

A Tale of Thucydides

di Paul Krugman

I just moved from one European city to another, so a brief note with no coda today.

When the leaders of the world's two most powerful nations met in Beijing, Chinese Premier Xi Jinping spoke about the [lessons of history](#):

Can China and the United States transcend the so-called 'Thucydides Trap' and forge a new paradigm for major-power relations?"

Donald Trump, on the other hand, spoke about [fast food](#):

Just as many Chinese now love basketball and blue jeans, Chinese restaurants in America today outnumber the five largest fast food chains in the United States, all combined. That's a pretty big statement.

I'm old enough to remember when we were a serious country.

Anyway, should China in fact worry about the Thucydides trap? Not while someone as pathetic as Trump is in charge.

The Thucydides trap refers to the theory, originally propounded by the Greek historian for the war between Athens and Sparta, that conflicts erupt when a declining power is confronted by a rising rival. So Xi was implicitly insulting the United States, portraying it as a nation in decline. Someone presumably explained this to Trump, who went on [Truth Social](#) to declare that Xi was talking about U.S. decline under "Sleepy Joe Biden," not now that he has made us "the hottest Nation anywhere in the world."

In reality, the widespread Chinese view that America is in decline has only [grown stronger](#) under Trump II. According to the New York Times,

In January, a nationalistic Beijing think tank affiliated with Renmin University published a triumphant report about Mr. Trump's first year back in office. The report argued that his tariffs, attacks on allies, anti-immigration policies and assaults on the

American political establishment had inadvertently strengthened China while weakening the United States. Its title: “[Thank Trump.](#)”

And that was *before* the debacle in Iran.

So, as in the Thucydides trap, will a declining America lash out at a rising China? Not under current management, or at least not in any effective way.

Trump and his officials constantly denigrate his predecessor. Denouncing Joe Biden has become their all-purpose response to questions about Trump’s policy failures and [cratering polling](#). But the Biden administration was, in fact, serious about responding to China’s technological and industrial challenge. Notably, the [CHIPS and Science Act](#) was explicitly intended in large part as a way to respond to China’s inroads in information technology by boosting the U.S. technology sector, while the Inflation Reduction Act’s promotion of industries associated with renewable energy was an attempt to blunt the impact of growing Chinese dominance in electrotech.

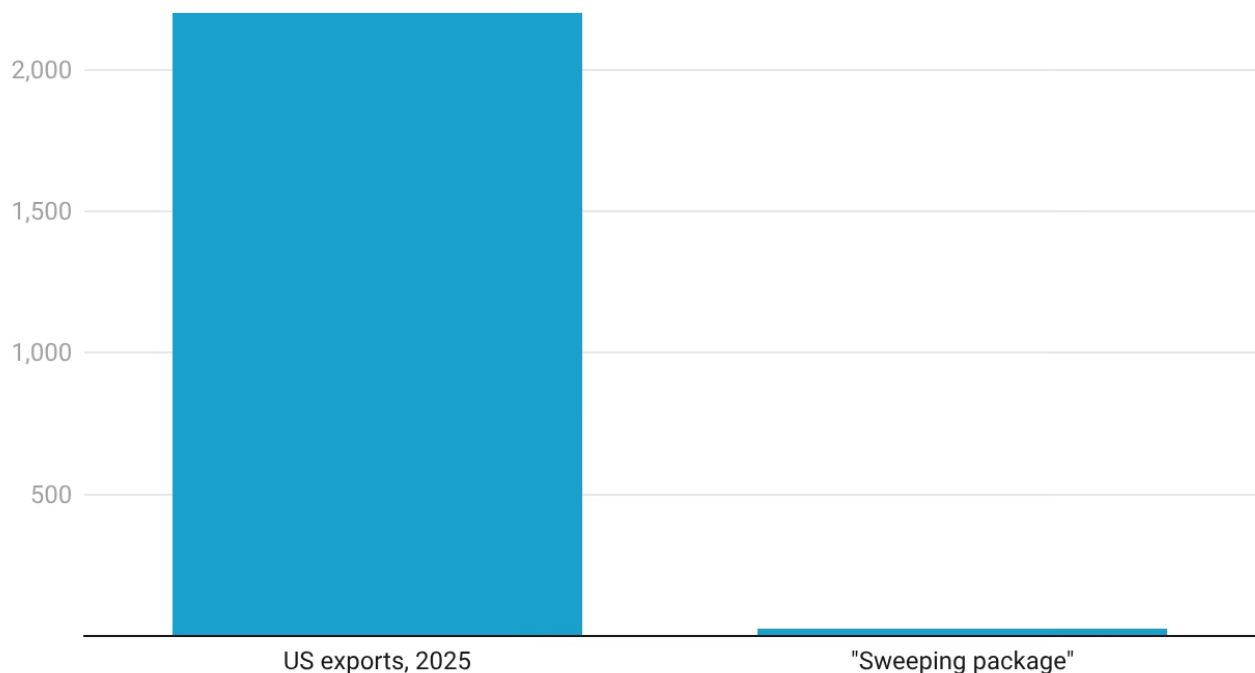
Trump, however, has moved rapidly to cancel Biden’s industrial policy, a turnaround that has, among other things, led to a marked slump in manufacturing construction:



Having abandoned industrial policy, Trump has turned to trade deals. The [fact sheet](#) released by the White House after his trip to Beijing proclaimed that President Trump negotiated a sweeping package of commitments that will drive high-paying American jobs and open new markets for U.S. goods.

The main component of this package was a Chinese commitment to buy \$17 billion a year of U.S. agricultural products, on top of an earlier commitment to buy more soybeans. Actually, I should put “commitment” in scare quotes: China made similar promises during Trump I, and completely [failed to deliver](#). But suppose that the Chinese actually come through this time. How big is this “sweeping package”? Adding the extra \$17 billion to a best guess at the value of the promised soybean purchases, and comparing it with existing U.S. exports, it looks like this

Trump/Xi in perspective (\$ billion)



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So by abandoning Biden's efforts and pursuing what he considers the art of the deal, Trump has in effect traded a serious effort to keep America competitive in advanced technology game for a hill of soybeans — and a small hill at that.

I could go on, but you get the point. The global scene right now isn't dominated by a conflict between a rising and a declining superpower, because the declining power is led by a man who has no idea what makes great powers great, is easily distracted by trivia, is focused on self-enrichment and self-aggrandizement, and fantasizes about himself as Jesus. If you want classical analogies, think of America right now as the Roman Empire under Caligula, although Caligula didn't do anything like as much damage ...