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ECONOMIC WARFARE IN CONTEMPORARY PERIOD

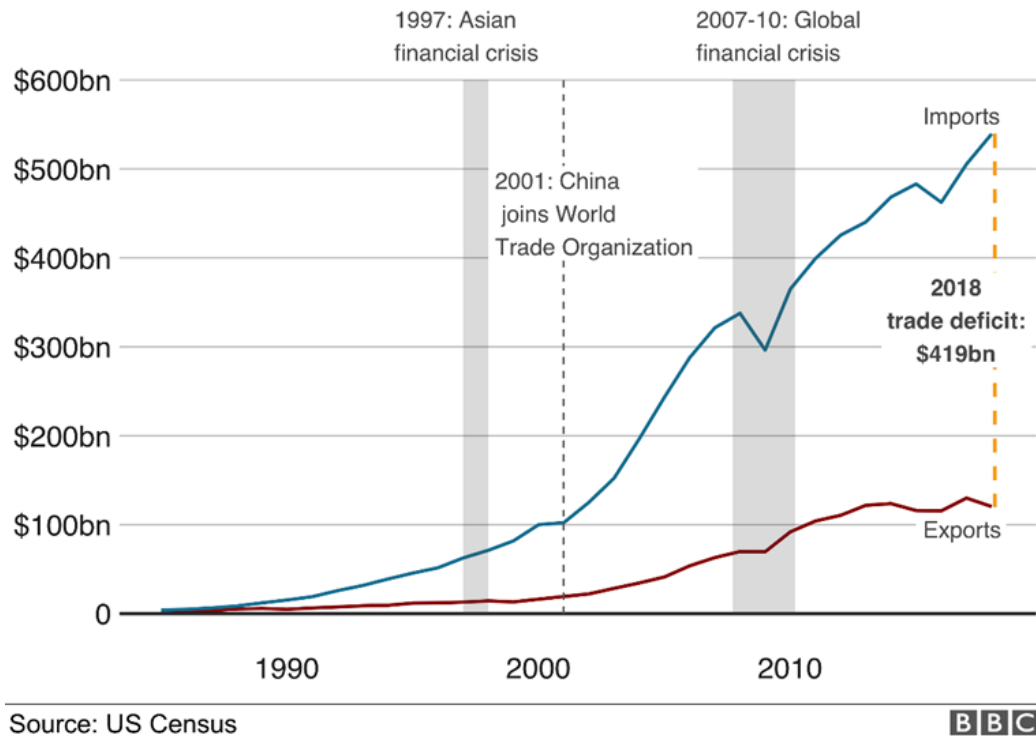
Introduction. Conflict has been a part of us since the beginning of humankind, it is something which has always existed and will always exist. Conflict can happen in a lot of different ways; the causes can be infinite and the repercussions minor or quite drastic. As technology developed so did the ways in which people could resolve conflicts.

World war II is the bloodiest conflict which has occurred on this planet with the human loss of life being around 85 million people. Technology at that moment had become so advanced and thousands of people could be killed in a second. After the second world war nuclear weapons were created and there was a status quo between countries as mutual destruction was guaranteed in case of a war. But as human nature dictates, conflict has to arise somewhere, so that is how the next evolution step for war, economic warfare came into being and it is becoming the most popular way of waging a war. This is because classical warfare is filled with misery and death and in this globalized world information travels fast and no government has support from the people for classical warfare and that is how the economic warfare gained momentum. Economic warfare simply put is a trade war between countries That is the logic behind the economic warfare if you can break a country's economy you have basically beaten them.

Case study. You have most certainly heard about the ongoing trade war between the US and China. Due to their differences their relationship has soured and now they are at the beginning of a trade war, in the past this would escalate to a full-blown conflict but in this era that is highly unlikely. This all started in 2018 when the Trump administration imposed tariffs worth \$34 billion only for Chinese goods. This means a 25 % tax on all goods arriving in the US which have been produced in China. The logic behind this is to punish the Chinese, by making the Chinese products more expensive to the customers and they would be not as popular because of the high prices, which would hurt the Chinese businesses severely. After this action from the US government China immediately retaliated with its own set of measures and they also imposed a 25 % tax on US products. This was the beginning of a big powerplay for both sides in which the victor hasn't been decided just yet, but whoever comes up on top will be the new number one super power for the foreseeable future.

US trade with China

US trade deficit with China has soared since 1985



US trade deficit with China

Trade deficit is the difference between how much a country buys from another country, compared with how much they sell to that country. As you can see from the figure to the right the US in 2019 had a trade deficit of \$419 bn with China, which kept widening through the years.

The most recent and most famous event of this trade war is the Huawei ban which happened in May 2019 and as a pretext for that was that it was a question of national security. Those claims came from the close relationship between Huawei and the Chinese government and the allegations were that the Chinese government was using the Huawei phones for spying on US residents. Huawei had rejected those allegations and claimed that the company had done nothing wrong. This ban was a huge deal because from that moment on Huawei couldn't work with American companies for the development of new phones.

Conclusion. In my consideration on this whole subject, war is a horror of unspeakable suffering and misery which brings the worst in people and no good ever comes from it. With this change of waging wars with economic and cyber means instead of guns and people the world will be a better place. Wars will not define history any longer, but diplomacy and economic intrigue. It is transitioning from using brute force and military might for winning wars to a more intrigue and deception-based methods for winning wars.

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