

**THE PLACE OF NEGOTIATION AND PROTOCOL IN A
TRADE WAR: A CASE STUDY OF U.S.-CHINA TRADE
RELATIONS**

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**THIS DISSERTATION IS SUBMITTED TO THE UNIVERSITY
OF GHANA, LEGON, IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF
THE MASTER OF ARTS DEGREE IN
INTERNATIONAL AFFAIRS**

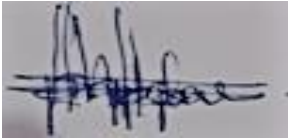


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JULY 2020

DECLARATION

I, Emelda Mills Gakpetor, declare that except for the references to other authors, which have been duly acknowledged, this dissertation is the product of an original research conducted by me under the supervision of Ambassador Dr. Kodzo Kpoku Alabo. I further declare that, no part of this dissertation has been submitted elsewhere for any other purpose.



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DEDICATION

It is with the deepest gratitude and warmest affection that I dedicate this work to my mother Mavis Mills-Pappoe, who has been a constant source of love, inspiration and support. Above all, I also dedicate this dissertation to God Almighty, for His tender mercies and steadfast love upon me throughout my course in LECIAD.

ACKNOWLEDGEMENTS

I would first of all, like to thank the Almighty God for the opportunity to pursue my post graduate degree, and for also carrying me through this academic journey.

Secondly, I am very much indebted to my supervisor Amb. Dr. Kodzo Kpoku Alabo for his great help and guidance throughout my dissertation work even when all hope seemed lost.

I would also like to thank the faculty, staff, my colleagues and LECIAD for the invaluable experience.

And finally I would like to acknowledge the entire Appoh and Mills family, my husband, my brother, my very eloquent father but above all, my sweetest sister Marie-Pearl Mills-Pappoe for their constant prayers, love and support.

God bless you all.

LIST OF ABBREVIATIONS

\$B	-	Billion Dollars
BCE	-	Before Common Era
FDI	-	Foreign Direct Investment
IOC	-	International Olympic Committee
IP	-	Intellectual Property
IR	-	International Relations
ISIS	-	Islamic State of Iraq and Syria
LECIAD	-	Legon Centre for International Affairs and Diplomacy
NAFTA	-	North American Free Trade Agreement
PRC	-	People's Republic of China
WTO	-	World Trade Organisation
UK	-	United Kingdom
UN	-	United Nations
US	-	United States
USMCA	-	United States-Mexico-Canada Agreement

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ABSTRACT

This study is intended to provide information on the trade war between the U.S and China. It addresses negotiation and protocol as diplomatic tools used to ease tensions amongst states at the height of the ongoing economic conflict. It analyses the issues raised from the trade dispute between the U.S. and China and highlights the crucial use of negotiation, which is the key function in diplomacy, and acts as a form of soft power to achieve national interest. The methodology applied included academic research based on qualitative analysis as well as quantitative research in the form of expert interviews. The thesis further explores the consequences of the trade war in the international system as well as the challenges associated with diplomacy between Washington and Beijing. The results show that the trade war between U.S and China do not only affect the parties involved, but also other states, non-state actors and businesses holding trade and diplomatic relations with the U.S and China such as WTO. States can use a variety of strategies to mitigate the negative effects of the ongoing trade war. This study adds new insights to the existing literature on the trade war between the U.S. and China, diplomacy and its effects on long term relationships within the international system.

Keywords: trade war, WTO, China, U.S., tariffs, negotiation, protocol, digital diplomacy, Twitter, foreign policy, globalization

CHAPTER ONE

INTRODUCTION

1.1 Background to the Research Problem

The United States and China trade relations was established from the early 19th century. In modern International Relations, the trade relationship between China and the U.S. have become more interdependent.

The world faces a trade war on a level of hostility between two powerful states, that has never been seen, a dispute that may take diplomacy, and its key functions; negotiation and protocol to solve. Diplomatic ties have been severed, and tension has skyrocketed in the international community, causing chaos in the once cordial relations between the U.S. and China.

The trade war crisis has caused ripples across the globe. Global effects such as industries shutting down, workers being laid off, and prices of goods and services is increased to control the damage through the gathering of top diplomats to negotiate and come out with a fair deal for peace and stability in the international system. Furthermore, establishing significant international relations that are productive, is in itself challenging, in addition to the hostile nature of the Trump administration as a method of accomplishing its foreign policy has not made diplomacy or relationship building easy.

The U.S. economic supremacy is facing challenges due to the rise of the People's Republic of China (P.R.C.) since its economic reform in 1978. As a result, China's economic scale and foreign trade has grown at a significant rate. The current trade war is an ongoing economic conflict between the two largest economies in the world.

A trade war occurs when a sovereign state reacts against another by equally raising import tariffs or placing other economic restrictions on the imports of the opposing state. According to Chatzky (2019), a tariff is a tax imposed on goods imported from a foreign country.¹ The practicality about tariffs is that its usage has been pragmatic over the years to protect domestic businesses and target competitors who are seen as using unfair trade practices. Tariffs are usually designed to collect revenue or to give a price advantage to a domestic product over an imported one. President Trump in 2018 aimed to coerce China to making changes in their approach to trade by placing tariffs and other trade blocks to what the U.S. refers to as "unfair trade practices".

It initially started by the U.S. imposing several tariffs on goods imports from China. China is the world's number one exporter and its comparative advantage is that it can produce consumer goods at lesser costs than other countries can. Chinese companies pay lower wages due to the lower standard of living; hence American companies cannot compete with China's low prices, so it loses U.S. industrial jobs.

On 20th May 2019, President Trump imposed a fourth tariff, 25% of tariffs on several goods such as electronics, clothing and machinery imported from China, and China retaliated by imposing tariffs on important merchandises imported from the U.S. There was a supposed cease-fire, one of many that marked the on and off diplomacy between Beijing and Washington. Furthermore, the exchange of opinions known as the war of words since 2018 on social media platforms tainted the trade relationships between them. This has led to a deterioration of bilateral trade relations. Due to the burdensome impact of the trade wars, China made a daring diplomatic move which succeeded

¹ Chatzky, A. (2019). The Truth About Tariffs. Council on Foreign Relations. Retrieved from <https://www.cfr.org/backgrounder/truth-about-tariffs>. Accessed on 16 August, 2021.

in protecting her economic interests by reaching a consensus between them and the U.S., namely a ninety-day ‘truce’ in December 2018, which eased tensions between the two countries for a season.

Negotiation and protocol are vital diplomatic instruments, which, if employed judiciously, could enhance the trade relations between the U.S. and China. Negotiation is mentioned foremost to be used in conflicts according to Chapter VI: Article 33(1) of The Charter of the United Nations which states that:

“Any dispute that is likely to endanger the maintenance of international peace and security should first be addressed through negotiation, mediation or other peaceful means, and states that the Council can call on the parties to use such means to settle their dispute.”²

It is well-thought as the main alternative to the use of force as well as other forms of violence. International diplomatic negotiation processes intend to resolve conflict situations.

Through unintended consequence of trade wars on globalized consumer markets, producers and global economies have experienced terrible complications. Nonetheless, by the use of negotiation in diplomacy, principles and guidelines may be formed to reduce uncertainty, and promote an atmosphere of trust amongst the disputing countries.

² United Nations Security Council on Pacific Settlement of Disputes (Chapter VI of UN Charter). Retrieved from <https://www.un.org/securitycouncil/content/pacific-settlement-disputes-chapter-vi-un-charter>. Accessed on 10 April 2021

1.2 Statement of the Research Problem

The U.S.- China trade war has not only affected the economies of these global giants, but the international community as a whole, its adverse effects spreading over into all nations, ultimately hurting local companies, consumers, and the global economy. Furthermore, the degree of the war's intensity has caused some 'innocent' continents such as Europe and Africa to bear the economic brunt. This has driven the international community to seek resolution from the World Trade Organization and prompted it to be more heavily involved to restrain the trade disputes, seeing that it is a global trade problem.

Many different elements have contributed to the U.S. and China trade war with consequences impacting the international community; including the raising of tariffs on Chinese goods by President Trump. According to Alex Capri, a senior Fellow and full-time Business lecturer at the National University of Singapore: "the retaliatory tariff increases on (components and materials feeding into China's manufacturing base) will have a ripple effect going back to suppliers throughout Asia."

Negotiation and protocol are tools used in economic diplomacy, where economic diplomacy is associated to economic policy demands including the job descriptions of delegations to conferences (which are sponsored by non-state actors such as the WTO). Economic diplomacy engages the use of economic resources, either as rewards or sanctions, in quest of achieving a particular foreign policy objective. Throughout the decades, economic diplomacy is an important characteristic of Chinese foreign policy as its outstanding economic growth has used negotiation and mediation, predominantly the use of carrots (soft power) through trade, as a method to amass power. It was formed out of a comprehensive strategy conveyed by think-tanks in China during the 1990s titled "*The New Security Concept*." In the West, it was mentioned to be the period of

“China's Peaceful Rise.” However, the international community has been focused on retaining its existing support base and requires an understanding of how best to tackle the ongoing trade wars.

Thus this study seeks to provide a synopsis of the U.S. and China trade war, to examine the role of negotiation and protocol as diplomatic tools used and to analyse how the international system is affected by the economic conflict, currently between the two most significant states.

1.3 Research Questions

This research looks into why the trade war between U.S. and China has not stopped and the way forward for both the U.S. and China. Some questions to be looked at are:

1. What was the history of U.S. and China trade and economic relationship?
2. What are the consequences of the U.S. and China trade war for the global economy?
3. How has the trade war between the U.S. and China affected norms and rules of diplomacy?
4. What roles do negotiation and protocol play in building a healthy trade relationship between the U.S.-China?

1.4 Research Objectives

1. Examine the nature of the economic relationship between the U.S. and China.
2. Ascertain the global economic effect caused by the U.S. and China trade war.
3. Evaluate the trade disputes between the U.S. and China have affected norms and rules of diplomacy. prospects

4. Explore the importance of negotiation and protocol as tools in building a healthy trade relationship between the U.S. and China.

1.5 The Scope of the Study

The research concentrates specifically on how international diplomatic negotiation and protocol serve as tools in curbing trade wars and how they can promote successful trade and economic relations between the two largest economies globally. The time frame remains focused from 2018 toward 2020 as President Donald Trump began officially placing tariffs and other trade blockades on China in 2018.

1.6 The Rationale of the Study

Several concerns are proceeding out of the U.S.-China trade war, and in international relations, its impact have caused instability. The trade war is a global phenomenon and affects trade in Europe, Africa, Asia and Latin America, among others. This research attempts to provide an impartial study, through the lens of diplomatic practice literature, towards gaining an understanding of the current trade war and how to curb it together with the ongoing “war words” on social media platforms such as Twitter, using negotiation and protocol as tools. Based on the accumulated knowledge obtained from the diplomat’s line of work, it is hoped that an efficient study of the current trade war will ensue.

1.7 Conceptual Framework

This section of the chapter introduces the conceptual framework of this study. With my research, the concept is Hard Power. The notion of power plays a central role between states in International Relations. However, this framework can be used beyond the boundaries of this study.

A prevailing trend in the international system is the aspiration of states to maintain their power as a mechanism of control in order to stay or remain significant in international affairs. Furthermore, the concept of power in international relations, solves the problem of shared resources by establishing a “power hierarchy” in which decision-makers use the top-bottom approach to control those below. The focus is directed more to who-stands-where in the “power hierarchy” and does not centre primarily on who-gets-what resources available. Instead, distribution of resources is resolved automatically in favour of the higher-ranking actor.

To be precise, the realist school of thought has constructed around power the entire international relations theory. Morgenthau (1979,1948), defines the study of “international politics as through interests defined in terms of power.” Also, Waltz (1979) states that, “distribution of power was the key variable in determining the nature of an international system.” Finally, Mearsheimer (2001) recognises that “power is the currency of great-power politics.”

Power can be defined as the ability to successfully set, reach and maintain a goal (Turcsányi, 2018).³ It can also be described as when two or more group members share an interest in an outcome of value to them all, but have conflicting individual interests when it comes to achieving that desired result. It involves key resources be it tangible (military strength, territory, population,

³ Turcsányi, R. Q. (2018). *A Comprehensive Concept of Power in International Relations*. In *Chinese Assertiveness in the South China Sea*. pp. 61-78. Springer, Cham.

natural and economic resources, among others) or intangible (goodwill, brand recognition and intellectual property, such as patents, trademarks, and copyrights) for which states pursue as an objective.

All through the Cold War, the U.S. and the Soviet Union were the most powerful states that represented their respective blocs when the entire world at the time, was divided into two blocs. Likewise, the UN Security Council, currently, holds the five largest military powers (U.S., U.K., Russia, France and China), which are also permanent members and hold a veto, reflects the concept of power in IR. An advantage of power is that, it creates a solution to global crisis in which, it compels states to contribute to the common good and also limits open conflict within the international system.

The concept of power is intricate and complex, and the use of brute force or coercion is not the only way to settle differences in the international system. There are two main categories of power as IR and political science proponents distinguish between; Hard power and Soft power (Nye, 1990).

Hard power is coercive in the instance of military invasion and economic sanctions whereas soft power is more compelling and attractive such as cultural invasion and broadcast media.

Hard power refers to intimidating schemes i.e. the threat of the use of armed forces, assassination and subterfuge, economic sanctions, or other forms of intimidation to attain an objective. Hard power is commonly linked to the resilient of states, as the capacity to transform the internal affairs of other states through military threats. Campaigners of this concept are realists and neorealists, in the likes of John Mearsheimer.

An illustration of using power without oppression is the theory of soft power, as related to that of Hard power. Joseph Nye is the leading exponent, academic and theorist of soft power. Tools of soft power comprise of the appeal to commonly accepted human values, dialogues on ideology, debates on cultural values and the attempt to influence through good examples. Some ways by which soft power is implemented consist of diplomacy, dissemination of information, analysis, propaganda, and cultural programming to achieve political ends.

There is currently an emergence of smart power which is a merged version of soft and hard power. This is as a result of habitual request to use varieties of governance tools holistically, in sequences from soft to hard.

According to Wilson (2008), hard power is the capacity to force or coerce another to act in ways in which that entity would not have acted otherwise.⁴ Hard power is the use of military force and economic sanctions or pressures to sway the behaviour or interests of other political forms in an opposing direction. It is a political power and often aggressive; it is most immediately effective when imposed by one political body upon another of lesser military and or economic power (Copeland, 2010). However, hard power contrasts with soft power, that emerges from diplomacy as coercive, culture and history (Copeland 2010). While hard power largely has a reference in diplomacy, it also defines negotiation procedures to contain pressure or threats used as an advantage.

By its long existence in history, the term itself stood out when Joseph Nye invented soft power as “a new and different form of power in a sovereign state's foreign policy” (Barzegar 2008).⁵ Hard

⁴ Wilson, E.J. (2008). *Hard Power, Soft Power, Smart Power*. The Annals of the American Academy of Political and Social Science. 616 (1): 110-124. doi:10.1177/0002716207312618

⁵ Barzegar, K. (2008). *Joseph Nye on Smart Power in Iran-U.S. Relations*. Belfer Center. Retrieved from <https://www.belfercenter.org/publication/joseph-nye-smart-power-iran-us-relations>. Accessed on 23 August 2021.

power engages the establishing of military pacts for pre-emption and mutual protection in the international system amongst states. Nonetheless, a key feature of hard power is the usage of threats (sticks) through military and economic sanctions to create a state of “political hegemony” or “balance of power.”

Economic sanctions are one of the significant forms of hard power. According to Lin (2016), they are commercial and financial penalties; applied by one or more countries against a targeted self-governing state, group, or individual.⁶ Once again defined superbly by Weber (1997), as the likelihood that one actor in a social relationship will be in a position to carry out his will despite resistance.⁷ Economic sanctions are imposed mainly due to a variety of military, social, and political issues and may be practiced to attain national and international interests. By and large, they aim to form decent and healthy relationships between the states imposing the sanctions and the state receiving the sanctions. However, the efficacy of sanctions is debatable and sanctions can have unintended consequences (Lee 2018).⁸ In addition, they are seen as a form of mediation in-between wars-and-words. Consequently, where military invasions are non-applicable, and condemnations are not effective, sanctions are perceived often to be the minutest challenging way to demonstrate determination (Groves 2007). To explain further, they are a system of power politics in the international system, by way of being a tool to cause economic havoc on a state which therefore, explains their growing use by certain international actors.

⁶ Lin, T. C. W. (2016). *Financial Weapons of War*. Rochester, NY. SSRN 2765010. pp. 1377-1440

⁷ Weber, M. (1921/1997). *The Theory of Social and Economic Organization*. New York, Publisher Free Press, 1997, p. 152 (originally published as Max Weber, *Wirtschaft und Gesellschaft* in 1921).

⁸ Lee, Y.S. (2018). *International Isolation and Regional Inequality: Evidence from Sanctions on North Korea*. *Journal of Urban Economics*. 103 (C): 34–51. doi: 10.1016/j.jue.2017.11.002. S2CID 158561662.

Moreover, according to (Barzegar 2008), Joseph Nye also used the label hard power to “define some policy measures in regards to Iran.” Economic sanctions consist of many “forms of trade barriers, tariffs, and restrictions on financial transactions” (Haidar 2015).⁹

Existing instances of hard power include economic sanctions applied against both North Korea and Iran. Iran was sanctioned by the U.N., E.U and U.S. as a preventive measure to dissuade and to guarantee that Iran is pressured to deliberate an agreement in order to reduce its agenda of manufacturing nuclear weapons which progressively established Iran into a nuclear power; while North Korea was sanctioned by the U.S. for the same purpose.

The distributions of nuclear weapons to Iran, insurance and financial relations, oil and gas investments, exports of sophisticated petroleum goods just to mention a few, were restricted as a form of sanction on Iran. The economic sanctions imposed brought about the economic collapse of the Iran in reference to inflation and GDP. This instance may describe the effective use of economic sanction to bring order as compared to minor attempts on North Korea.

A different instance of hard power in terms of military action, was against, in 2013 the Islamic State, a reaction by the EU, U.S and others, to the expansion of territories by Islamic State of Iraq and the Levant (ISIL) for the duration of early 2014. Many states intervened when reports of global executions, human rights abuse and the scare of supremacy due to the civil wars in Iraq and Syria.

Nye (1990) argues that in the era of globalization, states are rapidly becoming interdependent on one another for economic reasons and for that matter, the need for military strategies is unfeasible.

Furthermore, Nye further argues that exponents of soft power believe that although there may be

⁹Haidar, J.I., (2017). *Sanctions and Export Deflection: Evidence from Iran*. Economic Policy (CEPR), 32 (90), pp. 319-355. Retrieved from <https://j.mp/2pcCwwH>. Accessed on 23 August 2021.

a decline in the use of hard power in the international system, states must adjust their intention of power, though not completely rubbing out military prowess. Instead, they ought to invest in the untapped potential of soft power (Nye, 1990).

Hard power has been slated by proponents of Realism such as Joseph Nye among others, who believe that soft power is preferable in pursuing national interests. Realism is a school of thought that believes that the international system is anarchical and for that matter, human nature is portrayed by the grapple for state survival and pursuance of national interest as conflict is inevitable when power is being contested (Fernandes, 2016).

In addition, regardless of Nye's acclaim on soft power, there are some revelations of its limitations. Some academics in the likes of Ferguson (2009) believes that, the U.S. is recognized as a hegemon based on its military competences and its astounding large budget on defence, thus, has thrived in its political establishments and economic growth. Moreover, he emphasises that the key method the U.S. can significantly use to achieve its national interest is to have in its possessions oil and gas, sophisticated guns and weaponry et cetera which are mostly amassed through hard power. An activist of hard power, Gray (2011), is confident that hard power is a better choice in pursuing the foreign policies of a state. He is insistent that soft power is flawed as it only hinders the potentials of military and economic dexterity of a state. He acknowledges the fact that there is a decline in the use of hard power by states as compared to soft power. However, it still remains one of the essential tools in attaining foreign policy objectives. He further maintains that warfare is part of humanity and hence not all wars can be resolved by non-military measures such as diplomacy.

In spite of these criticisms, the concept of hard power is relevant to this study due to its ability as an appropriate system in establishing the influences of the trade war between the U.S. and China in their hostile trade relations. It has and will continues to function as a form of tactic and scheme

by powerful states to intimidate and force “less” powerful states in submission to its authority in a bid to promote their foreign policies and attain their national interests. However, a demerit of hard power is that, the stability in the international system comes at a grave cost of endless control of, and displeasure by, the lower ranking states within the power hierarchy.

1.8 Literature Review

From 1648 Treaty of Westphalia, states in the international system have engaged in diplomatic relations to pursue their national interests. Since the Treaty of Westphalia, there have been a number of scholarly works that have touched on emerging techniques in the maintenance of good relations between states and projecting a positive image within a much globalized international system while advancing foreign policy objectives (Asafo-Adjei, 2019). In this effect, foreign policy is the policy of a sovereign state in its interaction with other sovereign states to pursue their national interests. It is consisting of a series of plans or programme of actions of a state, which determines the course of the state’s objectives in the international system. likewise it can defined as, “the actions of a state toward the external environment and the conditions, usually domestic, under which such actions are formulated” (Folarin 2017).¹⁰ This seems to agree with Henry Kissinger’s often quoted submission that in foreign policy analysis, the domestic structure is taken as given, as foreign policy begins where domestic policy ends.

According to Froman (2014), Heads-of-state and policymakers on the international stage within much of the twentieth century, regarded deliberately, the significance of economic policy and of trade in terms of military strength. They believed the role of a strong economy was to back a strong

¹⁰ Folarin, S. (2017). Student Feature – Foreign Policy. Retrieved from <https://www.e-ir.info/2017/12/20/student-feature-foreign-policy/>. Accessed on 27 August 2021

military in order to exhibit influence and power. However, within the last two decades, economic power acting as the chief means of prosperity within the international system has proven above and beyond military competency to measure and exercise power. In a system where trade can have as much influence as militaries, any tension between the United States and China's economic goals is essential to global economic survival than a put-on act. Due to its comparatively high effectiveness vis-à-vis other policy instruments, the use of economic force has also frequently been applied by the Chinese and Russian governments (Stanzel, 2018).

Furthermore, in his writing, Froman (2014) reiterates the importance of expanding trade and cites an economist and professor of foreign policy, Thomas Schelling, who observed over forty years ago, "broadly defined to include investment, shipping, tourism, and the management of enterprises, trade is what most of international relations are about. For that reason, trade policy is national security policy".

Every foreign policy has goals. The goals of U.S. foreign policy are national security, maintain peace, spreading democracy, increasing trade, and providing aid. The U.S. foreign policy is the collection of policies that determine the U.S.' relations with other states and non-state actors. American foreign policy also seeks to create prosperity and works toward a somewhat idealistic goal of making the world a better place with it being the only super power standing.

Diving in further, an examination of U.S. foreign policy reveals its significance because it has the potential to influence the world and moreover contains a lot of elements of economic policy. Five themes inherent in the economic character of the U.S. foreign policy are projected i.e. Diplomacy, Military and security policy (one way that the U.S. does this through international human rights initiatives such as international peace keeping through NATO etc.), International Human Rights Policies, Economic Policies (Trade and International Energy Policy) and Environmental Policies.

These themes can be considered independent variables that categorize the foreign policy behaviour of the United States.

In IR, at the apex of the foreign policy structure is the president who the constitution recommends is the states chief diplomat, having the power to receive foreign ambassadors and negotiate treaties. The president gets all the tete-a-tete meetings with foreign leaders and has authority to rule out agreements, however, foreign policy is relegated to bureaucrats. Diplomatic work is handled mainly by the State Department, but they get a lot of help from the defence department and the intelligence gathering agencies like the Central Intelligence Agency (CIA), National Security Agency, United States Department of Homeland Security etc.

The main economic goals of the U.S. foreign policy are to expand opportunities for the U.S., promote foreign investment, maintain access to foreign energy supplies, and promote trade policies that will keep prices low at American business centres. With the emphasis on economic policy, trade has many facets and has grown complex over time. Trade is one of the most complex issues faced today in a globalized economy. Trade disputes, deficits, tariffs and the institutions that deal with it on an international level are all dependent on foreign policy. What this means in practice is that the U.S maintains an active role in international organizations like the World Trade Organization that make and uphold free trade rules.

On the economic policy front, the U.S. under the Clinton administration (1993-2001) actively promoted globalization, open trade, and economic interdependence in the wider Asia-Pacific region. A turning point in regional economic integration came in 2001, when China entered the World Trade Organization (WTO) after a laborious process of negotiation with the United States. WTO accession ushered in a new phase of China's integration into the regional and global economy (Zhang 2018).

The U.S. had hopes that a market economy would usher in more democracy and freedom to China. This has remained a misconception. One way of China attaining its long economic goal is to dominate global trade by developing its Belt and Road Initiative (BRI), an infrastructure project in contemporary history that is designed to redirect global trade along similar routes of the ancient Silk Road.

China's growing influence challenges the status of the U.S., which has been the only super power for the last several decades. Isolation is trending in the U.S. meaning as it is investing less in Asia, Africa and around the world therefore losing influence compared to China who is focused on building relationships and taking control of global trade. The BRI is China's way of leveraging power to become a global leader. Under this initiative, there is an overland economic belt made up of six corridors that serves as new routes to get goods in and out of China. It includes a high-speed train network in South East Asia, railroad connecting China to London just to mention but a few. Then there's the maritime silk road, a chain of seaports stretching from the South China Sea to Africa that also directs trade to and from China. The BRI also includes oil refineries, industrial parks, power plants, mines, and fiber-optic networks all designed to make it easier for the world to trade with China. As of 2018, over sixty states across the globe have reportedly signed agreements for these projects (Pakistan, Kenya, Russia, Greece, Myanmar, Belarus, Laos, Poland, Malaysia and many more. China presents as a win-win deal to states with reportedly corruption problems and stagnant economy, which make them unpopular for foreign investment.

According to economic experts, China's economy has grown faster than that of any other major country. Once under-developed, the Asian giant has now grown into one of the most important export markets for manufacturers from all over the world. China opening up its economy from

1978 to present has benefited China as a state and its people within 40 years of reform and development, one of its greatest achievements in the international system.

China has manufactured many goods at very cheap prices for the US and European consumers, however, foreign businesses in China complain that the state still has too much influence over trade and are therefore limited compared to local businesses. Nevertheless, President Xi needs the goodwill of the U.S. to expand the economy particularly as he tries to develop the Chinese economy to an advance level of high-tech sectors.

From the perspective of the U.S.-China trade war, Wang (2010)¹¹, in his writing, argues that, with China's emergence as a major power and America's hegemonic ambitions tested in successive wars, “the contradiction between a booming commercial relationship and conflict associated with geopolitical and ideological differences will continue to constitute a serious challenge”. Therefore, a long-term goal for each side will be to forge economic ties strong enough to create a stable political relationship, rather than to be held hostage by geopolitical constraints. His work discusses how these two economic giants fit into an interlocking Asian and world economy.

From China's standpoint, Beijing has a big economic argument when it comes to dealing with Washington. Chinese diplomacy from 1977 to 2007 had been dominated by China's responses to countless issues and criticisms initiated by the U.S. Nonetheless, China's economic surge is far from being limited to U.S.-China relations as it leans less on U.S. trade. Chinese GDP grew to over \$ 12 trillion in 2017 (DW News).¹²

¹¹ Wang, D. (2010). China's Trade Relations with the United States in Perspective. *Journal of Current Chinese Affairs*, *SAGE Journals*, 39(3), 165-210.

¹² DW News, (2018). How China Became a Superpower: 40 years of economic reform. Retrieved from <https://www.youtube.com/watch?v=1SBnK9XIIIZE>. Accessed on 26 August 2021.

A major factor influencing the direction of diplomacy between both states is their increased openness to and dependence on bilateral international trade relations and less through the WTO. The U.S. foreign policy has not focused much on China as a state however, “U.S. presidents as different from one another as Richard Nixon and Jimmy Carter, and Bill Clinton and George H. W. Bush and George W. Bush, not to mention Ronald Reagan and Gerald Ford, have all ended up pursuing a broadly consistent China policy, even though they came to office with quite divergent inclinations and domestic contexts” (Lampton 2007: 745–749).¹³

In China the state reflected the surprisingly equal distribution of income and wealth at the end of the 1970s and, ironically, the destruction of party edifices and institutions during the Cultural Revolution. The result of their reflection and experiences demonstrated that industrial policy and state spending on physical and social infrastructure can produce rich rewards; on the contrary, absolute dependence on foreign direct investment and trade are likely to limit the pace of China’s growth according to Bramall (2000).¹⁴

Jawara and Kwa (2004)¹⁵ argue that trade deals made through negotiations by member states in the WTO make it easier and economical for states to trade with one another. Trade negotiations affect businesses functioning in the international markets. With trade negotiations at the global and institutional levels, the WTO agreements cover goods, services and intellectual property. They showcase broadly the principles of liberalization, and the permitted exceptions. “These agreements

¹³ Lampton, D.M. (2007). The China Fantasy, Fantasy, in: The China Quarterly, 191, September, 745–749.

¹⁴ Bramall, C. (2000). Sources of Chinese Economic Growth, 1978-1996. OUP Catalogue, Oxford University Press, number 9780198296973.

¹⁵ Jawara, F & Kwa, A. (2004). Behind the scenes at the WTO: the real world of international trade negotiations. St. Martin’s Press, LLC, 175 Fifth Avenue, New York. ISBN 1842775324.

are not static; they are renegotiated from time to time and new agreements can be added to the package”, according to WTO. Many agreements are being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001.

It is critical to note that, in reality, tariffs are placed on foreign products when they cross the border. Free trade deals can eliminate these tariffs, pushing prices down and giving consumers better access to foreign goods and services. In the US-China trade war, there are some criticisms against the ongoing trade negotiations, critics prefer when tariffs are in place as it allows states to focus on their own local industries. Moreover, cheap foreign goods from China drown out domestic U.S. industry which in turn hurt local jobs but when tariffs go up, it results to higher prices, potential shortages, and unhappy customers as seen in the U.S. soybean industry in 2019. Nonetheless, in the six years following China's entry into the WTO (2002–2008), U.S. exports to China increased by 341 per cent (Frisbie 2009) and the growth rate of China's imports has kept pace with exports since 1998.

During the phase one deal, the U.S. and Chinese negotiators reached an initial agreement that will ease trade tensions. Signing an executive by President Trump, a deal was reached on intellectual property, financial services, farmers (a purchase of from \$40-50 billion worth of agricultural products). A trade deal can be dragged for years before it is signed and becomes operative, this occurrence also allows trade negotiations to act as a diplomatic tool at the global level to strengthen diplomatic ties. practically every country in the world has them, around 230 trade deals went into force between 2000 and 2016, according to the WTO.

In aspects of IR, foreign policy and diplomacy, at one phase or another is subject to a negotiation. Negotiations can be about capabilities, about terms of trade (in the U.S.-China trade war), about territory (Israel-Gaza conflict) and so on. In international relations “negotiation consists of

discussion between officially-designated representatives, that is designed to achieve the formal agreement of their governments to a way forward on an issue that has come forward in their relations.” (Berridge, 2010).

In analysing an opinion made by President Haass of the Council of Foreign Relations he argues that negotiations always take place in a context and there is a vital “list of criteria” in the form of critical questions that determine the context for any negotiation such as, is the dispute a fight? What is the relationship between the parties involved? Is there a history of trust or mistrust? How many failed or successful negotiations have there been in the past? What are the public attitudes on the side of the parties? How much space or flexibility do the negotiators have?

In negotiating, there are endless ways in which an agreement or a negotiation can be formed. Parties can try to solve everything, they can simply try to solve one piece of it at a time or the parties to the dispute themselves can get together, or again the call of a mediator can be applied. It can be a state or a non-state actor such as an international organization (WTO, IMF, UN etc.). Mediators often bring into the negotiation incentives. In the instance of the U.S. acting as a mediator; having often encouraged Israelis to compromise in various negotiations with Arab entities by offering Israel various types of military support.

The procedures for negotiation usually depend on the nature and character of the negotiations be it bilateral or multilateral in the case of the U.S.-China trade bilateral negotiations. Additionally, neutral venue and third party chairing is envisaged when subject of negotiations are controversial (Israel Palestine Peace Accords in 1990 and The U.S.-North-Korea nuclear conflict held in Singapore known as the 2018 Singapore Summit). According to Henschel (2018) in the Harvard principles of negotiation, there are five strategies of negotiating; win-win, win-lose, lose-win,

compromise and lose-lose. In most cases, it is the stronger party that wins or make favourable deals that lead to a compromise.

The core of a negotiation is purposely creating settlements in a dispute to prevent a disagreement from escalating. It is a skill that is developed in the process of time hence a team made up of experts are required to state, Consultations and negotiations may seem similar however they play diverse roles in IR. Consultations are the day-to-day of what diplomats do and sometimes they succeed simply by each side walking away with a better idea of what the other side values, there is anticipation on how the other side may act in a given situation. Consultations can be a useful tool as they can actually set the ground for a successful negotiation.

In negotiation, it is not enough for one or both sides to want an agreement: they have to be strong politically to influence the direction of the deal. One of the principal reasons negotiations fail or succeed is determined by its ripeness. i.e. the measure of the willingness and ability of the party leaders to compromise and agree on conducive outcome. Back in the Cold War era, the U.S. and the Soviet Union developed various measures not to solve crises but to manage them. Now and then in foreign policy and diplomacy, the goal to solve a crisis is not realised however an imperfect situation is taken and contained from getting much worse. The factors involved in ripeness, Haass (2016) explains that it requires leaders with sufficient political strength to sell an agreement to their state through Congress, Parliament etc. which is traditionally wary of foreign interference.

Though complex in nature and methodology, negotiations are a critical part of contemporary diplomacy. In the instance of the various phases of U.S.-China trade deals it maybe that the political factors, not a lack of ideas, often accounted for the failure of negotiations. The degree of chaos in the international system would be elevated without negotiation. The intricacies of the negotiating process require that it is approached through careful preparation.

The main issues of international trade war and negotiation is narrowed down to economic costs. The trade war caused economic pain on both sides and led to diversion of trade flows away from both China and the U.S. As described by Heather Long at the Washington Post, “U.S. economic growth slowed, business investment froze, and companies didn't hire as many people”.

In order for the U.S. to soften the economic harshness throughout this period, President Trump made diplomatic efforts to develop a smooth and positive relationship with China and especially with President Xi Jinping. President Trump praised President Xi's leadership publicly and reportedly used his private exchanges with Xi Jinping to urge him to act on U.S. foreign Policy This he described as his efforts to serving the purpose of advancing trade negotiations. He further said that Xi is “a friend of mine, he's an incredible guy” and described the Hong Kong protests as a “complicating factor” in trade talks.

Berridge (2010) in *Diplomacy: Theory and Practice* ¹⁶defines diplomacy as “an essentially political activity and, well-resourced and skilful, a major ingredient of power.” ¹⁷He explains further that, through diplomatic enterprises, states protect their foreign policy objectives without having to use propaganda, compulsion or rely on legalities option. The events related to a state's official communication link with other states are coordinated by the Department of Foreign Services or the Ministry of Foreign affairs, through which practices of traditional diplomacy are carried out and this includes the embassies and their diplomatic missions abroad. The missions engage in cordial relations between states and negotiate on formal subjects on behalf of its administrations and people with the host consultants, to ensure that the policies and interests of their administrations and issues of developments in their states are tactfully reflected on with

¹⁶ Berridge, G. (2010). *Diplomacy: Theory and Practice*. London, Palgrave Macmillan. pp. 1-186

¹⁷ Ibid.

authorities in the host country. Berridge, again states that diplomacy can be conducted in diverse ways and not only through the work of diplomats. Public diplomacy, for instance, is made up of contemporary forms of diplomacy. In his view, the objectives of both the traditional diplomacy and public diplomacy vary in that while the objective of the former is to affect the decisions and policies of other states by dealing with the authorities, the latter tries to achieve the same aim by dealing with non-state actors who have influence in one way or the other over the officials or situations. With regards to the effectiveness of public diplomacy, there have been some instances where public diplomacy has facilitated interactions between states. These include the spread of ISIS to Western cultures through the use of the internet and the role played by western media in making communism archaic in Europe. Also, the acknowledgement of the effectiveness of soft power ingenuities is the reason why Chinese bureaucrats disapprove the constant use of the internet. They believe the western culture may infiltrate their ideologies and principles.

Berridge, however, resists the notion that public diplomacy is just another term for propaganda. This is challenged by scholars such as Nye who in his work *The Future of Power*, suggests rather strongly that, there lies a clear distinction between propaganda which was mostly practiced during the Cold War and public diplomacy.¹⁸

In his writing¹⁹, Berridge suggests that the U.S and China do not only conduct traditional diplomacy (state-state diplomacy) but efficiently use non-traditional forms of diplomacy such as public diplomacy. Even though in his work he refers to public diplomacy as another term for propaganda, he indicates the importance of public diplomacy in projecting a state's image through media such as radio and television broadcasting and its social diplomacy programmes. However,

¹⁸ Nye, J.S. (2011) *The future of Power*. New York: Public Affairs. pp. 10-300

¹⁹ Berridge, G.R (2002). *Diplomacy: Theory and Practice*. 2nd ed., London: Palgrave. pp. 17-207

the writer cautions administrations to pay particular attention to foreign media correspondents whose reportage can negatively influence a state's image in the international system. Furthermore, he admonishes states to pay uncharacteristic attention to public diplomacy in their diplomatic undertakings just as the U.S. in 1999 did, by merging its Information Agency with its State Department which permits for public diplomacy officials to be associated to regional bureaus. President Donald Trump in his trade relations with China has preferred the unorthodox media for public diplomacy as he believes that the traditional media delivers "fake news".

In trade, the recognition that free international trade is advantageous is a common knowledge across borders. Trade literature has delivered several academic explanations for trade policy. "The most popular explanations are imperfect competition, rising yields, terms of trade argument, distributional effects and other WTO and national security-related reasons." (Qiu, Zhan & Wei, 2019)²⁰.

"The main argument of strategic trade policy is that, with rising returns and imperfect competition, protection can lead to some industries achieving higher returns than the opportunity cost of the resources they use" (Scheipl et al, 2020).²¹ The U.S and China trade relations depict imperfect competition as such they remain unchallenged amongst other states, though they are competitive towards each other. These situations give both administrations the freedom to support the growth of their enterprises in competing with businesses overseas and to acquire power of monopoly to achieve more benefits.

²⁰ Qiu, L. D., Zhan, C. and Wei, X. (2019). An analysis of the China–US trade war through the lens of the trade literature, *Economic and Political Studies*, 7(2), 154.

²¹ Scheipl, T., Bobek, V., & Horvat, T. (2020). Trade War between the USA and China: Impact on an Austrian Company in the Steel Sector. *Naše gospodarstvo/Our Economy*, 66(1), 39–51.

Furthermore, to mention other areas of domination away from global trade to portray power, is by winning the rights to host a major event such as the 2008 Olympic Games, China's credibility as a leading force was projected. Murray and Pigman (2014) identify the significance attached to states pursuing recognition in the international community. They, thus, suggest that for host nations, sports events create the opportunity to send relevant diplomatic messages and brashness that are vital in portraying varying notions of other foreign communities about them. In supporting this statement, Murray and Pigman (2014) refer to the kind of publicity the host nations receive from the international media. In this illustration, it is reviewed that nearly four billion people watched the 2004 Athens Olympics while about one billion fans representing a quarter of the world populace followed the ceremonial opening of the Beijing Olympic Competition in 2008.²² Being privileged to host a mega international event draws attention to a state's image for a significant period of time. As a type of soft power contrary to hard power, this style is used by regimes in mobilizing human and capital resources within a short period of time. Nygard and Gates (2013) reference China, Brazil and South Africa where hosting of the Olympics and FIFA World Cup elevated their standing as rising powers in their blocs.²³ In their assertion, Nygard and Gates note that sports can be used to build trust.

Additionally, in determining the place of negotiation, Berridge notes the other duties of diplomacy such as gathering information, clarifying intentions and promoting of goodwill and negotiation.²⁴ He however gives emphasis to negotiation as "the most important function of diplomacy" and to

²² Murray, S. and Pigman, G.A. (2014). "Mapping the relationship between international sport and diplomacy." *Sport in Society*, 17(9), 1098-1118.

²³ Nygard, H.M. and Gates, S. (2013). *Soft Power at Home and Abroad: Sport diplomacy, Politics and Peace-Building*. *International Area Studies Review*, 16 (3), 235.

²⁴ Berridge, G.R. (2005). *Diplomacy: Theory and Practice*, 3rd ed. New York: Palgrave, pp. 27, 214 -215.

support this claim, Nygard and Gates (2013) once more note that “building the stage for a dialogue involves the fostering of a relationship.”

Negotiation is one among several diplomatic functions according to Leguey-Feilleux (2009), “Diplomacy serves a large variety of functions, and negotiation, albeit important, is only one of them”.

The last but not the least, in contemporary international relations, the practice of negotiation occurs regularly than other diplomatic functions and it is much more dominant in U.S.-China trade relations even though its development dropped in bilateral relations. However ceremonial and symbolic, summit level interactions are equally frequent. Negotiation is designed to promote the settlement of a conflict. The importance of negotiation is not blown up in the U.S.-China trade war. Diplomacy is of constant resort and the ability to follow protocol and negotiate is broadly engaged.

These literatures are relevant to my work because they highlight key elements such as diplomacy, negotiation, globalization due to trade and the significance of the various media tools that aid in either making or breaking the ongoing trade war between U.S. and China. My dissertation therefore seeks to draw the attention of states to these elements to further promote trade diplomacy.

1.9 Sources of Data

The study is established on primary and secondary sources of data. This study is mainly library researched and relies primarily on secondary sources of data including journal articles, study books, official documents, website sources, documentaries as well as e-books from the Balme Library and LECIAD files. However, primary data constitutes of brief semi-structured interviews

with resourceful personnel with backgrounds that matter to the study. Two out of the six personnel prefer to remain anonymous. Four of the respondents are business entrepreneurs who import goods and services from the U.S nonetheless also import most of their goods from China and its due to their private trade activities with these two states that I deem them relevant regarding the subject matter. They include Mr. Francis Lamptey who is a senior engineer stationed at the Ghana Water Company, Mr. Daniel Blagogee, the CEO of Proslime Events Ghana Ltd, Mr. Isaac Nyakotey-Tetteh, an automobile dealer and Madame Christiana Boadi a business woman in Accra-Ghana.

The interviews were conducted by telephone. Due to the qualitative nature of the interviews, they cannot be recorded statistically. The entire methodology underlying the interviews follows Mayring's approach (Mayring, 2016).²⁵

1.10 Research Methodology

The direction of the study is centred on qualitative methods because it best served to answer the questions and the purposes of the study. Qualitative researches are constructive, interpretative, and inductive. It gives a detailed analysis of different opinions on the subject (Ospina, 2004).²⁶ The method used in analysing data collected was qualitative analysis. It was used to deduce and understand the entrepreneurship experiences of the respondents and officials in this thesis, it was also used to interpret data collected through interview questions.

The data obtained from the interviews provided adequate information and opinions to support the research and were analysed qualitatively in the form of narrations, descriptions and explanations.

²⁵ Mayring, P. (2016). Introduction to qualitative research. p.71. Beltz Publishing House, Weinheim: Germany.

²⁶ Ospina, S. (2004). Qualitative Research. In G. Goethals, G. Sorenson, & J. MacGregor (Eds.). Encyclopaedia of Leadership, pp. 1279–1284. London: SAGE.

Thus based on the objectives of this study, the purposive sampling method was employed for this research.

In conducting the interviews, ethical considerations were respected by first, seeking the consent of the respondents for anonymity and confidentiality sake. Throughout the study, interviewees who preferred to remain anonymous have been captured as “officials”.

1.11 Limitations of the Study

There were limitations that held up the investigation in deriving critical information needed to copiously address this study especially as the Covid-19 Pandemic was in full force with so many restrictions. These included the unavailability of some foreign officials i had wished to interview with regards to some phases of the study. Nevertheless, the interviews conducted from the other primary sources are used to support the research to attain substantial findings, conclusions and recommendations.

1.12 Arrangement of Chapters

The dissertation contains four (4) chapters:

Chapter one comprises the Introduction which is constituted of background, statement of problem, research questions, objective of study, scope of study, rationale of the study, theoretical framework, literature review, sources of data, methodology, limitations as well as the arrangement of chapters. Chapter two provides the historical overview of U.S.-China trade relations from 2018-2020. Chapter three examine the role of negotiation and protocol in the ongoing hostile trade

relations, the challenges associated with trade wars and why the U.S-China trade war has been difficult to stop. The final chapter, Chapter Four constitutes the summary of my research findings, conclusions and recommendations.

CHAPTER TWO

AN OVERVIEW OF U.S. AND CHINA TRADE RELATIONS

2 Introduction

This chapter examines the history and evolution of U.S. and China trade relations over the years. It also captures the current implications of the tariffs already imposed, and explores the role of negotiation and protocol as diplomatic tools to mitigate the adverse effects of the tariffs imposed by both states on the other; while reviewing how U.S-China within the international system use trade wars as a medium in pursuing their national interests.

2.1 The History and Evolution of Trade Relations

“Trade is the activity of buying and selling or exchanging goods or services between people or countries.” according to the Oxford Dictionary.²⁷ This definition reveals the day-to-day economic exchange by states. Trade started as barter from prehistoric people, which was then the direct exchange of goods and services. It is also known as commerce. Peter Watson²⁸ dates the history of trading across states from approximately 150,000 years ago. Currently, traders generally negotiate through a medium of exchange, such as money and other valued commodities. Trading between two states is known as bilateral trade, while trading amongst more than two states is called multilateral trade. Trading between states emerged from the 3rd millennium BC through tribe men

²⁷ Oxford Advanced Learner’s Dictionary (2021). Oxford University Press.

²⁸ He is a British historian and known for his study on “The History of Ideas.”

known as the Sumerians in Mesopotamia. There was bilateral trade between them and the Harappan civilization of the Indus Valley for survival. Trading is essential to the global economy as history describes. From the start of Greek culture to the collapse of the Roman Empire in the 5th century, a profitable trade relation transported valuable spice to Europe from several Asian states including China.²⁹

2.1.1 The U.S.-China Trade Relations

Trade relations occur amongst states a comparative advantage in the production of some tradable commodity by different forms, or the various states' size such as China helps to get benefits of mass production. Globalization of trade allows states to attract and develop target audiences to purchase goods and services that otherwise may not have been locally available. The international market has become more competitive as a result, reasonable pricing and more affordable product is appreciated by the consumer.

Richard Nixon, the first U.S. president to visit the People's Republic of China from its establishment in 1949, broke the icy relationship as the U.S. was pursuing a policy to mend and develop relations with the communist country throughout the Cold War.

The estranged relations between the two countries were eased when the Mao and Nixon administration of China and U.S. respectively suggested that a tour of China by the U.S. team later that year would ultimately help improve diplomatic relations between the two countries. This event

²⁹ Machiwala, I. (2021). History of Trade. Retrieved from https://www.streetdirectory.com/travel_guide/141653/trading/history_of_trade.html

influenced visits by Henry Kissinger, the then U.S National Security advisor, and President Nixon to China in mid-1971 and 1972, respectively.

2.1.2 Comparative Advantage in U.S-China Trade Relations

In trade relations, states focus on the theory of comparative advantage³⁰to remain relevant. This theory originates from the British economist, David Ricardo³¹. In summary, Ricardo projected that each state would eventually recognize the fact that other states are producing cheaper goods and services and will abruptly end its effort in manufacturing what was initially expensive to produce.

Highlighting the comparative advantage in the U.S-China trade relations is that China's comparative advantage over the U.S. is in the form of low-cost labour. Chinese industries manufacture simple consumer goods at a much lower opportunity cost³². Compared to China, the U. S's comparative advantage is in specialized or specific, capital-intensive labour. American industries produce trendy goods or investment opportunities at lower opportunity costs. According to a trade notion universally accepted, "even if a country has an absolute advantage over another, it can still benefit from specialization."³³ Also, comparative advantage ideals illuminates why protectionism has been usually ineffective in the 21st century. In the case of the U.S

³⁰ When a manufacturer produces goods or services efficiently more than its competitors, that results to greater profit margin and hence becomes a comparative advantage over the other. Logical consumers prefer the cheaper of products of the same kind and quality. For instance, a driver will buy fuel that is 50 pesewas lower than other filling stations within the same area.

³¹ Comparative advantage in economics originated in 19th-century from British economist David Ricardo, who linked the basis and profits of trade internationally to the variances in the relative opportunity costs of manufacturing the same products among states.

³² To simply define, it is the loss of other alternatives when one alternative is chosen.

³³ Future Leaders Summer Programme 2019-Sea Change Simulations. *International Trade Theory*. Retrieved from <http://www.seachangesimulations.com/>

government imposing tariffs, it may produce an immediate local benefit as new business spring up. However, it is a short-term solution to a trade crisis. Ultimately, the U.S may be at a disadvantage with other states i.e., countries such as China that were previously able to manufacture at lower opportunity costs. With different promising rewards of globalization of trading, trade creates a platform for states to participate in a global economy and to boost further opportunities for Foreign Direct Investment (FDI). In principle, economies can efficiently develop to become easily competitive. Some benefits of globalization within a state are the increase of employment for the citizens and for the investor as FDI offers growth and expansion for businesses; resulting to higher revenues.

International trade has two opposing assessments on the subject of control placed on trade between states. The first is Free trade and is often known as laissez-faire economics. With a laissez-faire method to trade, there are no limitations. The notion is that global trade influenced by demand and supply scale will make certain that production occurs efficiently. Consequently, measures to protect, promote and grow trade is not needed because market forces will spontaneously do so.

Secondly, protectionism firmly regulates international trade to make certain that markets function properly. Advocates of this theory believe that market incompetence may obstruct the benefits of international trade, and for that reason their aim is to guide the market. Moreover, establishing tariff barriers occurs in diverse ways and means, but the most common means are quotas and subsidies just to mention but a few. These policies or approaches attempt to correct to some extent, inefficiency in the international market.

Proponents of protectionism argue that well-crafted policies provide comparative advantages. Furthermore, by preventing or discouraging imports, policies to protect markets create more

business opportunities for the local producers, which ultimately increase employment within the American economy. Also, these policies aim to control trade deficits as proponents consider that tariffs and trade wars may be one of the efficient ways to deal with a state that continuously act in unfair or unethical manner in its trade relations.

Some critics debate that protectionism normally creates discomfort for the consumers in the long-term by blocking off key markets and reducing economic growth. Traders may face shortages if there is no ready local substitute for the imported goods that tariffs have affected. Moreover, manufactures profit margins suffer if they have to pay more for raw materials. As a consequence, to this, trade wars may lead to surges in the cost and price of manufactured goods; this leads to inflation in the local economy at large.

2.1.3 The Trade War between the U.S and China

The U.S-China Trade War is not a new development in international relations. Such conflicts have been in existence since the beginning of trade. In the 17th century, colonies clashed against colonies over power to trade with colonies abroad. An extensive account of such trade wars in a good instance is the Opium Wars of the mid-19th century between the Qing dynasty of China and Britain. The British for several years at the time, transported India-made opium into China. However, the Daoguang emperor did not approve of it and ruled it to be illegal. Numerous attempts between the British and Chinese to resolve the conflict failed, eventually the emperor resorted to force and confiscated the drugs. Nevertheless, through superior weapons and navy ships, the British won the war and China was forced to allow the furtherance of trade from far colonies into its nation.

In contemporary times, there is a high prospect that most goods in the U.S. be it clothing, household equipment and devices are made in China; this is made possible by the Open Door Policy under President Nixon. It allows and ensures that goods and services are traded “freely” between the U.S and China. In the years of 1899 and 1900, the U.S. as a superior power due to its success in the Spanish-American War of 1898, established the Open Door Policy. This guaranteed states across the globe to have equal trading privileges with China. The Open Door Policy is key to the U.S. as to prevent and control the scramble of China by other powerful states such as; Russia, France, Germany, and Great Britain.

Earlier in the Trump administration, President Trump in March 2017 signed two executive orders. The first called for more brutal execution of duties in anti-dumping as well as anti-subsidy cases. The second aimed to scrutinize the sources of the U.S. trade shortfalls. Thirty days later, to enhance trade relations and find a resolution, President Trump met with President Xi Jinping of China, where both sides settled on trade talks as a step in the right direction. However, the negotiations did not go as projected hence no settlement was reached especially on the U.S. trade deficit. After that, the first action was taken against Beijing as investigation under the “Special 301” Report³⁴ to probe the “potential theft” of intellectual property by the Chinese was conducted. According to Scheipl, et al (2020) in March of 2018 “duties of 25% on steel and 10% on aluminium were imposed on Chinese imports. China reacted with tariffs of 25% on more than 100 products”. Regrettably, the dispute did not end there as both sides augmented further tariffs on goods and services. Furthermore, under the Trump administration, Huawei, one of the largest Chinese technology company was issued with threats, by being blocked from exports of chips and

³⁴Office of the United States Trade Representatives (2019). Retrieved from <https://ustr.gov/issue-areas/intellectual-property/Special-301> on 16 April 2021.

processors. The Huawei company essentially relies on software, semiconductors in smartphones and network devices. This reliance may be its greatest weaknesses amongst others. Nonetheless, “the U.S. is also vulnerable in the technology sector” (The Washington Post, 2019).

The Trump administration took its most extensive action on 24th September 2018, when it announced tariffs of 10% on Chinese goods valued approximately, 200 billion dollars. Thereafter the trade war officially began on the 6th July 2018, as the U.S. implemented the first round of China-specific tariffs. Subsequently, four more rounds of retaliation of tariffs ensued. As of January 2020, tensions have finally eased as the two states signed a partial Phase 1 contract. It contained agreements to draw back on tariffs and increase trade activities.

2.1.4 Evolution of U.S-China Trade Relations

More so not only has the U.S. economy, as well as the consumers by the trade dispute been strongly hit, but the protocol in diplomatic relations concerning the U.S and China has been transformed and become increasingly mixed over the years, reflecting the complexity of the two states, their cultures and the diversity of actors involved in diplomatic, and commercial engagements.

The foundation of power struggle is associated to the desires of superpower states to reign without opposition. Subsequently World War II, changed the world order and was highly dominated by the U.S. and the Soviet Union. The Cold War that ensued between these two superpowers ended with the Soviet Union collapsing to their utter dismay. The U.S., as a unipolar state, has remain standing till the forceful emergence of China. Over thousand years ago, China was one of the wealthiest countries in the world till it was colonized by the British and fell due to exploitation of its resources.

China gained independence in 1949 when the Communist party took control over the state under the leadership of Mao Zedong. However, the next thirty years after independence were blurred and grey. Chairman Mao's policies instigated countless suffering, including the worst famine in modern history. They had experimented with new ideas under the leadership of Deng Xiaoping in the late 1970s after the death of Mao. More than a generation later, China has become the world's second-largest economy. It has historically seen the most significant decline of poverty in the world. Currently, the anticipation of China, under the watchful eyes of the U.S, to become the "numero uno" economy in the world has heightened. However, with President Xi Jinping, as its leader, he is more willing to emphasize Chinese power on a global platform.

During the course of history however, rising powers constantly, have destabilized the old world order ordinarily by warfare. The ongoing war of words through the most potent cyberspaces, especially on Twitter, is now creating a paradigm shift. Unsure about the outcome of the threat posed by a rising China to "world peace," the US, led by President Donald J. Trump, is defending its undisputed title as the only remaining superpower. Aside the Covid-19 pandemic, this is the greatest political challenge of the 21st Century.

The emergence of attacks on digital platforms amongst key actors, has affected every segment of international relations. Modern diplomacy is currently experiencing fundamental changes at an incomparable rate, which affect the very character of diplomacy as we know it. Also, technical developments, mainly digitization, affect how the work of the diplomat is understood. The public has become more sensitive to foreign policy issues and seeks to influence diplomacy through social media and other platforms. In recent times, hostile exchanges between these relevant state actors in diplomacy, has broken the protocol of effective communication. However, misunderstanding of

the significance of digital spaces such as social media for promoting good and healthy bilateral or multilateral relationships has troubled the development and advancement of international relations. Hence by use of Negotiation and Protocol as tools in the diplomatic field, there may be consensus to the development of progressive policies and how best to promote diplomacy on digital spaces, prevent hostility and ultimately improve international relations.

The International community must understand the reasons for the trade war to avoid future happenings. Predicting what will happen in the future and the economic consequences are even more important for government policy makers and private businesses to prepare for them and make corresponding decisions.

2.1.5 The Role of WTO in International Trade

The U.S. and China have been at trade for centuries. Businesses large and small between these two states, trade goods and services all over the world. Albeit, without rules, and without knowledge of situations on the ground, seizing business opportunities becomes much more difficult without an authority. The World Trade Organization (WTO) is recognized as that authority. It is the largest international economic intergovernmental organization in the world that is concerned with the regulation of international trade between states.

The WTO was established on January 1, 1995 replacing the General Agreement on Tariffs and Trade (GATT) negotiations, which commenced in 1948. The WTO is located in Geneva, Switzerland and it works to protect and advance the rules that govern international trade (Zerbe 2020).³⁵ It was founded by member states such as, Australia, China, France, Pakistan, United

³⁵ Zerbe, N. (2020). The World Trade Organization. Retrieved from <https://www.youtube.com/watch?v=Y8KqIf55ro0>. Accessed on 26 August 2021. Humboldt State University, California.

Kingdom and the United States just to mention a few out of the 23 founding members. As of 2020, the WTO has 164 member states and 24 observer governments, collectively they represent more than 98 percent of world trade, gross domestic product, and population.

The WTO deals with regulation of trade in goods, services and intellectual property between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements, which are signed by representatives of member states and ratified by their parliaments.

According to Zerbe (2020), The WTO operates according to several key principles, which are binding on member states. The first is the Principle of Discrimination and remains core to all member states which means that under the rules of the WTO, all member states must be extended most favoured nation status by all other members of the WTO. In other words, you cannot offer preferential market access to a member state without giving it to all member states of the WTO.

A value to support the Principle of Discrimination is National Treatment which means that, goods produced by other WTO member states and imported into a state must be treated according to the same rules, i.e. no less favourably than goods produced domestically. Again, you cannot impose different technical standards, safety or security requirements, or other measures that may disadvantage foreign producers. These are the most important carrots for WTO membership and explain why so many countries seek to join the organization.

According to WTO, it has for decades helped international trade by creating a trading system that in fact is more open and can boost economic growth and help countries to develop. In that sense,

commerce and development are good for each other. In addition, the WTO agreements are full of provisions that take into account the interests of developing countries.³⁶

The second key principle is that of Reciprocity. WTO members agree to work towards the elimination of non-tariff barriers such as quotas or restrictive safety standard and instead to use tariffs to regulate international trade. They also agree to move towards the elimination of tariffs through reciprocal agreements. According to Zerbe (2020), for a state to negotiate, it is necessary the gain from doing so be greater than the gain available from unilateral liberalization; reciprocal concessions intend to ensure that such gains will materialize.

Third, the WTO ensures transparency by requiring members to publish trade regulations as it also conducts and publishes regular reviews of administrative regulations in member states.

Fourth, the WTO provides safety valves that permit member states under certain specific circumstances to restrict trade to attain non-economic objectives. These usually focus on protection of public health and national security. Fifth and finally, the WTO maintains a dispute settlement process which can hear cases brought by WTO member states against other member states for violation of WTO rules. If a state is found to have violated WTO rules, monetary fines and countervailing tariffs can be imposed in an effort to bring the violating state into line.

A main objective of WTO is to resolve trade disputes; WTO's dispute settlement mechanism has been widely used. Between 1995 and 2019, nearly 600 disputes had been filed with the WTO, and more than half of those had been successfully resolved. The number of disputes filed has gradually, albeit unevenly declined over time. The United states and the EU have been the most active in

³⁶ WTO. (2021). Understanding the WTO: The Agreements
Retrieved from https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm1_e.htm. Accessed on 25 August 2021

their use of the mechanism. The United States has been involved in 279 cases either as the lead complainant or the lead respondent, China has been involved in 65 cases mostly as a respondent, however, the U.S. government has asserted that the organization was biased against the U.S. despite the fact that the U.S. has won more cases on average than other countries.

To cooperate with other major international economic organizations by participating in global policymaking by seeking help from International Monetary Fund (IMF), World Bank etc. as and when necessary is another objective of WTO.

Currently, the appearance of WTO is blurring as it does not seem to have much appetite in progress or expansion. Instead, the most powerful states appear to be shifting to bilateral trade partners. The WTO's dispute settlement mechanism is also breaking down. China and the EU have proposed changes to the system which would permit it to continue to operate, but the U.S. blocks all proposed changes, and many countries appear to be turning to regional or bilateral trade mechanisms for dispute resolution (Rockwell, 2020)³⁷.

U.S., China and other states are making more frequent use of neo-mercantilist policies to limit free trade. What the future for the WTO looks like is uncertain and from observers the organization continues to be subject to widespread criticism, particularly from the left; the U.S. labour unions argue that the WTO inadequately protect U.S. wages from being undercut by unfair trade practices in China. Furthermore, some developing countries say WTO rules do not take into consideration their unique circumstances, for instance, agricultural subsidies provided by wealthy governments make it inflexible for businesses from smaller or poorer countries to reasonably export their crops

³⁷ Rockwell, K. (2020). Department for International Trade (The WTO Explained). Retrieved from https://www.wto.org/english/thewto_e/... Accessed on 21 August 2021.

to larger and wealthier countries. At the same time, the potential for developing countries to trade with each other is also hampered by the fact that the highest tariffs are sometimes in developing countries themselves. However, the increased proportion of trade covered by committed ceilings that are difficult to remove has added security to developing country exports.

The most dramatic development in WTO's dispute settlement mechanism was the decision by the Trump administration to reportedly block the appointment of new judges to the appellate body. Under the WTO's rules, judges are appointed to four-year terms, and at least three judges must sit to hear any appeal. By blocking the appointment of new judges and permitting the current judge's terms to expire, the U.S. effectively depopulated the pool of available judges and by December 2019, only one judge remained and WTO could no longer hear any cases.

WTO has failed to solve these problems as they claim that they are especially hard to address because changes to the rules require consensus among the WTO's 164 member states. Nonetheless, some major concerns also include its lack of focus on issues of global environment, public health, and human welfare, and its excessive focus on economic concerns, its failure to address development, issues raised during the Doha Round in 2001, its closed negotiation structures which facilitate unequal participation, and a general lack of transparency within the negotiation process.

As a result of the myriad of challenges, the WTO appears to be an organization that is stalled and whose relevance is increasingly challenged in the contemporary international system; despite the success of the GATT and the WTO in establishing an open international trading system.

2.2 Diplomacy

From an etymological perspective, the word diplomacy is attained from the Greek word “diplo” meaning “to double.” Greeks, in time past used to give out two documents for ambassadors: a recommendation letter for the proxenos called *symbolia* and written instructions, folded into two, called diploma.

In recent times, Diplomacy is defined as a political activity that requires communication between state officials aimed at promoting their foreign policies either by “formal agreement or tacit adjustment” (Berridge, 2010). The art of diplomacy began during the prehistoric, ages when life was simple, and man hunted and gathered for survival. The Prehistoric person thought it practical to establish understanding and trust among neighbouring groups. It was noted that no negotiation could reach an acceptable outcome if representatives sent to deliver a message from one group to the other neighbouring groups were killed on arrival upon the slightest provocation (Mazrui, 2019).

In diplomacy, history identifies several examples of the effective use of the negotiation process to resolve a conflict situation. Also, internationally, negotiation processes act as vital instruments in IR, that state actors and non-state actors resort to resolve disagreements and conflict situations. Negotiation is said to be the first of seven methods applied in situations of conflicts:

“The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall, first of all, seek a solution by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangement, or other peaceful means of their own choice. (Chapter VI: Article 32-Charter of the United Nations)”³⁸

³⁸ Chapter VI: Article 33(1) of The United Nations Charter

Its purpose provides principles and guidelines that will reduce uncertainty and promote a conducive atmosphere of trust amongst two disputing countries. It is considered as the main alternative to the use of force as well as other forms of violence.

2.3 Developments of Protocol

According to Iucu (2008), protocol, courtesy, good manners and etiquette represent crucial tools. It developed from ancient ways, at the beginning of civilization, kindness and friendship was key to receiving and entertaining guests from distant lands. Nowadays, protocol is highly regarded because it provides a set of established rules of civility that are to be respected in most societies as it does not only focus on the formal guidelines and behavioural etiquettes that are followed during official or state functions.

It creates the appropriate atmosphere required by diplomats in their missions to sovereign states.

European diplomat T.F. Sullivan made the statement that:

“In the absence of protocol, communication between states would be much more difficult, international relations would encounter many obstacles, there would be less harmony and more friction, even more wars.”

Currently, the activity of diplomatic and consular missions is sustained according to “The Vienna Convention on Diplomatic Relations” (1961) and to “The Vienna Convention on Consular Relations” (1963) as well as to worldwide norms of courtesy which are widely accepted in spite of the fact that they have no certified character, recognizing their merit in creating and maintaining an atmosphere favourable to developing relationships between states (Manciur 2003).

In times of crisis and division, protocol which contains the rules and the guidelines needed for successful diplomacy raises the stake. Protocol sets the tone and pace to oversee the purposely unseen gesticulation made to form and enhance dependence between heads of state and topmost bureaucrats. According to Marshall (2020), it is “the power in detail and nuance-the micro-moves that affect the macro-shifts”. The author argues that, etiquette and small matters of cultural nuance play a huge role in functional politics; this is to say that when rightly done, protocol sets the stage for negotiations, and influences decision-makers to reach a consensus. It is the foundation for diplomacy to take place and is essential in every step of negotiation.

Furthermore, in diplomacy, protocol is about abiding by precise ways of relation. According to the AU:

“It is the art of ensuring that official and unofficial occasions, visits, meetings and functions are planned and conducted in accordance with a set of rules that are formally, socially and culturally accepted and expected by the parties involved.”³⁹

21st century political science and diplomacy pay great attention to such forms as a means of control over the process of reaching resolutions. Many years ago, this diplomatic tool encouraged the spread of trade, cultural values, languages, and political principles, which prepared the minds of their officials to accept them as people who have an interest in the cultures of other states at heart. Protocol has so many elements associated with it, as an essential tool, it rolls the wheels of diplomacy for global leaders from a high level to a fair negotiation where it unveils respect and civility needed in initial engagements. The exchange of pleasantries, attire, greetings, food, etc. are merged in protocol which are part of the crucial aspect of diplomatic practice related to history,

³⁹ ToR - African Union. Diplomatic Etiquette and Protocol. Retrieved from https://au.int/sites/default/files/bids/32096-diplomatic_etiquette_and_protocol_tor.pdf.

royalty, religious faith, and culture. It also includes basic etiquettes based on domestic and intercontinental cultures and finally the daily practice of good manners.

In international relations, more prominently in top state meetings, social conducts vary. Protocol aids in accepting embracing the dynamic nature of culture. It creates a path to high-level strategic communications through state visits, meetings, calls, etc. Knowing cultural differences empowers states to take the right steps towards developing relationships.

It is well admitted that many Heads-of-States or diplomats do not by nature have deep acquaintance about the crucial nature of diplomatic protocol in relating to other states and may not see its essence till there is disruption. Ambassador Dina Kawar of Jordan states that:

“Protocol and diplomacy go hand in hand, protocol is noticed when things go wrong, but people do not see them when things go right, protocol comes in to fix often the fallouts that take place in diplomacy.”

Successively from the 18th century, negotiating and the art of protocol has been the foundation of diplomacy and warfare because the fate of the superpower actors depended on how good or bad negotiations was conducted, on how professionally were the trained participants of the negotiation process. Their preparation relies on the knowledge of diplomatic protocol. Callières believed that the players to negotiations should be able to repetitively monitor themselves in order to overcome any desire to say something and to think over what they would say. He also asserted that a person who controls his emotions can rule over them and help win the case.

2.4 The Negotiation Process

The negotiation process is an “analytical construct”⁴⁰ well-known by scholars of negotiations and it reveals that there are three phases which are “pre-negotiation, formula and details phases”, proceeding negotiation (Kelapile 2010). Furthermore, Berridge (2015) shows each negotiation phase with distinct features. Negotiation is a game of coaxing where persuasion fails force, is applied. It is extensively accepted that procedure and strategy in all negotiations are completely *sine qua non*. Also, an agreement is made that negotiations must obviously have specified deadlines to sustain the drive. Representation from one form to the other is likewise an accepted tool to “staying on track” in negotiation⁴¹. Finally, a major element noted to be essential is sufficient follow ups on the outcome of agreement.

This is a summary of the three phases below:

2.4.1 Pre-negotiation Phase

The truth of the matter is that, the states involved must appreciate the necessity to negotiate as this forms the foundation of the dialogue in the first place. Tough and demanding negotiations precede needed dialogue at all times. Pre-negotiation is also known as “talks about talks”, it is the precise occasion where response to the questions of the “H’s” and “W’s” such “How?” “What?” and “Why?” occur. Above all, the schedule and further bureaucratic issues, together with the delegations, timing, format, venue, and are swiftly dealt with.

In a top-notch level of negotiation, even before essential dialogues begin the fear of failure is tangible. This phase is considered long and rather challenging. Motive known is that the parties

⁴⁰ Berridge, G. R. (2015). *Diplomacy: Theory and Practice*. p. 27. Houndmills: Palgrave Macmillan.

⁴¹ Berridge, G. R. (2015). see “Metaphors of Movement” in *Diplomacy: Theory and Practice*, pp. 64 – 67.

involved naturally want prior guarantee that negotiation is gainful. They also endeavour to control the meeting space and sometimes make a conclusion of negotiation beforehand. At this phase with the agenda, outline and order of programme are discussed as well as the types of representation and facilitation⁴². A key challenge particularly for top-notch representation, is in settling the dates suitable for all especially when a third party facilitates.

2.4.2 Formula Phase

The “formula” stage sets out a “straightforward realisation” of expected result. According to Berridge, “the chief characteristics of a good formula are comprehensiveness, balance, and flexibility.” At this phase, adversaries study each other intensively.⁴³ Highly sensitive negotiations are handled carefully so as to avoid its untimely flop. Matters that cannot be addressed prior to this phase, is left to a later “step-by-step” process (the best method towards an ultimate conclusion). This amongst the three phases has the least of difficulties. Disclosure of “hidden agenda” at this stage may serve as an advantageous early-warning. However, it can show signs of the party’s expectations before entering the next phase of negotiations. Rather than discussing the main issues at times, a party tends to bring in unrelated discourses to force a “package deal”, if any.

2.4.3 Details Phase

⁴² The U.S.-North-Korea nuclear conflict demonstrates that, the 2018 North Korea–United States Singapore Summit, (also known as the Singapore Summit), shows that “the mediation by a close friend of one of the parties to a conflict provides added advantage to the mediator to put pressure on an ally”.

⁴³ The ability to read body language is one out of a million forms of “study” and it is critical in negotiation as it aids in being advantageous of the other adversary.

Due to the complex and very detailed nature of this phase, tasks are handled head-on. it is the “moment of truth.”⁴⁴ Berridge is diffident of the degree on its generalization but nonetheless clear-cut that “the details stage is a strong candidate for the dubious honour of being called the most difficult stage of all.”⁴⁵

Diplomats confront the overwhelming mission of tackling sensitive situations and often take precautions to evade constructing insensitive concessions. Choices leading to decisions must be continuously reasonable and accepted by representatives or else, the consequences can be dire. Missiles of disagreements are more than often fired amongst members of the same team of negotiators particularly due to diverse ideologies, and their common adversary. The difficulty makes it a time consuming phase and marks negotiation to be indeed “the most important function of diplomacy”.

In conclusion, negotiation, a soft power tool, as Henry Kissinger once made an assertion that order in the international system does not solely depend on the steadiness of hard power, but also on views of lawfulness and acceptability, which is critically influenced by soft power. To reiterate the above in addressing the hostile tweets by President Donald Trump stated by Nye Jr., “Tweets can help to set the global agenda, but they do not produce soft power if they are not attractive to others” (Nye Jr., 2019).⁴⁶

2.5 Conclusion

⁴⁴ Ibid, pp. 49 – 52 for details.

⁴⁵ Ibid., p. 52.

⁴⁶ Nye, Jr., (2019). American Soft Power in the Age of Trump. Retrieved from <https://uscpublicdiplomacy.org/blog/american-soft-power-age-trump>.

Today, trade is purely a subset within an intricate universal set of systems which attempt to generate high revenues by presenting products and services to the market at the lowest production cost. Indeed, diplomacy plays a crucial role in building strong trade relations among states presently. Diplomacy serves as an effective instrument in advancing foreign policy objectives of states. It is evident that the countries discussed in this chapter have not only gained further international recognition and admiration through their negotiations skills but have also benefited economically more so than other affected states in the trade war.

CHAPTER THREE

THE PLACE OF NEGOTIATION AND PROTOCOL IN A TRADE WAR: AN EXAMINATION OF THE U.S.-CHINA TRADE RELATIONS

3 Introduction

In the chapter prior to this, the study presented an overview of the history and evolution of trade relations, and the trade war between the U.S and China.

This chapter explores the role of negotiation and protocol using the U.S-China Trade War as a case study. In examining the use of these set of skills under diplomacy the study identifies three central ideologies which include the use of the trade war for purposes of nationalism, as a foreign policy tool and thirdly as a tool for building the image of both countries. This chapter focuses on the efforts of U.S and China trade war as a means to advance their national interest through trade relations while discussing the consequences related to it.

3.1 Diplomacy and U.S.-China Trade Relations

The expression diplomacy has been in existence for more than two centuries in the English dialect. According to Freeman et al (2016),“Diplomacy is the established method of influencing the decisions and behaviour of foreign governments and people through dialogue, negotiation, and other measures short of war or violence.”⁴⁷ Again, according to Satow in the book *Satow’s Diplomatic Practice*; he defines diplomacy as:

⁴⁷ Freeman Jr., C., Marks, S. et al. (2016). Diplomacy. Retrieved from <https://www.britannica.com/topic/diplomacy>

“The application of intelligence and tact to the conduct of official relations between the governments of independent states sometimes extending also to their relations with dependent territories, and between governments within international institutions Roberts (2017).”

On the other hand, Satow defined diplomacy as “the conduct of business between states by peaceful means” Roberts (2017).⁴⁸ This definition emphasises the fact that diplomacy is necessary because of the interdependency nature of the modern international system, where states would have to rely on the other states sometimes to achieve an objective. The aspiration to do away with conflicts and unite state makes diplomacy very essential because it presents a range of options such as negotiations and persuasions that is used in achieving support. Though orthodox forms of diplomacy have a higher success rate than coercion and force, it can be flawed by extreme hostilities, tension and the hesitancy to leave innate positions, which may result in making peaceful practices like diplomacy inefficient. However, this is where efficient trade relations exhibit its efficacy by bridging aggrieved relations as well as tightening existing cordial ones.

Again in the relations of U.S.-China trade diplomacy, may be in a form of bullying (backed by intimidation to use retaliatory measures or to use force) however it is blatantly peaceful in most ways. Its most important tools are transnational dialogue and negotiation which is one of the main points of this study. Diplomacy is primarily steered by endorsed envoys (a term originated from French word *envoyé*, meaning “one who is sent”) and governmental leaders. In *The Diplomat's Dictionary*⁴⁹, Freeman Jr.(1997) delivers a synthesis of meanings, from both earliest and current philosophers of diverse background and persuasion. Freeman cites Ambrose Bierce, “diplomacy is the patriotic art of lying for one’s country;” Napoleon Bonaparte, stated “diplomacy is the police

⁴⁸ Roberts, I. (2017). Satow’s Diplomatic Practice. 7th ed. Oxford University Press. p.3

⁴⁹ Chas W. Freeman Jr. (1997). *The Diplomat's Dictionary*. Washington, DC: US Institute of Peace Press. pp. 71, 73, 74 and 75.

in grand costume;” Ludwig Boerne, it “is to speak French, to speak nothing, and to speak falsehood;” Pearson, L.B., it “is letting someone else have your way;” and to crown it, the former Chinese Premier Zhou Enlai, that “all diplomacy is continuation of war by other means”.

In contemporary International Relations, progress and results are basically shared to the public at all times through various media platforms. As a matter of fact, to reach agreements and resolutions to concerns between states, diplomacy is directed toward the use of negotiation. Negotiation becomes a tactic to win various kinds of war in the interest of the stronger state.

3.2 Negotiation and Protocol as Diplomatic Tools

In building a healthy trade relationship between the U.S. and China diplomatic tools in the likes of negotiation and protocol are needful. Negotiation as a formal dialogue concerning people or states who need to reach an appropriate settlement on peace, trade, wage etc. is noted to be a reliable tool for diplomacy. The ideal scenario for a conflict resolution between two great states such as the U.S and China, is diplomatically negotiating a way out of the trade war chaos as it economically affects its citizens and other nations across the different continents in the world.

Placing protocol and negotiation in diplomacy, there have been concerns with rank. When represented at the lower level, diplomats or top officials who represent in negotiations can at times fall to excessive pressure and make needless concessions⁵⁰. Protocol obligation causes distress on junior rank diplomats hence serving as checks in expressing opposing ideas and opinions in contrast to a top and an experienced diplomat. During negotiations, big and powerful states such

⁵⁰ Leguey-Feilleux, (2009). *The Dynamics of Diplomacy*. Colorado: Lynne Rienner.p.153. It further explains the interaction amongst diplomats of different ranks.

as the U.S. and China, magnitude of effects can be a tit-for-tat restriction of support to essential bilateral agreements, even though states that have nothing to lose may not be affected. By stating and sharing his experiences Ambassador Kelapile (2010) in his paper “*Negotiation: The Most Important Function of Diplomacy*” further explains the process and outcome of a negotiation:

“I recall particularly that US Ambassadors would typically attend most of the night-long to early morning ‘informal’ negotiations of the Fifth Committee⁵¹ (Administrative and Budgetary), amidst lower level delegates. For example, during negotiations in the year of 2000 on the ‘Scale of Assessments’ to determine the financial contribution of Member States to the UN regular/peacekeeping budgets, American Ambassador Richard Holbrooke was for the predominant part personally present amongst a few other Ambassadors to lobby and do direct ‘arms-twisting.’ The result was that the U.S. succeeded in pushing through the long-standing desire to lower its regular financial contribution from 25% to the current 22%.”

Protocol in the study are rules and procedures that are internationally accepted and are required for negotiations in trade, partnerships, et cetera, that actually facilitate the encounter between the entities involved. Furthermore, protocol is an elusively subtle art that involves the mindful appreciation and careful understanding of the culture of another state and opens doors for trade and alliances when done perfectly.

According to Molly Raiser:⁵²

“All protocol officers from the chief down represent this country at the highest levels, a great honour and responsibility. I consider protocol to be the framework by which international relations are conducted. It is a set of rules. Instead of making it more complicated and more difficult, it makes it easier. At the Congress of Vienna in 1815 a formal international “Protocol on Protocol” was signed. Previously there had been many occasions when people were actually killed over whose coach goes first in a parade.”

⁵¹ The Fifth Committee, attracts diplomats from advanced countries, especially from “key financial contributors to the UN (Japan, U.S. and EU)”.

⁵² The former U.S. Ambassador who served as President Clinton’s Chief of Protocol from 1993-1997 was interviewed in 1998 by Charles Stuart Kennedy (An oral historian of American diplomats).

Protocol is very much associated to modern diplomacy⁵³ because certain internationally accepted rules and procedures are needed to facilitate the encounter of nations and their representatives, hence the art of protocol to aid in effective bilateral and multilateral trade relations. In connection to modern diplomacy, digital protocol are rules and procedures that facilitate the communicative messages on digital spaces such as Twitter, Facebook, YouTube et cetera yet most were dreadfully breached largely by President Trump. The turn of events indicated the lack of diplomacy involving a Head of State in the clear view of the international community.

Career diplomats are the most important but far from the only experts in communicating and negotiating modifications of interests and also, they lend their expertise in the resolution of conflicts between society and states. Their artilleries are words, supported by the authority of the represented state or society and must be allowed to play their roles effectively. Diplomats help leaders of states to appreciate the dynamic nature of the international system they rule in and to understand the actions of foreign delegates as this will enable them to develop strategies and tactics that will form the conduct of their governments to another.

The dynamic tasks of diplomats are crucial, strategic and vital to achieving a successful foreign policy as top diplomats in the likes of former Secretary of State, Henry Kissinger, paved the way for trade relations between U.S.-China during the 1970's. His top-notch diplomacy and aptness broke the ground for negotiations to commence in the 1972 summit attended by President Richard Nixon, Zhou Enlai and Communist Party of China, Chairman Mao Zedong. This ended the twenty-three years of diplomatic quarantine and mutual coldness. Concurrently, major doors were opened

⁵³ It began many years ago in 17th century with the Peace of Westphalia in 1648. Siracusa, J.M. (2010). Diplomacy: A Very Short Introduction.

to trade and industry and cultural exchanges between the two states as relationship was established between Washington and Beijing; such as in April of 1971, the U.S. table tennis team accepted to attend and engage their Chinese colleagues in a set of historic exhibition tournaments hosted by the Chinese government. In addition, the ‘ping-pong’ diplomacy, as it is known, paved a path of acknowledgement between the two states.

Premier Zhou Enlai stated at a welcome event for the American Table Tennis team:

“You have opened a new chapter in the relations of the American and Chinese people...I am confident that this is the beginning again of our friendship and will certainly meet with majority support of our two peoples.”⁵⁴

It became momentous for both states as it created a setting to network and give attention on matters of common interest. In the year 2011, at the 40th anniversary of ‘ping-pong’ diplomacy, both governments echoed the importance of the tournament and expressed contentment at the outcome. Xi Jinping, the Vice-President of China at the time, stated that “the two countries must fully draw on historic experience and strengthen dialogue, mutual trust and cooperation.”⁵⁵

3.3 Diplomacy Between Washington and Beijing

Official relations between U.S. and China begun in August 1784 when the U.S. merchant ship "Empress of China" sailed through the Atlantic Ocean, from the Cape of Good Hope, as it made its voyage from New York to Huangpu harbour in Guangzhou. Such trade relations increased

⁵⁴ Zedong, Z. (2013). The Accidental Architect of ‘Ping-Pong’ Diplomacy” The independent, 2013, <https://www.independent.co.uk/news/obituaries/zhuang-zedong-the-accidental-architect-of-ping-pongdiplomacy-8490805.html>. Accessed on 29 March 2021

⁵⁵ The Nostalgia of “Ping-Pong Diplomacy” and Beyond taken from the Official website of the Chinese Olympic Committee. http://en.olympic.cn/news/coc_exchanges/2011-12-09/2171775.html. Accessed on 28 March 2021.

momentum around the mid-19th century, as a result beginning the crisscross journey of negotiation between Chinese and Americans that has become noteworthy for both states and the world at large.

Leadership from Washington and Beijing have recognized that “they have much to lose and little to gain” since the trade war commenced. Accordingly, they have approached different means of solving the trade conflict. Amongst these means are schemes to monitor, including administration intelligences on trade barriers compulsory in national laws, and “the Trade Policy Review Mechanism and the Transitional Review Mechanism” under the WTO authority. These schemes to observe have tightened relations among trading states and their mutual-understanding have been enriched. Moreover, the U.S and China administrations held premium negotiations such as “the Strategic Economic Dialogue”, to compromise without seeking to use WTO lawsuit as significant amount of time and expense would be saved. In understanding China-U.S. trade relations, negotiations in sync with these monitoring schemes are just as necessary and significant as the WTO conflict resolution processes.

Fast forward, the U.S.-China trade relations, has become the most important bilateral relationship in the world that has helped shape the 21st century. In this new world, unlike previous trade relations, technology is most significant. The U.S. and China have been struggling for economic supremacy since the era of industrialisation but their fight has moved on from charging new taxes on imports, to attacking the other’s tech industries and leaving consumers around the world to feel the heat.

“Forty years ago, through shared stimuli to exports and imports, extraordinary increases in trade, investment and technological transfer between the U.S. and China, making them among each other’s largest and most important trade partners” (Frisbie and Overmyer 2006).

In 2011, Kissinger published his book *On China*, chronicling the evolution of U.S.-China relations and stating the difficult encounters of 'genuine strategic trust' between the U.S. and China⁵⁶. In his 2011 book *On China*, his 2014 book *World Order* and in a 2018 interview with *Financial Times*, Kissinger stated that he trusts China wants to reinstate its momentous role as the Middle Kingdom and be "the principal adviser to all humanity". The Chinese historic achievements started in 206 BCE from the Han dynasty. During the reign of the Han and successive dynasties, China appeared to be the biggest, most-densely inhabited, industrially-advanced, and best-run civilization. At the time, Chinese truth-seekers held a viewpoint that the best way for a state to establish its presence in a foreign country, was to develop an ethical society commendable of imitation due to appreciating non-nationals and to positively wait for them to seek education from China. After World War II, China burst out in a sequence of brutal uprisings. The aim of these violent insurgencies was to re-establish the country back to affluence, supremacy, and a habitation of global dignity. In 1949, Chairman Mao stated that, with the founding of "his" People's Republic of China (PRC), the Chinese had once again, finally "stood up"!

In present day International Relations (IR), the view of China under President Xi Jinping from and prior to 2013, is of wealth, power, and portrayal of strong cultural identity. To quote one of China's finest former Minister of the State Council, Information Office:

“Such interests will be advanced only if China and America both strive for a win-win partnership; however, neither shall benefit if either turns against the other. Indeed, our enhanced understanding and cooperation will extend beyond ourselves and become catalytic for promoting world peace and enhancing world prosperity.”
Qizheng (2000)⁵⁷

⁵⁶ Friedberg, A. (2011). “The Unrealistic Realist”. *The New Republic*. Retrieved from <https://newrepublic.com/article/91893/henry-kissinger-on-china>. Accessed on 23 August 2021.

⁵⁷ A snippet of speech found in the website of the embassy of the PRC in The U.S. Retrieved from <http://www.china-embassy.org/eng/zt/zgwh/speeches/t36370.htm>. 16 April, 2021.

Furthermore, scholars of Chinese politics, governance and philosophy such as Elizabeth Economy⁵⁸ stated that President Xi Jinping had created a new model of Chinese politics both at home and in terms of Chinese foreign policy, that really has necessitated a rethinking, a reset in U.S. policy. Economy also stated in one of her several lectures that, Zhao Qizheng stated in one of his several discussions with U.S. scholars that “the reason why the U.S. policy has changed towards China is because China’s policy has changed”.

A statement made on behalf of the Chinese President, Xi Jinping, in purportedly addressing the U.S. amidst the ongoing trade war, was “we will continue to narrow differences and resolve disputes with others through dialogue and negotiation”. This statement is in line with a saying that, the aim of “peaceful rise exhorts the country to pursue peaceful development instead of hegemony.”⁵⁹

In this extremely unfriendly trade war, intolerant rivals as witnessed under President Trump, persistent rigidity in negotiation has become rather unhelpful. In this case of built-up opposition, it could result in violence. As past experiences have shown that the option to openly confront and apply violence, is a means favourable to those who were and are well-furnished in the art of combat and belligerence such as the U.S, the Soviet Union, Germany, U.K. etc. Some political experts have noted that at certain crucial periods, a “carrot and stick” approach⁶⁰ is also commonly used by influential states into agreements.

⁵⁸ Economy is a C.V. Starr senior fellow and director for Asia studies at the Council on Foreign Relations in the U.S.

⁵⁹ It goes beyond terms as the U.S. actual eternal ambition is to be “the only” superpower.

⁶⁰ In Chas W. Freeman, Jr., (1997). *Arts of Power: Statecraft and Diplomacy*, pp.71-72, “he discusses what he terms ‘Grand Strategy’ involving diplomacy and military force to preserve vital national interests”.

Donald Trump in his only term (2016-2020), as the president of the U.S., generated a hullabaloo with America's biggest allies, Germany, France, U.K., Canada and others. Trump states that he wants to dramatically reduce the U.S. trade deficit⁶¹ with other countries. Since the rapprochement by Nixon and Kissinger, the U.S. has frequently had the upper hand in the liaison while China has mostly found itself on the defensive (Wang 2010)⁶². Trump is hoping that by introducing extreme and radical tariffs it will reduce the size of the U.S.' trade deficit, besides his eyes are particularly focused on China as he claims to be the "chosen one" to do this compared to his predecessors. The trade deficit of U.S-China is assessed to be \$370 billion and expected to reduce to \$200 billion by end of year 2020.

Complexity is merely one out of several features of the puzzle-like U.S. trade relations with China in description. Commercial activities between the U.S and China were beginning to unfold by 1972 when President Nixon visited China. Irrespective of the accomplishment under President Nixon, diplomacy concerning the two states stabilised in 1st January 1979, to reiterate, the U.S. and China restored the faded diplomacy and engaged in a bilateral trade settlement. This gave a surprise jump start to a fast growth between the two nations in trade from \$4 billion in 1979 to over \$600 billion in 2017 under the Trump administration which caused about 100 other states that had already recognized the PRC to fall behind (Martellaro 1982). The "frozen" years from 1972 to 1978 between U.S.-China was as a result of U.S.-Soviet détente, the Watergate scandal and China's substantial weak negotiating point, governmental resistance within mainland China, and the passing away of founding Chinese leaders Mao Zedong and Zhou Enlai. These sad events left a

⁶² Wang, D. (2010). China's Trade Relations with the United States in Perspective. *Journal of Current Chinese Affairs*. *SAGE Journals*, 39(3), 165-210.

dent on the nature and effectiveness which these three great personalities had formed. On the other hand, in 1977 the Soviet attack on Afghanistan and presence of Soviet combatants in Cuba destabilized U.S.-USSR collaboration. According to Ross (1986), “As the Soviet Union came to appear more ominous, China grew more valuable to the United States as a strategic ally.”

Many Americans today, believed and still believe that China will be incapable of financing “any great increase of imports until it can begin to earn enough foreign exchange by increasing its own exports” (Jones 1971). Therefore, an evolution “of Sino-American economic relations would possibly rest on the willingness of U.S to extend export credits or other forms of aid to China.”⁶³ Nevertheless, the Chinese improved leverage and bargaining control as the relations deepened. Most significantly in 2009, China came next to India, to become the drive of a forceful economic recovery in Asia.

President Trump initiated a trade war as part of his foreign policy, imposing tariffs on Chinese exports on steel and other goods. Trade and diplomatic negotiators from Beijing and Washington have forever been on their toes since the dawn of Trumps aggressive outbreaks on China’s trade and technology uprise. Immediately China retaliated by announcing a 25% tariff on Boeing a U.S. aeroplane manufacturer. As of 2018, some of the largest items that the U.S. was shipping to China included products like soya beans (\$15B), commercial aircrafts (\$15B) and electrical machinery(\$12B). The largest categories of U.S. imports from China are normally laptops, mobile devices, clothing, footwear, and many more. Mostly the imports from the U.S industries export raw materials to China for cheap assembly.⁶⁴

⁶³ The New York Times, 1972: 38

⁶⁴ The actual reason why China has taken over American.

3.3.1 Influence of Intellectual Property on U.S.-China Trade Relations

The U.S.-China trade war is as a result of a longstanding trade friction which was highlighted a few years past. From the launch of President Trump's presidential campaign in 2016, his speech focused on controlling and sanctioning Chinese dominated trade, pledging to renegotiate the U.S.-China economic relationship and eliminate bias Chinese practices and intellectual property violations, allegations that China had challenged.

“Intellectual property is the right generated from both creative achievements and marks made by industry and commerce according to the law” (Wei and Chen, 2020).⁶⁵ Protecting intellectual property solidifies growth and innovation. Moreover, the intellectual property protection greatly influences the trade relations of U.S.-China by a developed trade structure agreed by both states. In 2017, President Trump completed his Asian tour and made a state visit in China where he was received in Beijing. In that visit, the U.S signed a major historic trade deal of \$ 253.5 billion with China. The trade deal consists of six sectors that include “energy, transportation capital expenditures (Capex), agriculture, finance, technology, and industrial” (Mozi 2018). However, at a meeting with President Xi Jinping, President Trump gave a speech to further rattle feathers on the already unstable trade relationship where he stated:

“I don't blame China. Who can blame a country that is able to take advantage of another country for the benefit of its citizens? I give China great credit.” (Nakamura and Parker, 2017).

After the U.S allegations, according to China, a four month investigations were taken by China's Ministry of Commerce “to protect the legal rights of companies with foreign investors” (Wu,

⁶⁵ Wei, L. & Chen Y. (2020). A Study of the Influence of Intellectual Property on China–U.S. Trade Relations. Retrieved from <https://journals.sagepub.com/doi/full/10.1177/2158244020915899>.

2018). Furthermore, by China “joining the WTO, the construction of its intellectual property protection system to a great extent improved “(IP commission, 2017).

The Chinese government setting up intellectual property court after years of hard work, to establish a fairly comprehensive intellectual property protection regulation system. China State Council also “established the National Leading Group to Combat Infringement and Counterfeiting, which positively promotes long-time mechanism construction. From the aspect of legislation, judicial, and enforcement, China has significant improvements in all three,” (China’s Chamber of Commerce, 2017).

In addition, the actual Chinese intellectual property protection level is less significant compared to that of advanced states and considerably lesser in average than other states “*China: Intellectual Property Infringement, Indigenous Innovation Policies, and Frameworks for Measuring the Effects on the U.S. Economy,*” delivered by the United States International Trade Commission (ITC) in 2010, stated:

“Enforcement of IPR laws remains a serious problem in China; and ineffective enforcement contributes to widespread IPR infringement in China.”

Undoubtedly, even though the intellectual property protection of China is being improved, it still has to catch up with states advanced in IP protection structures.

Several associated studies on the affiliation between intellectual property protection and international trade exists. In the field of exports, Liang Hongying and Yu Jinsong (2010), examined the impact of intellectual property protection on Chinese exports. Relevant reports and studies show that increasing intellectual property protection exerts a meaningfully constructive outcome on the capacity and organisation of exports.

3.3.2 *Image Lift for Beijing*

The “numbro uno’s” from the East and West (i.e. China and the U.S. respectively), have utilized trade and industry as strategic diplomatic tools in boosting their images and strength in the international community. From being the largest exporters of aircrafts (U.S.) and apparel (China) certain rights and valuable privileges have been granted to boosting their images in international relations.

Aside trade, one of the key factor that became a major booster for the Chinese image in the international community, is in their hosting of the Beijing Olympics in 2008. This opportunity further strengthened China in becoming a powerful adversary to the U.S. today. Beijing, one of the leading cities within the international community, won the bid in 2001 to host the Olympics as competing cities such as Osaka, Istanbul, Toronto, and Paris lost. The winning of the proposal caused an uproar with certain organizations such as Amnesty International (an international human rights based organization). They contended against it and claimed the unacceptable level of human rights in China. Amnesty International Report in April 2008, titled “*China: The Olympics countdown- broken promises*” stressed upon the high level degree of human rights abuses practiced in China. The report stated the inability of the Chinese government in tackling issues of human rights and the powerlessness of the appropriate establishments in probing the issues before the bid was presented to Beijing. A part of the report states below that the:

“Chinese courts continue to sentence to death and execute thousands of individuals every year. Those facing capital charges do not receive fair trials in line with international human rights standards...Several incidents of miscarriages of justice, in some cases leading to the execution of the innocent, have been published in the Chinese press and have generated disquiet among the public at large.”⁶⁶

⁶⁶ Amnesty International Report, (2008). “China: The Olympics Countdown- Broken Promises,” April Report, p 3-4.

Irrespective of the human rights concerns and exposés by Amnesty International, the Chinese government received total backing and commitments from the IOC in hosting the 2008 Olympics in Beijing.

Under the presidency of Donald Trump, his nationalist mantra “Make America Great Again”, was really emphasized in the trade war. However, a unique way in which China reinforced its nationalism locally and internationally, was by hosting the 2008 Olympic Games in Beijing using the above case; this resulted in the government extending its tentacles, achieving backing and influencing her citizens of its sincerity of peaceful rise and determined to use the Beijing Games to unite and reinforce national identity. Polson and Whiteside support this claim by stating that, “a key success of the Beijing Games was in fostering Chinese nationalism.”⁶⁷ The 2008 Olympics gave China the platform to claim the number one position on the overall medal rankings (China took home a total of 100 medals), due to its largest group of athletes represent in its Olympics history. In high spirits the Chinese in their feat, strengthened China’s position as an emerging super power which created a sense of nationalism and national identity across the international world (Logo 2018).

3.1 The Impact of the U.S. and China Trade war on Global Economy

It is well-known globally, that the U.S.-China relations have deteriorated under the Trump administration. President Trump actually waged threatening stance towards China due to this, the consequence of the current trade war has negatively obstructed the global economy and has been

⁶⁷ Polson, E. and Whiteside, E. (2016). Getting in the Game? A rising India and the Question of Global Sport. *International Journal of Communication* 10(2016), 19328036

difficult to end. He took the most forceful action of imposing tariffs against China that the world has seen since World War II, a very aggressive upfront foreign policy. Some states during the reign of the Soviet Union also implemented “the Soviet tactic of offensive behaviour” as a policy tool. However, the “new diplomacy” style appealed to powerful states such as the U.S., and China in regards to the South China sea disputes et cetera. It interrogated governments aggressive objectives, then at times made extreme requests, with its choice of language deliberately offensive as conditions for negotiation. At the end of the Cold War in 1991, relations amongst several states were left in disarray as to which direction to take as the U.S. without its Soviet adversary stood unopposed as a dominant power. On the other hand, China plays the victim role of European aggression and surfaces as great power in her own right.

Still holding onto being the only country standing as the super power, President Trump sees China as a threat to global supremacy and does not want China to be number one. According to him, China is the biggest threat to world peace. The U.S. argues that one of the tech giant from China, Huawei, is a security risk as it functions as an espionage tool for the Chinese government; something Huawei has denied. Due to the great power conflict every state allegedly spies on every other state but what distinguishes China’s espionage and surveillance is the sheer scale. In 2014 alone, it was revealed that China had hacked into the office of personnel management.⁶⁸ They took the data, the hidden secrets from American administrative officials, together with CIA workers. Hotel giant, Marriot was hacked within the same year and passport data and credit card information

⁶⁸ CNN Politics. (2015). OPM government data breach impacted 21.5 million. Retrieved from <https://edition.cnn.com/2015/07/09/politics/office-of-personnel-management-data-breach-20-million/index.html>. Accessed on 24 August 2021.

were stolen.⁶⁹ This is more of a hegemony situation than a trade war with no one wanting to concede. Trump claims he would like to reduce the trade deficit and demands Beijing to change its practices of blocking U.S. businesses from accessing the larger Chinese market as prices are rising and jobs are being lost.

However, with China being a member of WTO, it displays its alacrity as a state to interact with the international economic order and is consistent with the foreign policy mantra of “peaceful rise”. In view of China to pursue further economic development, it claims to protect its right to admit foreign influence into its market and maintain stability internally as these considerations regulate China’s attitude toward market enterprises and trade differences. In 2018, China was the ultimate source of merchandise imports for the U.S.:

“The U.S merchandise imports have increased by 6.7% compared to 2017. Overall, 21.2% of all U.S. imports originate from China. Leading import classifications are: plastics (\$19 billion), toys and sports equipment (\$27 billion), furniture and bedding (\$35 billion), machinery worth (\$117 billion) and electrical machinery (\$152 billion). Importations of services improved by 5.5% to 18.4 billion dollars that same year. The most imported services are associated to travel, research and development, and the transport sector” (Office of the United States Trade Representative, 2019).

Economic growth globally has so far deteriorated and recent events could have serious consequences for financial markets, the economy, and could possibly disturb international supply chains. The appreciation currently is the increase from 10% to 25% in U.S tariffs on \$200 billion worth of imports from China and the announcement of retaliatory measures by the Chinese government.

⁶⁹ The New York Times. (2018). Hotel giant Marriot data breach is traced to Chinese hackers as U.S. readies crackdown on Beijing. Retrieved from <https://www.nytimes.com/2018/12/11/us/politics/trump-china-trade.html>. Accessed on 24 August 2021.

Trade reports from different sources seem to show a prevailing effect of previous tariffs imposed by the U.S. and China. While the U.S. and China are the main state actors in the trade war, their trading associates are also being hit with rising customs duties. However, there was an upsurge in imports of goods in cases where customs duties were not implemented straightaway after the announcement was made. It is probable that the importers made the decrease in imports possible after tariffs were imposed and therefore decided to stock up early. For that reason, “the Chinese also imported fewer goods from the U.S. as a result of the tariffs imposed by the US government” (Eugenio, Gopinath & Adil, 2019).

The EU Chamber of Commerce based in China, in August 2018, conducted a survey to evaluate the outcome of the U.S-China trade war concerning European enterprises operational in China (Scheipl et al, 2020).⁷⁰ According to their report, 193 respondents from many sectors took part in the survey. Even enterprises that are neither American nor Chinese are sensing deeply the negative impact of the trade war. Furthermore, the supply chain is interrupted globally, by the hostilities. The outcome of the survey revealed that a large number of the respondents said that the tariffs left an adverse impression on both sides. In addition, just about 20% stated that new investments or developments in their businesses would be delayed.

So far, only a small proportion of European companies operating in China have taken drastic steps, such as changing suppliers or relocating. However, this is bothersome bearing in mind that the situation could worsen if further duties were imposed by the U.S. The President of the EU Chamber of Commerce based in China, Mats Harbon (2017-2019), stated that "the impact of the trade war between the US and China on European companies in China is significant and predominantly

⁷⁰ Scheipl, T., Bobek, V., & Horvat, T. (2020). Trade War between the USA and China: Impact on an Austrian Company in the Steel Sector. *Naše gospodarstvo/Our Economy*, 66(1), 39–51.

negative." He on the behalf of the EU, shared the U.S. concerns about unfair Chinese practices, and the imposition of duties being dangerous.

3.2 Transformation in the Norms and Rules of Diplomacy

It is critical to note that, the ongoing trade war has affected norms and rules of diplomacy. In public diplomacy, news released by the media can extremely affect negotiation both in a positive and negative light. The hostile images of U.S and China trade relations with each other, has created an enormous hole of confusion and unacceptability that must be filled with reconciliation for their very own good as well as its diplomatic relations with other states. Therefore, interactions and negotiations between these two states may be a win-win if they apply one out of a million options such as creating confident images and opinions in the international community mind's eye. Moreover, a regular practise that during top level negotiation, any form of rushed publicity to and from the media, can collapse the entire work done. Protocol comes into play as it is the role of the official correspondents or the information ministries to support negotiations, rather than letting private personalities or entities fashioned under the umbrella of media, disrupt the complete process. It is to be well noted that media or publicity can however, be used as a propaganda purpose, especially in deliberately condescending and degrading an adversary. This illustrates how, unfair and one-sided publicity can influence negotiations to tumble down.

The media (television, radio broadcasts, Podcasts et cetera), the social media platforms (Twitter, Facebook et cetera), social and educational exchange programmes as well as scholastic grants have served as platforms in enhancing their images. The United States and China, have frequently

implemented a combination of these public diplomacy tools to create progressive opinions and to carve out positive images for their carrying out of foreign policies across the world.⁷¹

3.2.1 “War Words” on Twitter

Violent wars are no longer the primary destroyers of bilateral and multilateral relations amongst states but “war words” through the channel of social media is the current trend in digital diplomacy. U.S. and Chinese negotiators crave to bring back the order of diplomacy in state relations. However, “war words” on social media platforms (which became much popular under the presidency of Donald J. Trump) served as an effective tool of communicating U.S. foreign policy to the entire global village, now a digital hub in most ways, cannot be overlooked.

President Donald Trump’s unrestrained use of Twitter⁷² has successfully replaced the traditional regulation of diplomacy. In his term, President Trump used social media especially Twitter to promote his administration, to set and influence international agenda. Countless times, the president of the U.S. changed the main issues of international debate and directed attention either away from or toward himself merely by a controversial script, also known as a tweet. President Trump himself has stated several times in public that he views most of the well-branded traditional media channels as propagating “fake news” and they remain irrelevant to him compared to social media.

⁷¹ Cull, N.J. (2008). *Public Diplomacy: Taxonomies and histories. The Annals of the American Academy on Political and Social Science*, 616 (1), 31-34.

⁷² One of the largest social media platforms in the world, with millions of followers.

Worthy to note is that one of the key task of the U.S. President is to direct the States diplomacy by setting the main agenda of its foreign policy. Using his preferred social media platform Twitter to set the State's foreign policy agenda, he used his private Twitter account on most occasions to label other states such as Mexico "not our friend", "an enemy", of the U.S.; he linked the Paris Climate Agreement to riots in France; condemned the Trans-Pacific Partnership, originally tagging it as "a bad deal" for the U.S., simply to later amend his rhetoric countless times and proposed the cancelling of the North American Free Trade Agreement (NAFTA), labelling it as "one of the WORST Trade Deals ever made" only to later endorse the passing of the United States-Canada-Mexico Agreement (USMCA). However, the President in non-stop tweets cause global confusion by threatening war with Iran, offensive exchanges with Kim Jong-un and persistently holding China responsible for the global spread of the COVID-19 virus.

Before the full blown 2018 U.S-China trade war, President Trump in 2016 had condemned China for its exchange rate policy which was making it difficult for the American companies to compete.

He tweeted:

"Did China ask us if it was OK to devalue their currency (making it hard for our companies to compete), heavily tax our products going into their country (the U.S. doesn't tax them)" ...

China replied by stating that "both sides should stick to basic principles of the relationship."⁷³

The U.S. had also condemned China's currency the Yuan depreciation, saying "it unfairly favours Chinese exporters" hence the U.S. imposed tariffs on some Chinese imports such as tyres and steel. President Donald Trump had formerly threatened to inflict a solid 45% tariff on Chinese goods.

⁷³ BBC News. Trump attacks china in Twitter outburst. <https://www.bbc.com/news/world-asia-china-38167022>

Furthermore, an evident example of digital diplomacy (as part of public diplomacy) gone wrong was “The Turkish currency and debt crisis” in 2018, which was not caused by President Trump’s online activity, but it got magnified in certain ways as an outcome of his tweets (the crisis became part of official U.S. foreign and trade policy even though it was unintended to).

To explain further in a summary, the Turkish currency and debt crisis originated from the incarceration of a U.S. citizen who was a resident of Turkey, Andrew Brunson. He was indicted by Turkey for being connected to a terrorist group and been incarcerated for two years without proof. By August of 2018, the U.S. administration began taking economic sanctions against Turkey. Its main purpose was to pressure the Turkey government to drop charges on Brunson. However, before the sanctions were implemented, President Trump broadcasted, on his Twitter account, “the increment of tariffs on Turkish steel and aluminium”:

“I have just authorized a doubling of Tariffs on Steel and Aluminium with respect to Turkey as their currency, the Turkish Lira, slides rapidly downward against our very strong Dollar! Aluminium will now be 20% and Steel 50%. Our relations with Turkey are not good at this time!”

Not to exaggerate, once the tweet was posted, the Turkish currency lost value every single period President Trump tweeted. The Lira lost one-third of its worth, tumbling as low as 14% to the dollar within a day. Even though President Erdogan undoubtedly further aggravated the issue, when he advised that the Turks should “convert their dollar bills, euros or gold under their pillow ... for Turkish lira. It is a national fight”;⁷⁴ the crisis further went downhill as key stakeholders lost trust

⁷⁴ Pelcastre, F. I. (2020). The Successes and Failures of Trump’s Twitter Diplomacy-Fair Observer. Retrieved from https://www.fairobserver.com/region/north_america/ivan-farias-pelcastre-donald-trump-twitter-diplomacy-us-foreign-policy-news-14771/.

in the economy of Turkey and its reimbursement ability. The outcome of this issue is that, Turkey has under no circumstances improved to its once former glory.

Trust between the countries has deteriorated more during the Coronavirus pandemic (which hit the world in the early stages of 2020) as Donald trump directly accuses China of making the virus so as to create global disorder to their advantage. Astonishingly, U.S.-China trade relations are close to its lowest point since 1979. Solutions to disputes and aggressive accusations demand thorough negotiation and mediation. Moreover, according to Berridge (2005) to further emphasize the need of negotiation:

“it certainly hardly needs labouring that it is the process of negotiation that grapples directly with the most threatening problems, whether they are economic dislocation, environmental catastrophe, sporadic ethnic violence, or outright war.”⁷⁵

On these grounds diplomacy should further be enhanced. With the regular employment of negotiation, in the settlement of disputes rather than by using violent means and “war words”, peaceful interventions are achieved. Through negotiation, U.S. and China as well as other actors can perhaps resolve their disputes.

There is a growing storm of concerns by investors as the global stock market took a dive in early August of 2019 after President Trump through a chain of tweets publicized his thoughts on China trade deals:

“Our representatives have just returned from China where they had constructive talks having to do with a future Trade Deal,” Trump tweeted on Aug. 1. “We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing.”

⁷⁵ Berridge (2005), *Diplomacy: Theory and Practice*, 3rd ed. New York: Palgrave, 2005, pp. 27, 214 -215.

Such presidential tweets can drive the market, towards a climb or a fall. However, irrespective of the content, the frequency of President Trump's Twitter posts makes a difference and showcases the influence of social media on international trade compared to the traditional forms of media for broadcasting diplomatic dialogues.

According to Ambassador Audrey Marks of Jamaica to the U.S. in an interview with a former U.S diplomat C.P. Marshall, during a virtual seminar in 2020 dubbed, The Power of Diplomacy and Importance of Protocol⁷⁶:

“Protocol is an integral part of diplomatic communication and social media allows you to speak more directly because you are representing your country at all times, you must be conscious of the impact of your words and actions on a relationship with key state actors and non-state actors.”

Social media compared to traditional media currently acts and will play a bigger part in the diplomatic process in the very near future, because of its real-time feature. There is an anticipation of getting protocol right due to the mercilessness responses of diplomatic errors that will be picked up within the speed of light. A minute move on social media these days can resonate again and again as the consequences can be damaging to the strengthening of diplomatic ties.

3.3 Conclusion

In conclusion, it is critical in understanding how diplomacy has and continues to manifest itself in international relations within the context of trade relations between states. The chapter underscores

⁷⁶ Women's Foreign Policy Group, (2020). The Power of Diplomacy and Importance of Protocol. Retrieved from https://www.youtube.com/watch?v=kVjJG6k_YaY. Accessed on 14 April 2021

the connection between trade and international relations through various means. The U.S.-China trade war has upset the diplomatic system upheld for centuries by its traditional norms and rules. These two powerful state actors in IR, pursue achieving their goal by dominating in trade. Also, Media coverage through the usage of social media can be used by states to enhance their image. Currently, social media in particular has influenced international relations by advancing their interests as they seek to use the platforms in conducting diplomacy, building their image, dominating in foreign policy and expressing nationalism. However, the emphasis of the chapter has been on the roles negotiation and protocol directs in promoting diplomacy in trade for global advancements.

CHAPTER FOUR

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4 Introduction

From the beginning of 2016, protocol and the current functions of negotiation in diplomacy have evolved more from their traditional forms to a more contemporary form by the use of digital diplomacy to communicate from one state to the other and to relay foreign policy. Selecting to use the case study began on the foundation that the place of negotiation and protocol in diplomacy as tools may significantly influence the stability and growth of an economy through international trade.

Chapter one of the research highlights negotiation as a soft power tool that, when used effectively, peaceful resolutions may be reached, as protocol also is seen as an art that regulates and organizes the diplomatic structure. Chapter two discusses a historical overview of U.S. and China trade relations, and how both states have become hostile towards each other while proceeding to accomplish their foreign policy objectives. Chapter three examines the trade war, the stages of negotiation, and the digital diplomacy of the U.S. and China trade relations. This chapter is a summary of the findings of the study where conclusions are drawn based on the research. It also presents some recommendations mainly for scholars interested in examining the role of negotiation, and how protocol plays in diplomacy, its purpose and its influence in the trade war setting.

4.1 Summary of Findings

The study is constructed on four key objectives that guided it. They are; to determine the nature of the economic relationship between U.S and China; to identify the global economic effect caused by the U.S. and China trade war; to analyse how the trade war between the U.S and China, has affected norms and rules of diplomacy and to define negotiation and protocol as tools in building a healthy trade relationship between the U.S and China.

The study sought to examine the place of negotiation and protocol in international relations by using the U.S. and China trade war as a case study and exploring the practices of the critical functions of diplomacy in international relations. It also sought to assess how social media have been used as a communication tool in diplomacy by states in the international system using examples from some controversies emerging from its use.

The consolidated outcome of Interviews and research conducted reveals an escalation in unpredictability, insecurity and irregularity in the International system. The trade war is leading to considerable changes in trade flows. Several American companies depend on quality but affordable parts from China to manufacture their products. As a result, some of the affected companies may shut down and not function as it should, and also, third-world states are experiencing the slowest economic growth in decades. Besides, in spite of the tariffs on Chinese importations, U.S. trade deficit with China has not improved and may require adequate time to do so.

Furthermore, officials interviewed said that disruption of trade relations depends solely on what the American government and President Trump will do. The assumption is that China wants to end the trade war, has no interest in further escalation, and wants a healthy bilateral relationship

with the U.S. In examining the diplomatic atmosphere, the actions of President Trump will however, carry great weight, and November 2020 elections could have a significant effect. Nonetheless, the trade war may not end until the USA is ready to treat China equally as a superpower.

It is observed that as a critical function in diplomacy, the trade war creates a challenging situation for negotiation to defuse quickly. Primarily, one dire impact is that, American products will have higher prices due to its competition to a China that has a large market in third world states across Asia and Africa, who will gain or break even due to its low cost of quality products. So far, consistent negotiations by top diplomats have lessened the negative impacts the entire world is facing. The findings revealed that negotiation is crucial to the very existence of a state as it acts as a channel to achieve national interest and to benefit from its trading. It is indeed the key function in diplomacy.

Based on the study's findings, protocol in diplomacy will improve trade relations between these two states only if there is a key of acceptance to the diversity of ideologies and culture. The Chinese, for thousands of years, are traditionally conscious and very conventional in their relations with themselves and globally as a whole. However, by the implementing accepted protocols in diplomacy from the U.S to China, they may perhaps feel respected and may respond softly towards the U.S. Again, the findings revealed that soft power essentially builds strong ties and helps construct a long-term relationship among them. It may create strategies that appeal to a state's adversary to acknowledge and respect its principles. However, the Trump administration revealed little interest in soft power and implemented hard power (through economic sanctions such as imposing tariff on imports from China); which world leaders prefer and yet public diplomacy which is one of the administration's core policies to communicate directly with other international

actors, is being inefficiently practiced. Protocol is an art and when appropriately administered in the various aspects of diplomacy mainly digitally, war can be restrained. It was rather fascinating to discover that many “minor” states in comparison to U.S and China were anticipating a World War III or even a second Cold War.

The International community acknowledges the significance of what digital diplomacy has done currently to the entire world as it is now easier, faster and cost-free to communicate to the masses and top diplomats, compared to many decades or even centuries ago. Also, the study showed how beneficial top-notch negotiation could be to countries which solely depend on trading with the “big shots”. In an attempt to influence decision-makers, global trade organisations evaluating their options and having had constant discussions with China on the way forward, some Chinese exporters deem it appropriate to lower their prices as compensation for the duties. However, some American companies may relocate their production facilities away from China, while Chinese companies export their goods to the U.S. via Vietnam. Other states with enormous human resources and industries available such as the EU, Vietnam, Taiwan, South Korea as references, have benefited from the trade war as services China used to provide at a cheaper rate would be further inexpensive. Some instances of productivity are increases in exports by Vietnam to a significant \$2.6 billion dollars, and Taiwan has gained by \$4.2 billion dollars from the surge in export to the U.S. These are the highest among states that recorded increase in exports to the U.S after a reduction of Chinese exports due to the trade war.

Consumers globally have been profoundly and adversely affected as all respondents said that consumers have to pay higher prices for imported goods. An instance to support the respondents statement is the increase of the prices of vehicles, the printing of books, importing food products,

especially organic produce, and purchasing of designer clothing from bags to shoes in the U.S., a state in which they trade in and out from.

Last but not the least, the strategic approach negotiations use to ease the effects of tariffs, helps developing states to build up domestic industries without facing external solid competition. However, one respondent said that there are only negative effects of tariffs; the negotiation process has left consumers dissatisfied and believe governments amass some money through the imposed tariffs as consumers and businesses bear the heat of the trade war.

Finally, the influence of the World Trade Organisation (WTO), successful as it may be in most cases as a non-state actor, in the heat of the trade war, was noted however dimly. Its role was delicately subtle, and it directed the course of the trade war to seek a nonviolent ending as the entire world was directly affected by the dispute.

4.2 Conclusions

One key objective of diplomacy as a whole in international relations is to ensure peaceful relations with other states. For many centuries, states have adopted traditional forms of diplomacy such as peace talks, negotiations, mediation, et cetera to highlight their status in the international system. As an economical way of life, trade is the heartbeat of every sovereign state and cannot be used to oppress the masses. It is worth noting that one negotiation may not wholly resolve disputes in the ongoing trade war but it surely can facilitate a civil discourse for the sake of all stakeholders involved.

Trade relations between the two countries have declined and have now reached a place that is challenging to resolve. It is publicised that though the WTO has put up measures to deter states

dictating the course of action; and has established a framework and structures to ensure that healthy trade relations are preserved, promoted and practiced, it has not produced significant results. Also, U.S corporations operational in China often protested against the ill-treatment in China. Some corporations or businesses had their technology appropriated as concerns regarding intellectual property protection in China grew. The U.S. sought the assistance of WTO but was unproductive. The WTO system to avoid bilateral trade conflicts lost its efficiency as the U.S. made less use of the complaint processes to resolve disputes of like manner. Subsequently after China's agreement in 2001 to the join the WTO, “many other trade barriers instead of tariffs were used by both countries against each other” (Brown, 2019, p.2-3). However, both states still benefit from the WTO without necessarily adhering to the established measures.

Trust between the U.S. and China, is depleted as China's officials are also committed in believing that, the U.S. is trying to stop their rise to global power nonetheless, American officials are currently concerned about the theft of trade secrets and technology.

The issues discussed in this study reveal the true likeness of the current nature of the international system. The Cold War and other major wars have already laid a solid base for progress in present-day diplomatic relation; hence no need for “war words” to tumble down the “house of cards.” The expression of nationalism through trade and other ties has provided states the persona needed to engage in diplomatic negotiations to further their national interests.

Diplomacy as a whole can be used to improve the image, share a sense of solidarity among states, encourage international advance and improve international relations. Nevertheless, the link between digital and public diplomacy has been further recognized, especially in this aggressive trade war. In time to come, the practice of digital diplomacy may become normalized and accepted as an appropriate and significant tool for dialogue and pursuit of diplomacy.

To conclude, the issues in the study warranted the question “so what does China and the U.S want?” to be asked. To answer, China wants to be the most powerful economic power globally and the technological leader in the world. Moreover, China have set out their ambition in a plan termed as “Made in China 2025” (to create artificial intelligence robots with human-like nature). Nonetheless, President Xi Jinping cannot afford to be seen as giving in to U.S. “bullying.”

The U.S. wishes to end China’s ambition; starting by doubling tariffs on 200 billion dollars’ worth of Chinese goods from food to technology. Beijing also responded by placing tariffs on U.S. goods worth 60 billion dollars’ but so far, Chinese consumers are less affected than others around the world. The rise of China as a major power from the east, and U.S.’ hegemonic ambitions tested in successive wars from the west, the paradox of a successful trade relations and conflict associated with geopolitical and philosophical differences will remain to create a severe challenge. China for thousands of years have survived several dynasties and wars as its national interest of being “The” superpower, and it’s deliberate but rapid move strategy, if anyone is good at playing the long game, its China.

4.3 Recommendations

Considering major roles of protocol and negotiation in diplomacy, it is imperative that state and non-state actors can use these to promote their foreign policy in international relations. From the findings and outcome of the study, the following recommendations were made:

- Firstly, the dissemination of information and implementation of foreign policies must be adopted in a clear-cut, documented policy structure. There should be a detailed process of what and how states and organizations practice diplomacy based on fundamental ethics

and principles. This will ensure that all forms of protocol toward diplomacy will be adhered to. Stakeholders must hold to task-mandated institutions, supervising this to ensure its effectiveness. However, it maybe difficult to realize considering the complexities of international politics

- Secondly, all states must have recognized intellectual property protection structures established and stamps on their goods and services as this would curb the piracy of registered commercial products in any form. Severe punishments must be laid out to states who snip off without payment of royalties to the state.
- The WTO should focus on its obligation to states and businesses and veto any trade war that would emerge in the future. They should undertake initiatives that would promote peaceful trade relations. Trade wars do not help states in conflict zones as once large economies are crumbling down due to a significant effect of the novel COVID-19 virus.
- Furthermore, in this period of global digitization, there must be a constant teaching of digital tools in setting the agenda of a foreign policy. Social media cannot be overlooked as more solid and dynamic states and organizations have comparative advantages.
- Additionally, to boost the images of nations positively, administrations should ratify policies to promote their soft power agenda. This will aid in achieving their objectives in the international system. The world is fatigued of global and proxy wars; hence governments, and ministries/departments of Foreign Affairs /service of U.S. and China should prioritize and put in place measures that would create peaceful diplomatic relations at all cost.
- Finally, looking forward, further research by academia and other stakeholders relevant to this literature should be conducted as it could prove quite beneficial such as contacting the

U.S. and Chinese embassies in Ghana to solicit for information needed to thoroughly dissect the topic.

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APPENDIX

The Place of Negotiation and Protocol in A Trade War: A Case Study of U.S.- China Trade Relations

A Semi- Structured Interview Guide

The questions asked during the interviews are the following:

1. What general effects of the US-China trade war were felt?
2. Do you believe that the intensity of the trade war will disrupt trade relations in the future or will both parties succeed in resolving the conflict?

Both states have introduced new tariffs in recent months and communication has diminished.

3. How will the use of negotiation as a function in diplomacy defuse the conflict?
4. How will protocol in diplomacy improve trade relations between U.S-China?
5. How are consumers worldwide affected by the tariffs?
6. Due to the lack of diplomacy being perceived on social media, are there opportunities for other states to benefit from the trade war?
7. In your opinion, what strategic approach can negotiations use to ease the tension effects of tariffs?
8. What strategy are Foreign Ministries pursuing in the current trade war between the USA and China to reduce the negative effects on other states?

PERSONS INTERVIEWED FOR THE STUDY

1. An official of a private publishing firm in Ghana on 2nd September 2020
2. An official based in the U.S. in a Ghanaian government ministry on 3rd March 2021
3. Mr. Francis Lamptey of Ghana Water Company on 22nd March 2021
4. Mr. Isaac Nyakotey-Tetteh a business man on 13th April 2021
5. Mr. Daniel Blagogee of Prosline Events Ghana Limited on 14th April 2021
6. Madame Christiana Boadi a business woman on 21st April, 2021