

# **U.S.–China Institutional Competition—**

## **Part I: The United States**

**Su Chi**

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Many years ago, this author was asked during the oral defense of his doctoral dissertation in the United States, "If aliens were to mount a massive attack on the earth, what changes do you think there would be in international relations?" I replied, "It depends on how powerful the aliens were. If it seemed that humankind might be wiped out, every country might work together. If that weren't the case, some countries might even team up with the aliens to fight their opponent nations." To this day, I cannot say for certain whether the smile on the teacher's face was approving or mocking.

The impact of COVID-19, much like an alien invasion, has brought total uncertainty. Fortunately, after two months of a war of words, the US and China finally shown some willingness to cooperate. But the difference in the ways they have dealt with the pandemic may also highlight a deeper issue: which is better, American democracy or the socialist system of the PRC? This article seeks to analyze the U.S. first.

In the past, most people were deeply convinced of the superiority of the democratic system of government - "of the People, by the People and for the People." During my years in public office, I often traveled abroad, proudly proclaiming the precious value of Taiwan's democracy. Many Chinese inside and outside of Mainland China also expressed sincere envy of Taiwan's newborn democracy. But the favorable ambience seems to have weakened considerably during the past decade. Not only have 30 percent of democratic countries backtracked to retain democracy only in form while actually becoming autocratic; some in Europe and America have even begun to question the legitimacy of democracy. How could this happen?

First, one needs to look at economics. If we say that China's economy is determined by politics, the politics in U.S. has always been driven by economics. What is crucial at present is that capitalism in the U.S. is ill! Since the 1980s, capitalism has excessively and single-mindedly pursued profit, ignoring wages and social welfare, leading to an exorbitant concentration of global wealth. The total wealth of the 26 richest individuals is equivalent to the wealth of half of the world's population (i.e., 3.8 billion people). In the U.S., the top 0.1 percent of people hold 20 percent of the country's total wealth, the top 0.9 percent hold another 20 percent, and the top 9 percent of all Americans account for a further 40 percent. The gap between rich and poor in the U.S. has become so glaring that the U.S. Congressman elected from the Silicon Valley district has admitted to the media that his super-rich constituents are

very worried about the prospect of revolution in the United States.

So, how is the remaining 20 percent of U.S. wealth distributed among the other 90 percent of Americans in the lowest part of the wealth pyramid? Statistics show that the average salary of low- and intermediate-level workers has not risen for 40 years. Fifty percent of Americans have no savings, let alone any preparation for retirement. Forty percent live paycheck to paycheck; 10 percent have no health insurance. Only 30 percent of high school graduates can afford the sky-high tuition rates for a college education. Those so-called “poor whites” with meager educational attainment and daunting challenges for employment account for 47 percent of the entire white population in the U.S. They mostly live in small states, small cities, or rural areas. For them, the only chance of upward mobility is to move away from where they grew up.

Those bereft of opportunity drown their sorrows by taking drugs or resorting to alcohol. According to expert statistics, the number of “deaths of despair” in the U.S. has soared in recent years, reaching nearly 160,000 in 2017, which is “equivalent of three fully-loaded Boeing 737 MAX jets falling out of the sky every day for a year.” Among them, 70,000 did so by overdosing on drugs. That number is more than the total number of U.S. deaths in the Vietnam War. According to a retired U.S. general, obesity, drug abuse, alcoholism, and misconduct have reduced the proportion of young people in the U.S. qualified for military service to merely 25 percent. Try imagining, then, how public confidence in “for the People” could not be shaken!

And what about “government by the People”? Due to population flows, smaller states are losing population while larger ones are gaining. But every state regardless of size has two senators, so anyone whose political party controlled the 25 smallest American states that together constitute 16 percent of entire U.S. population would have the loyal support of 50 U.S. Senators. He (or she) could veto any bill that the other 84 percent of Americans favored, influence the appointment of government officials, and is sufficiently powerful to defeat any attempt at presidential impeachment. Mr. Trump cleverly grasped this fundamental set of game rules to win the White House despite losing the popular vote; and while in office, has said and done whatever he desired with no concern about democratic checks and balances.

Senator Bernie Sanders, who has long itched to take on the capitalists, has of course zero chance to win the White House. Mr. Trump, on the other hand, not only has eschewed offending capitalists, he has even lowered the income tax rates for middle and high income earners by 2 to 4 percent, while deflecting all resentment by “poor whites” toward China, Mexico, Muslims, and immigrants.

No wonder the latest Gallup poll indicates that Americans generally have low confidence in a number of the pillars of their democracy, such as the President (38%), Congress (11%), the Supreme Court (38%), big business (23%), newspapers (23%), television (18%), religion (36%), and banks (30%). All these numbers are far lower than those of twenty years earlier.

Furthermore, some experts have even begun to worry aloud that the advent of the "digital revolution" would further expose the weaknesses of America's separation of powers, because it not only slows down decision-making, but also makes it difficult to harness private-sector technological power for national use.

Nevertheless, the potential of the U.S. should not be underestimated. Its geographical security gives it a head up over any and all major powers seeking competition with it. Currently the federal government may be dysfunctional, the state governments and private sector remain generally vibrant. It is still robustly affluent (GDP is one and a half times, and its total wealth is twice that of China), so it can withstand wastage for quite some time. If it remains open and diversified culturally, it can continue to attract talents from abroad. Thus, although the U.S. has fallen ill, and not a slight illness at that, it still remains a mighty eagle.

If the United States can begin to treat the disease early enough, regeneration of its democracy can be expected. However, should it remain divided and mired in internecine struggle, allowing the malady to worsen, then its long-term competitiveness could be worrisome indeed.

(The author is Chairman of the Taipei Forum)