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# STRATEGIC SHIFTS AND ECONOMIC NATIONALISM IN THE FIRST TRUMP ERA WITH A FOCUS ON U.S.-CHINA TECH RIVALRY

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**ABSTRACT**
The research examines how strategic policy changes and economic nationalism under the first Trump presidency (2017–2021) re-mapped the course of U.S.–China relations in the field of technology. Highlighting the "America First" focus, the research investigates how protectionism, escalating tariffs, and regulatory penalties on Chinese technology companies were an aggressive effort to slow down China's technological rise. The article also assesses the contribution of the COVID-19 pandemic and rising global geopolitical tensions to reinforcing nationalist feelings and securitizing competition in technology at the global level. Through secondary data and trend analysis, the research identifies a clear shift in U.S. foreign policy, exemplified by tech decoupling, diminished Chinese FDI, and export control steps encouraged by rhetoric. It concludes that the policies during the Trump era established the basis for a long-term tech competition and remade the world landscape of innovation, trade, and economic diplomacy.

**Keywords:** U.S.–China Tech Rivalry, Economic Nationalism, Trump Administration, Protectionism, COVID-19, Foreign Direct Investment (FDI), Trade War, Technological Decoupling, National Security, Export Controls.

## INTRODUCTION

The commercial connection between the United States and China, the two largest economies, is the most significant in the world. In recent years, nationalism within each country, the trade war, and COVID-19 have strained this relationship. Informed by nationalism literature, we examine how increasing nationalist discontent in the USA and China has fuelled the trade war, a fight intensified during the COVID-19 pandemic. The sources of nationalism in the two countries, albeit sharing many components, are distinct (Gur & Dilek, 2023). A burgeoning portion of the American populace, perceiving a deficiency in political representation and safeguarding of its values, reacted to a "America First" agenda, resulting in the election of Donald Trump. President Trump has persistently opposed China to garner domestic political support, especially from the manufacturing and agricultural sectors, as well as from a homogeneous ethnic and religious constituency (Xiying, 2021). In China, political leaders felt aggrieved by the absence of global political stature that matched their swift economic expansion and increasing military power. They insisted on more regard for their zone of influence and organized resistance against US threats to Chinese sovereignty. China indeed aspires to attain global leadership status comparable to that of the USA and Russia (Schindler & Rolf, 2024).

Under his presidency, Donald Trump substantially altered U.S. foreign and economic policy by pursuing an "America First" agenda based on protectionism, unilateralism, and economic nationalism. His government set sights on China regarding imputed trade imbalances, currency manipulation, intellectual property theft, and unfair subsidies and thus initiated a trade war characterized by rising tariffs and retaliatory actions. Even though there was short-term economic suffering caused—especially to American farmers from China's retaliatory tariffs—Trump preserved political backing from influential constituencies by providing federal relief and presenting the conflict as a step toward eventual national ascendancy (Wei, 2019). The technological aspect of this competition assumed centre stage when America placed sanctions on Chinese technology companies

such as Huawei and other companies that were perceived as security threats, a reflection of a general strategic anxiety about technologic dominance. The Trump administration also pursued a tough stance on matters such as spying, visa limits on Chinese academics, and the military-civil fusion approach, solidifying the notion that the trade war was as much about national security and technological supremacy as it was about economics (Boylan et al., 2021).

In the view of the Chinese, Trump's sudden and contentious trade negotiation style—characterized by threats, unilateralism, and accusations—was seen as disrespectful and evocative of previous foreign humiliations. Trump's rhetoric, particularly throughout the COVID-19 pandemic, further escalated tensions and fuelled nationalist attitudes on both sides. Chinese leadership had a dual approach, though: state media and diplomatic circles condemned the protectionist policies of the Trump administration, while more moderate elements in China urged collaboration and strategic restraint (McGarity, 2017). The Chinese Ministry of Commerce had a constructive, less visible role in negotiations to diminish friction and establish economic confidence. But as the pandemic created complexity in the bilateral relationship, nationalism increased, and cross-cutting domestic pressures within both countries made stable diplomatic engagement more challenging. The Trump era therefore constituted a dramatic departure from previous U.S.–China relations, paving the way for an extended geopolitical and technological competition driven by reciprocal distrust and economic decoupling (Daniels, 2016).

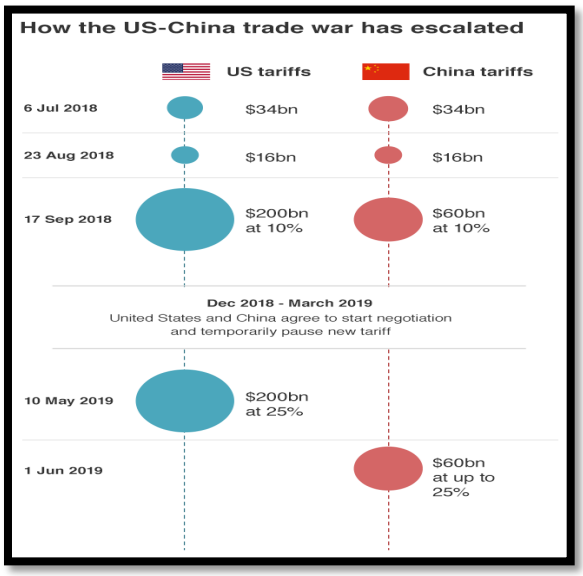


**Figure 1.**Escalation of US-China Trade war
Source: https://www.bbc.com/news/business-48253002

The Trump presidency represented a turning point in the economic and foreign policy of the United States, as it was dominated by a robust brand of economic nationalism and a belligerent approach to China, particularly when it came to cutting-edge technology. Under the "America First" platform, the U.S. imposed a series of protectionist and strategic policies—tariffs, export controls, and sanctions—designed to stem China's technological ascendency and secure national security interests (Bryan, 2019). The resulting U.S.–China tech competition, especially in areas such as 5G, semiconductors, and artificial intelligence, mirrored greater geopolitical tensions and the increasing decoupling in key supply chains. China's concurrent drive for technological autonomy through initiatives like "*Made in China 2025*" also amplified tensions. The COVID-19 pandemic drove the trends further, highlighting the vulnerability of global interconnectedness and consolidating nationalist rhetoric on each side (Long, 2016). This research examines how strategic changes and economic nationalism in the initial

Trump period constructed the direction of the U.S.–China tech competition and reshaped international economic interaction.

**Objectives of Study**

1. To analyze how economic nationalism and protectionist policies under the Trump administration shaped the US–China tech rivalry.
2. To examine the influence of COVID-19 and geopolitical tensions on bilateral tech relations and global tech leadership.

## REVIEW OF LITERATURE

The U.S.–China competition has evolved as a core axis in the modern international system, defining global strategic, political, military, and economic orders. This deepening rivalry is spurred by converging threat perceptions, ideological differences, and aspirations for technological and geostrategic dominance, particularly in developing high-tech areas. Lippert and Perthes (2020) believe that this competition has played a role in the weakening of multilateral institutions as the Trump administration withdrew from international forums while China increases its role, forcing the European Union to seek strategic autonomy and create a supranational China policy. The sudden collapse of interdependence between the two largest world economies was a turning point, as the agenda of the Trump administration inwardly oriented around energy independence, local manufacturing, and protectionism deepened tensions and led to an all-out trade war that isolated China (Boylan et al., 2021).

Lee and Maher (2022) suggest a four-fold typology of US economic statecraft—economic containment, national economic competition, technological containment, and national technological competition—showing how US approaches change according to perceived threats. Historical analysis indicates that whereas the US previously employed economic measures against Japan without complete containment, its current policy toward China selectively limits technological integration without completely eliminating economic relations. Erlbacher and Schmalz (2023) also analyze this competition from the perspective of critical political economy, arguing that the U.S. has used its structural power in world high-tech systems to block China's ascent, and China's responses are proof of the complicated nature of systemic geo-economic rivalry. They conclude that this expanding conflict may mark the emergence of a new global statism with state-focused policies and interventionism playing a greater role in international economic relations.

## RESEARCH METHODOLOGY

1. This research applies a quantitative study approach based on the examination of secondary data to explore the strategic policy changes and emergence of economic nationalism under the first Trump administration (2017–2021) with particular emphasis on the U.S.–China technological competition. The research design is analytical and descriptive with the purpose of determining patterns, policy effects, and geopolitical changes that determined bilateral technology relations and international tech leadership.
2. Secondary data has been drawn from reliable databases, government reports, think tank publications, international institutions (like WTO, IMF, and OECD), and policy briefs released by U.S. and Chinese governments. Important information comprises trade flow statistics, foreign direct investment (FDI) in technology industries, export control regulations, R&D expenditures, and company sanctions. Data on the economic impact of the COVID-19 pandemic and its influence on tech supply chains are also incorporated to evaluate changes in strategic action through 2020–2021.
3. The research uses descriptive statistics and trend analysis to follow trends in trade policy and tech rivalry, as well as comparative analysis between pre- and post-COVID eras. Visual objects like graphs and tables will be employed to present trends in policy shifts and economic results.

This approach allows for systematic, data-oriented investigation into how economic nationalism and external shocks shaped the course of U.S.–China tech relations during the initial Trump period.

## RESULTS AND DISCUSSION

The data presented here show the strategic economic transformations and amplification of U.S.–China technological competition in the first Trump administration, driven primarily by a combination of tariff policy, foreign investment control, and regulation sanctions.

**Table 1.**U.S. Tariff Rates on Chinese Tech-Related Imports (2017–2020)

| Year | Total Tariffed Value (USD Billion) | Avg. Tariff Rate (%) | Key Affected Sectors |
|---|---|---|---|
| 2017 | 0 | 3.1 | None |
| 2018 | 50 | 10 | Semiconductors, Solar Panels |
| 2019 | 200 | 25 | Electronics, Robotics |
| 2020 | 250 | 25 | 5G Equipment, Medical Devices |

*Source: USTR, Peterson Institute for International Economics*

Table 1 indicates a sharp increase in American tariffs on Chinese technology-oriented imports over the period 2017-2020. Although 2017 saw little tariff moves, 2018 was the starting point for retaliatory tariffs against semiconductors and solar panels at a 10% weighted average on $50 billion worth of products. This quantity doubled to $200 billion in 2019 with a higher 25% rate, the range widening to a wider range of electronics and robotics. Tariffs had been imposed on $250 billion in goods by 2020, including strategically critical areas such as 5G equipment and medical devices. This mounting tariff burden is a calculated protectionist strategy aimed at protecting U.S. industries and breaking China's dependencies on tech supply chains.

Figure 1, taken from the Rhodium Group, augments this story by showing the precipitous drop in Chinese tech foreign direct investment (FDI) into the U.S. from $11.5 billion in 2016 to only $1.2 billion in 2020. This dramatic decline is consistent with increased U.S. scrutiny of Chinese capital inflows, indicating a chilling investment environment in the face of increasing geopolitical suspicion and more stringent CFIUS (Committee on Foreign Investment in the United States) rules.

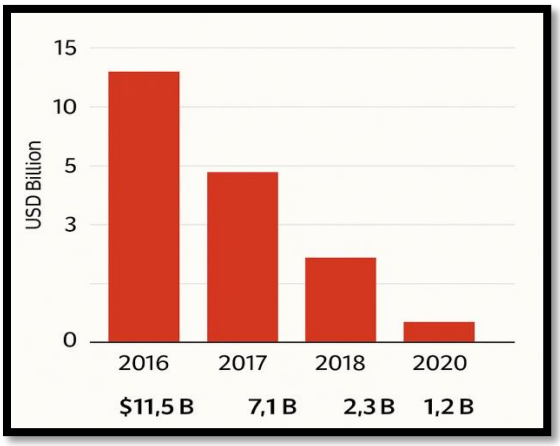


**Figure 2.**Decline in Chinese Tech FDI to the U.S. (2016–2020)

*Source: Rhodium Group, China Investment Monitor*

Table 2 summarizes American export control measures against significant Chinese technology companies between 2018 and 2020. ZTE experienced component bans in 2018 based on national

security and intellectual property offenses. Huawei and surveillance technology companies such as Hikvision and Megvii were blacklisted in 2019 based on concerns of espionage and human rights abuses. SMIC and DJI were subject to export license requirements in 2020 due to suspected military connections. These regulatory crackdowns not only destabilized supply chains but also made clear strong signals regarding the securitization of emerging technologies.

**Table 2.**U.S. Export Control Actions on Chinese Tech Firms (2018–2020)

| Year | Major Firms Targeted | Type of Restriction | Reason Cited |
|---|---|---|---|
| 2018 | ZTE | Ban on component supply | National Security, IP theft |
| 2019 | Huawei, Hikvision, Megvii | Entity list inclusion | Espionage, surveillance concerns |
| 2020 | SMIC, DJI | Export license requirement | Military-civil fusion, IP concerns |

*Source: U.S. Department of Commerce, BIS*

Table 3 displays a content analysis of policy rhetoric during the Trump era. Phrases such as "National Security" (112 uses), "America First" (89 uses), and "China Threat" (78 uses) highlight how economic policies drew on nationalist and security-focused narratives. Frequent use of "Intellectual Property Theft" (64 times) and "Technology Leadership" (52 times) shows that the administration framed technological superiority as a central tenet of geopolitical competition, and justified tariffs and export controls as strategic measures.

**Table 3.** Keyword Frequency in Trump-Era U.S. Policy Speeches (2017–2020)

| Term | Frequency |
|---|---|
| "America First" | 89 |
| "Intellectual Property Theft" | 64 |
| "National Security" | 112 |
| "Technology Leadership" | 52 |
| "China Threat" | 78 |

*Source: Quantitative content analysis of presidential speeches and policy briefings (White House archives)*

Combined, these points show a multi-faceted approach of economic nationalism used by the Trump administration to derail China's technology rise and rebrand the U.S. as a leading tech power in the face of intensifying global competition.

## DISCUSSION

The facts highlight how the economic nationalism of the Trump administration tactically reconfigured the U.S.–China technology dynamics through mounting tariffs, investment restrictions, and export controls. These policies, couched in rhetoric of national security and protectionism, were intended to stem China's technology ascent and preserve U.S. dominance in new industries. The precipitous decline in Chinese FDI, specific action against companies such as Huawei and DJI, and reiterated policy mentions of the "China threat" all serve as evidence of a calibrated decoupling policy. This technological confrontation was complemented by COVID-19-induced geopolitical tensions, which solidified a transition from economic interdependence to strategic competition.

## CONCLUSION

The Trump administration in its first term was a watershed moment in U.S.–China relations, defined by a conscious turn toward economic nationalism and competitive strategy, particularly with regards to high technology. By means of protectionist strategies like tariffs, export controls, and investment screening, the U.S. indicated a more comprehensive policy shift away from economic entanglement toward strategic decoupling. These measures were not reactive but representative of a fundamental nationalist agenda that positioned technological leadership as critical to national security and global leadership. At the same time, China's technological self-reliance ambitions, as reflected in initiatives such as "Made in China 2025," made rivalry more intense and fueled mutual distrust. The COVID-

19 pandemic further entrenched this gap, with the securitization of supply chains and politicization of innovation reinforced. This research proves that the policies during the Trump era have extensively reshaped global technology governance and set up a competitive framework in which economic interests are deeply linked to strategic and ideological ones. The long-term significance of this transition continues to shape U.S.–China relations and threaten the future of multilateral cooperation in a rapidly polarizing world.

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