\_medium=email](https://www.diploweb.com/La-lune-de-miel-sino-russe-face-a-l-incompatible-interaction-entre-l-Union-Economique-Eurasienne-et.html?utm_source=sendinblue&utm_campaign=NL167161017&utm_medium=email)

<sup>29</sup> Cyrille Bret, Florent Parmentier, « Vers un scénario d'alliance entre Riyad-Moscou au Moyen-Orient? » Oct. 11, 2017, in [https://www.diploweb.com/Vers-un-scenario-d-alliance-entre-Riyad-Moscou-au-Moyen-Orient.html?utm\\_source=sendinblue&utm\\_campaign=NL167161017&utm\\_medium=email](https://www.diploweb.com/Vers-un-scenario-d-alliance-entre-Riyad-Moscou-au-Moyen-Orient.html?utm_source=sendinblue&utm_campaign=NL167161017&utm_medium=email)

<sup>30</sup> Quoted in the equally relevant article by Uri Friedman on "Trump the Dealbreaker," in [http://www.defenseone.com/ideas/2017/10/donald-trump-dealbreaker/141775/?oref=d\\_brief\\_nl](http://www.defenseone.com/ideas/2017/10/donald-trump-dealbreaker/141775/?oref=d_brief_nl) *The Atlantic*, Oct. 14, 2017.

<sup>31</sup> The *Islamic Revolutionary Guards Corps* maintains control over large sectors of Iran's economy.

<sup>32</sup> <https://www.nytimes.com/2017/10/22/world/middleeast/tillerson-iran-europe.html>

<sup>33</sup> <http://foreignpolicy.com/2016/01/26/chinas-new-middle-east-grand-strategy-iran-saudi-arabia-oil-xi-jinping/>

<sup>34</sup> Idem

<sup>35</sup> <http://cdainstitute.ca/wp-content/uploads/2017/06/Strategic-Outlook-2016-Interactive-PDF.pdf> p.10

<sup>36</sup> One would hope that the recent Niger crisis is not symptomatic of a lack of focus, transparency and clarity of purpose.



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- <sup>37</sup> Former NSC African director Cameron Hudson quoted by Teresa Welsh in <https://www.usnews.com/news/the-report/articles/2015/07/28/obamas-legacy-on-africa-lacks-compared-to-bush>
- <sup>38</sup> Eleanor Albert : <https://www.cfr.org/background/china-africa> , July 12, 2017.
- <sup>39</sup> The most compelling analysis of Chinese aid to Africa can be found in Lily Kuo's <https://qz.com/1104209/chinas-rogue-aid-to-africa-isnt-as-much-or-as-controversial-as-we-thought/>
- <sup>40</sup> See <http://afrobarometer.org/publications/ad122-chinas-growing-presence-africa-wins-largely-positive-popular-reviews>. Of course, there are plenty of alternative views, such as that of Xie Tao. <https://thediplomat.com/2017/04/china-in-africa-whats-the-real-story/> or David Volodzko, <https://thediplomat.com/2015/12/china-and-africa-the-great-debate/>
- <sup>41</sup> "Does Conditionality Still Work? China's Development Assistance and Democracy in Africa," Feb. 3, 2017, <https://link.springer.com/article/10.1007/s41111-017-0050-6>
- <sup>42</sup> See Felipe Cruvinel, "China's African Knot," <https://thediplomat.com/2017/08/chinas-african-knot/> Aug. 17, 2017.
- <sup>43</sup> <https://www.project-syndicate.org/commentary/donald-trump-latin-america-by-jorge-g--casta-eda-2016-11>
- <sup>44</sup> <https://www.forbes.com/sites/paulcoyer/2016/01/31/undermining-america-while-washington-sleeps-china-in-latin-america/#6995bdfa6c23>
- <sup>45</sup> <https://www.telesurvtv.net/english/news/China-Latin-America-to-Expand-Links-With-International-Expo-20170817-0012.html>
- <sup>46</sup> <https://www.iiss.org/en/publications/strategic%20comments/sections/2017-6df9/us-latin-america-policy-9840>
- <sup>47</sup> Quoted by Katy Watson in "What Will China's Investment Do for Latin America?" July 7, 2015, <http://www.bbc.com/news/world-33424532>
- <sup>48</sup> Chile's ambassador to China, Jorge Heine, in a recent column in China's *Global Times* newspaper, quoted in <https://www.telesurvtv.net/english/news/Asia-and-Latin-America-Strengthen-Economic-Ties-20170513-0003.html>
- <sup>49</sup> "China vs. America – Managing the Next Clash of Civilizations," *Foreign Affairs*, September-October 2017, pp. 80-81.
- <sup>50</sup> "Surviving American Political Meltdown," Aug. 11, 2017, <https://www.project-syndicate.org/commentary/surviving-american-political-meltdown-by-jeffrey-d-sachs-2017-08>
- <sup>51</sup> "Trump and China," *Foreign Affairs*, March-April 2017, p. 20.

## ► About the Author

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**Ferry de Kerckhove** was born in Belgium in 1947. He has a B.Soc. Sc. Honours in Economics, an M.A. in Political Science from the University of Ottawa and pursued Ph.D. Studies at Laval University in Québec City.

He joined the Canadian Foreign Service in September 1973. From 1981 to 1985, he was Economic Counsellor at the Canadian Delegation to NATO. In September 1992, he was posted to Moscow as Minister and Deputy Head of Mission. In 1995 he became Associate Chief Air Negotiator, then Deputy Head of the Policy Branch and Director-General, Federal-Provincial Relations in Foreign Affairs and International Trade. He was named High Commissioner to the Islamic Republic of Pakistan in August 1998. In September 2001, he became Ambassador to the Republic of Indonesia. He was also accredited to Timor Leste.

In September 2003 he joined the Faculty of Social Sciences at the University of Ottawa as a Canadian Center for Management Development Diplomat in Residence. In 2004 he became Director General, International Organizations. In July 2006, he added to his responsibilities the function of Personal representative of the Prime Minister for Francophonie. In 2008 he was named ambassador to the Arab Republic of Egypt.

He retired from the Foreign Service on September 23d, 2011. He is a Senior Fellow at the Graduate School of Public and International Affairs, Faculty of Social Sciences, University of Ottawa, a Fellow of the Canadian Global Affairs Institute, and a Member of the Board of the Conference of Defence Associations Institute. He is the author of the CDA Institute's Strategic Outlook for Canada 2016. He is a former board member of WIND Mobile Canada. He is President of Ferry de Kerckhove International Consultants Inc.

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