



NOUVEAUX REGARDS SUR L'ASIE

A fresh perspective on Asia and the diversity of its issues and cultures,
combining the views of experts and high-level players.

FOUNDATION GALA DINNER

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Editorial Director, former French diplomat

Is it really possible to expand in this May issue editorial of *New Perspectives on Asia* on the tariff antics of the businessman recalled to the White House, given that his statements, constantly contradicting themselves, only serve to confuse minds and unsettle markets, which no longer know whom to trust?

Is it really possible to delve into the editorial of the May issue of *"New Perspectives on Asia"* regarding the tariff antics of the businessman called back to the White House, so much so that his statements, by contradicting themselves repeatedly, continue to confuse minds and unsettle markets, with those uncertain where to turn?

After having caused, on April 2, a wave of panic in all capitals and their financial markets with his reckless, if not absurd, statements, with Wall Street first and its most worrying bond market, Donald Trump seems to have regained some semblance of reason.

Apparently surprised by the severity of the shock and its devastating effects on global financial markets, including in the U.S., "Donald Dump" announced a week later that, after reconsidering, he had decided to authorize, effective immediately, a 90-day pause during which the "reciprocal" tariffs previously announced a week earlier would be reduced to only 10% (the 25% tariffs on steel and aluminum were maintained).

In his grandeur, he declared that he was taking into account that 75 countries had pleaded with



representatives of his administration to negotiate a solution, as well as the fact that their leaders, "responding favorably to his request," had not retaliated in any way against the U.S. Finally, on the evening of April 11, the promoter of the slogan "Make America Great Again" (MAGA), borrowed from former President Ronald Reagan, victor over the former USSR, was forced to lend an ear—albeit scratched but still sensitive—to the arguments put forward by Silicon Valley players. He backpedaled and ordered his Customs and Border Protection service to add a list of ten categories of electronic products to be temporarily exempt from tariffs.

It was clear that he had to face the obvious: his measures, for a sector that primarily produces in Asia, would have been catastrophic. Major brands, with Apple being the main one affected (losing 23% of its market value in four days), would have been forced, unless Trump reversed his decision, to pass on these tariff hikes to the cost of their products, risking significant reductions in profit margins and also penalizing the American consumer.

The White House had posted a striking alert on its X (formerly Twitter) account: "POTUS was clear: everything must change, especially with China!!!" which certainly startled more than a few.

It couldn't have been said better. The "art of the deal" maestro (referencing his bestseller "Trump - The Art of the Deal") at the head of the world's largest economy was about to make his threat a reality by imposing "customized" and supposedly "reciprocal" tariffs on 185 countries out of 194. In fact, far from being "reciprocal," these tariffs were simply calculated by halving the surplus trade balance of these countries with the United States.

These tariff sanctions, therefore, meant to offset the U.S. trade deficits with the rest of the world, seemed extremely heavy, particularly towards Southeast Asian countries.

Only surpassed by Lesotho (50%), Cambodia faced the highest rate (49%), followed by Laos, Vietnam, Myanmar, and Sri Lanka, all imposed with tariffs above 40%. If the goal was to target the weakest, the wealthy businessman couldn't have done it better. These nations, except for Vietnam, which is on the verge of becoming an upper-middle-income country, are part of the eight Least Developed Countries (LDCs) in Asia, including Afghanistan, Nepal, East Timor, and Yemen, according to the classification of the UN Department of Economic and Social Affairs' Development Policy Committee. Then came Thailand (36%), Indonesia (32%), Malaysia (24%), and the Philippines (17%). Singapore and East

Timor, the only two Southeast Asian countries to register a trade deficit with the U.S., were spared from the "reciprocal" tariffs, applying a "only" 10% rate.

It is true that the U.S. administration views countries like Cambodia as backdoors for Chinese exports to the U.S., believing that Beijing has turned Phnom Penh into the most significant transshipment hub used by communist China to bypass American and European tariffs. Vietnam is similarly criticized for being a major source of indirect Chinese exports to the U.S., either through pure tariff evasion or the inclusion of Chinese components in Vietnamese exports to the U.S.

However, it is also important to note that since 2018, the share of Chinese exports to the U.S. has decreased, with Beijing exporting much more to emerging "Global South" countries. Chinese producers have indeed increased their exports of intermediate goods to third countries for assembly and finalization of products, which are then exported to Western markets. As a result, the share of "processing trade" in China has reduced, while ASEAN economies have strengthened their role as production and export platforms, improving their product offerings. ASEAN countries have also captured a significant portion of the North American market share that China lost since 2018.

At the same time, with the reorganization of production chains, ASEAN countries' trade integration with China (the 4th largest economy in 2024) has strengthened, with them exporting more to their immediate neighbor, and vice versa.

If the U.S. administration persists in its desire to reduce trade deficits with these "small countries" in Asia, as phrased in the biting remark of Yang Jiechi, the former Chinese Foreign Minister, directed at his Singaporean counterpart in 2010 ("China is a big country and other countries are small countries, and that's just a fact"), the room for these countries to negotiate their way out may prove limited, given the modest size of their economies.

Then there is Beijing, which, as clearly highlighted earlier, is the primary target of the Trump administration ("the greatest crook in history"), justified according to the White House's big boss "by the disrespect that Beijing had shown towards global markets" (sic). Each side thus responds in kind to the tariff increase imposed by the other. 145% from Washington, 125% from Beijing. And the trade war between these two great rivals may very well not stop there, potentially escalating to the breaking



point, unless it results in a negotiation, as both U.S. and Chinese authorities seem to desire—provided that it is not done under threat, as far as China is concerned.

Trump wants to make his admirers believe that his "friend" Xi Jinping will eventually relent. But China, under its top leader who has become accustomed to showing muscle without ever giving up, might just as well turn to other countries to help it weather the crisis, such as ASEAN countries (see Xi's recent visits to Vietnam, Thailand, and Cambodia) as well as those in the European Union. After several phone calls between senior Chinese and European officials, China hastened to declare that it was willing to cooperate with the EU to jointly implement the "important consensus" reached by the leaders of both geographical entities, in order to strengthen their communication and exchanges, and deepen their commercial, industrial, and investment cooperation.

This overlooks the fact that European authorities, for their part, are seeking to frame the effects of China's industrial policies, which are perceived as massively supporting the competitiveness of Chinese manufacturers through public subsidies.

The U.S. hardening of its stance obviously fuels European concerns about a possible influx of redirected Chinese productions towards the EU, which might eventually prompt the EU to strengthen its customs barriers: "All the issues we have with China do not change at all with Trump's arrival. The irritants persist, such as Chinese overproduction, public subsidies, or our trade deficit. It is not possible to shift towards China to offset the difficulties with the U.S., because the problems between the U.S. and Europe have no solutions in Beijing, whether they concern trade issues or the security guarantees Europe demands in the context of the war in Ukraine." (European source, quoted by *Le Monde* in its April 16, 2025 edition).

Not all countries, in fact, are interested in intensifying trade with Beijing, and for good reason. Australia and India, the most powerful nations in the Indo-Pacific region, have reacted negatively to China's calls for greater cooperation, with Delhi even rejecting the idea of a free trade agreement with Beijing (which Canberra concluded with the Chinese capital in 2014).

The smaller countries of South Asia (Bangladesh, Sri Lanka, Nepal, Bhutan) have chosen, for their part, silence, possibly out of fear of incurring the wrath of the White House's Jupiter-like might. For unlike China and some

other great powers, most South Asian countries, like their Southeast Asian neighbors, are too economically fragile to take retaliatory measures and risk an open trade war with the U.S., which would naturally be to their detriment. While trading with China, their primary customer, they cannot do without the protection of the U.S. nuclear umbrella in the face of Beijing's hegemonic pushes.

Also affected but showing less compliance than usual, Japan continued to express strong concerns to Washington, firmly requesting that the 24% rate applied to it be revised.

Finance Minister Katsunobu Katō also excluded using U.S. Treasury bonds (more than a trillion USD, ahead of China with 760 billion) that Tokyo holds as a bargaining chip in the upcoming negotiations, instead reserving the right to use them if the archipelago needs to intervene in the foreign exchange market should it falter due to the U.S.'s reckless initiative.

In the politically confused situation it finds itself in, South Korea, through its Minister of Trade, Cheong In-kyo, simply conceded that the 90-day tariff break would provide ample space for negotiations.

The same reaction was observed in Taiwan, where President William Lai (Ching-te) committed to strengthening bilateral cooperation in industrialization and innovation with the country that is supposed to guarantee its protection against Chinese military threats. A response made, in a way, to calm Trump's rants about the manufacturing of high-tech semiconductors on the island: "All I did say, if you don't build your plant here, you are going to pay tax, twenty-five, may be 50, may be 75, may be 100 %." »

Pragmatic, Thai Deputy Prime Minister Pichai Chunhavanjira resigned himself to the fact with a truism: "As the situation changes, we have to adjust." »

Less serene, the Malaysian Minister for Investment, Trade, and Industry dared post on LinkedIn to say that his country welcomed Trump's tariff pause, although the volatility it created posed a significant challenge for ASEAN economies (of which Kuala Lumpur holds the presidency this year), adding sarcastically: "Nothing is certain but uncertainty when it comes to Trump tariffs!" »

Prudently, the city-state expressed its readiness to work constructively with all its partners, including the U.S., reminding that uncertainties resulting from the imposition of tariffs and



potential retaliatory measures could lead to increased instability in capital flows and exchange rates, a message that likely rang in the ears of Trump's market speculators.

The time has now come for negotiation.

We remain in suspense, and as one financial market analyst, particularly sensitive to the trade war launched in all directions by the "Trade Deal Tycoon," remarked: "Hang on tight... the unknown awaits us."



Jean-Raphaël Peytregnet

A career diplomat after devoting himself to Sinology in France, Jean-Raphaël PEYTREGNET has, among other things, served as Consul General of France in Guangzhou (2007-2011) and Beijing (2014-2018), as well as in Mumbai/Bombay from 2011 to 2014. He was head of Asia at the Centre d'Analyse, de Prospective et de Stratégie (CAPS) attached to the cabinet of the Minister of Europe and Foreign Affairs. (2018-2021) then Special Advisor to the Director of Asia-Oceania (2021-2023).



Interview Nouveaux Regards

Jean-François Huchet, Président de l'INALCO

Interviewed by Jean-Raphaël Peytregnet

Jean-Raphaël Peytregnet: Through the announced American tariff hikes, Trump set himself the goal, as he stated himself, of re-industrializing the United States and attracting investments, while reducing the huge trade deficit that Washington records with the rest of the world, particularly with China, even though the latter is starting to redirect its exports towards "Global South" (developing) countries.

According to commentators, Trump is also aiming to cut China off from its supply chains, thus forcing it to rely more on its domestic market, while it continues to experience sluggish consumption despite the initial stimulus measures announced by Prime Minister Li Qiang in March following the annual "Two Sessions" (Liang hui) meeting.

Some believe that another goal of the U.S. administration is also to encourage countries affected by these tariff increases to reevaluate their exchange rates, thus allowing the U.S. to improve its productivity and become more competitive in exports.

If these are Trump's objectives, do you think this widespread tariff hike is the best method to achieve them?

Jean-François Huchet : In hindsight, two things are clear: first, there is a decoupling between the strategies of companies and countries in the international economic system, which, although not necessarily identical, can sometimes overlap; second, there are countries that assist their multinational companies through subsidies, while these companies also engage in lobbying actions with governments.

However, it must be acknowledged that pursuing some of these strategies is not new; they are not recent. The phenomenon of globalization has existed since the late 1960s. Extremely complex value chains were established, particularly in Asia, which led these multinationals, especially American ones, to be present in that region as well as in Europe. Furthermore, the question of the capacity of our international system to absorb the Chinese

economic model, as it has been structured over the last twenty-five years, has certainly reached its limits today.

The problem posed by China in terms of trade was present before Trump's arrival, just as it was in the discussions we had in the past between the European Union and China. Having said that, if Trump and his administration's ultimate goal is to reverse nearly fifty years of globalization and outsourcing of value-added chains, I don't think this will happen overnight. Tariffs can indeed be an instrument that influences the decisions of actors, but it will take a very long time for them to have any impact on China and the United States.

In other words, if we take a number of products, for example, the most emblematic one, smartphones, which were particularly penalized — and we saw the U.S. administration reverse the tariffs on this product over the course of one weekend — we know very well that relocating a significant portion of their production to the U.S. will take a lot of time. Washington would need to invest about \$30 billion to achieve a 10% relocation. The fact is that about 80% of the smartphones exported to the U.S. are made in China. Furthermore, given the current conditions in the U.S., they would be unable to sell a smartphone to the American consumer for less than \$1,000–\$1,200, or in some cases, \$3,000.

It is clear that behind this highly complex outsourcing of value-added production to China and Asia more broadly, we are dealing with a very complex process that will take a lot of time. Indeed, there is a group of economic actors present in China who contribute to the production of a finished product, like a smartphone. A multitude of subcontractors are located in China today, not in the U.S. We have definitely sensed from companies, particularly since the Covid pandemic, a desire to diversify risks. We can see this with Apple, for example, trying to establish itself in India and diversify its



value chains. But all of this takes a lot of time and costs a lot of money.

So we can ask ourselves whether it will be possible to maintain prohibitive tariffs, without even knowing if the companies involved will have the ability to relocate a large portion of their value chains to the U.S., and this would likely take several decades to achieve. This strategy is not viable in the short or medium term. The U.S. and China cannot afford to stay at this very high level of tariffs. They are both in the same boat and will have to talk at some point. The interconnection is too strong.

We also observe that the countries affected by these incredible threats have considered the idea of encouraging their large companies operating in China or other Asian countries to invest in the U.S. We can see this with Taiwan, for example, pushing the island to relocate its production chains to the U.S.

TSMC, the largest independent semiconductor foundry, has already started by setting up a factory in Arizona. In this regard, Trump and his administration are not facing the implementation delays you mentioned earlier.

It is important to note that the decisions made by TSMC are focused on very high technologies, and it is, in some ways, Washington's goal to ensure that some high-value-added production that is located in Taiwan, because some of it will remain there, also sets up in the U.S. This is something that might be achievable a little more quickly. However, there is also, and this goes far beyond the economic aspect, the issue of Taiwan's geopolitical or political proximity to the U.S. But yes, this is something that can indeed be done. As for China, things are a bit different.

First, for the vast majority, these are American companies sourcing from the Chinese market for productions that are still low or medium value-added. Therefore, the possibility of maintaining this supply at constant costs and relocating it to the U.S. — taking the example of smartphones — is extremely difficult because the production conditions in China are not the same as those in North America.

To do this, it would be necessary to rebuild the entire network of suppliers and have a structure that would allow the American consumer to benefit from the same costs as in China. If we take the example of semiconductors, the fact is that some of those at the very high technological frontier will still be made in Taiwan. There are also semiconductor parts of low or medium technological value that are not subject to the American bans imposed over the

past few years, including under President Biden, not just Trump, which actually come from China and are also embedded in a very complex system of suppliers, costs, etc.

Once again, this value-added structure will be very difficult to move. It is not impossible, but it will take time. It is hard to understand why the Trump administration wanted to wage war on all countries at the same time. It remains puzzling because, while we can accept that there is an issue with the absorption capacity of the Chinese economic model, attacking everyone places China in the same position as other major economic regions of the world. It is clear that the U.S. administration has since reversed this position, perhaps to prevent alliances from forming between Europe and China, or possibly with ASEAN or Japan.

Now, China is in the line of fire. This is also true for other Southeast Asian countries, such as Cambodia, Vietnam, and Malaysia, where Xi Jinping quickly visited once the tariff hikes were announced. We can indeed wonder if these countries will still serve as a bypass for Chinese products to reach the U.S. Because if that is no longer the case, I would not want to be in the shoes of industrialists who have to think, over the next ten to twenty years, about what they will do in this environment of very high uncertainty, considering a trade war that could last one or several years.

This becomes a real headache because our economies are not in a position to bring all industrial activities back to our soil. I am not saying that we cannot do this for certain products. We will inevitably be forced to do so for certain medicines or strategic products on which our independence depends, and we will need to rebuild these production chains across the European territory. But we will not be able to do everything. Nonetheless, there are indeed dysfunctions in the Chinese economy that pose difficult problems to solve for the global economy.

Yes, indeed, as you yourself said, beyond China, which is clearly targeted by the measures announced by Trump, there are also all those countries that have helped China circumvent these tariff sanctions, primarily Southeast Asian countries.

What is very surprising when we look at the list is that, apart from Lesotho, which is tariffed at the highest rate of 50%, Cambodia is at 49%. Trump is targeting these countries, which we know are playing a double game — they are both seeking the protection of the American umbrella against a China that is becoming increasingly aggressive in the region, and, at the same time, continue to



exploit the huge Chinese market, which benefits them.

Isn't it possible that, behind all of this, Trump is trying to achieve an objective? Could it be that the ultimate goal is to get all these countries — with the exception of China, presumably — to be ready to engage in negotiations with Trump and thus enter into the transactional logic that sets him apart?

Indeed, it's clear for the ASEAN countries and Southeast Asia. We can see there is a desire to negotiate bilaterally, and a country like Cambodia, which is as dependent on Beijing as it is on Washington, has numerous Chinese factories that are present and investing on its soil to then re-export their production to the United States. In a way, Cambodia is caught in the middle of this trade war, but Phnom Penh still needs the benefits of these Chinese companies that are on its soil. This translates for the country into jobs, foreign currency inflows, and potentially the construction of a local supplier network, so the stakes are also high for this country.

But at the same time, we can see that ASEAN, and here I'm referring to the economic and political structure of the Association, has reacted very timidly and is clearly not capable of reacting collectively like the European Union does in the face of the U.S. Even though ASEAN, the fifth-largest economic power in the world, could indeed have weight, much like the European Union in its dealings with the U.S., if we were to witness a logic of strong, structured trade blocs against them.

But that's not the case. It's true that what lies behind all of this goes far beyond the issue of the trade war and touches on the geopolitical influence of these two giants, especially in Asia. There are countries that are closer to China — these are the ones that Xi Jinping visited — and others that have stronger ties with the United States, which have made much firmer decisions recently against China on geopolitical issues. And so, all of this intersects.

We have an American administration that mixes everything, both economic and strategic interests, which is also the case for Europe, with the message being: you cannot continue to run a trade surplus with us while we protect you with our nuclear umbrella. This is the idea the Trump administration is trying to push forward. However, things aren't unfolding like that, because, once again, we fall back into this decoupling that is intrinsic to globalization, between multinational companies, nation-states, and consumers. It doesn't work exactly like this, at least not in as caricatured a way as the Trump administration presents it.

This is, in fact, the same argument used by the Trump administration towards the European Union, in the context we are well aware of — that of the war in Ukraine, where Europe finds itself in a position of difficulty...

Yes, but with a major difference in the structure of trade exchanges. We are no longer dealing with exchanges structured around finished products between the European Union and the United States. There is clearly an advantage on the American side regarding services, while Europe has a stronger advantage in industrial and even agricultural products, although there are also certain American products in this sector that dominate significantly.

But above all, it is the finished products that are in direct competition in this trade war initiated by the United States against Europe. Meanwhile, in Asia, we are really on a trajectory of subcontracting, sourcing, and structuring extremely complex value-added chains where there are production steps, and where countries exchange goods before a finished product is sent to the United States. This structure of trade, which is truly the embodiment of globalization, significantly complicates the objective pursued by the American administration, namely the relocation of all these value-added chains to the United States.

However, we also have the same problem in Europe; this is not a problem solely related to the United States. For us, the way to find a better balance would be for China to open up even more to trade and investment from our countries and for us to achieve a rebalancing with a China that is still in a state of industrial hypertrophy.

Is China, in a sense, deluding itself by thinking it can reorient its exports — which have been the main engine of its economy so far — towards the European Union?

There have already been statements in this direction, and we saw that the President of the European Commission was extremely reluctant to this idea, and that Europe, in that case, would not hesitate to take countermeasures to protect itself from an invasion of Chinese goods and products that would be directed towards Europe instead of the United States.

There is also another possibility, as China has already started doing, which is to reorient its exports towards the "Global South," thus to small countries or countries with relatively weak economies that may not be ready or capable of absorbing this avalanche of Chinese products flooding their markets.



I see three key elements to consider here. First, the imbalances in the Chinese economy, which, as I mentioned earlier, is seeing an overgrowth of its industry. And I'll stress this point: it's important to look at absolute figures, not relative ones, because the numbers are staggering. When we look at the industrial surpluses resulting from the way the Chinese economy is managed, including the fierce competition between localities, between provinces, which leads to overinvestment.

This imbalance poses a major problem for the global economy. For the United States, for Europe, and also for all the countries in the "Global South," and even for China. It is no longer possible to continue like this.

As for the European Union, it is impossible for it to absorb more Chinese products than it already does, without this creating even more of the phenomena we've been denouncing for years, which are the same as those in the United States — the displacement or disappearance of a number of our producers.

For many years, when it came to products we were no longer truly competitive in, we had abandoned the textile industry. We believed that if we concentrated on services and high-tech industries, we would continue to manage. But today, this is what's at stake. Yes, we might get some discounts on jeans or textiles in Europe, but our capacity for absorption and consumption is no longer as strong. Indeed, there are so many large textile groups producing in Europe.

But what is extremely dangerous is what we have seen in the solar industry, and what we are seeing now with electric vehicles, or even thermal vehicles. We must not forget that China is also a major producer of thermal vehicles. And Europe cannot afford this.

We cannot, where we are at the technological frontier, allow a flood of Chinese products to enter the European market, which would result in losing the only competitive advantage we have left in terms of industry. And we cannot disconnect industry from services because we realize that we have probably gone too far in outsourcing value chains. Today, there are many sectors where we have lost control. Hence the push for reindustrialization, the rearmament we are talking about, independent of military matters. The imbalances and dysfunctions that exist in the Chinese market also exist in Europe.

So politically, we understand why Mrs. von der Leyen says to China, "Yes, we are not happy with what is happening with the United States, but

still, make a tangible, serious gesture regarding the issues that have existed between our two geographic entities for a long time." I don't see how the European Union would suddenly open its arms to China just because it is in an uncomfortable position today with the United States.

We, too, as Europeans, are in a very uncomfortable position with respect to China, and until there are really tangible gestures — ones that will require a major change in how Beijing operates — I don't see how Europe could suddenly drop its guard and absorb Chinese products, especially those that are now entering our markets. It's impossible, or else we'd be committing suicide.

Yes, but when it comes to the "Global South", the less developed or least advanced countries...

These countries do not have an unlimited capacity to absorb Chinese products, which are reaching colossal amounts. These are countries that, like China in the 1980s, aspire to industrialize. Moreover, in what is called the "Global South," there are very large countries like India and Brazil, as well as smaller ones, and they too will not be able to absorb such volumes, and in fact, they have started to take measures to protect themselves from Chinese products. China has been trying for nearly 30 years to sign a free trade agreement with India, but Delhi refuses, especially Indian businesses, because such an agreement would be detrimental to the country's industrialization.

It is true that Trump is very erratic, taking measures that are quite irrational and constantly reversing his decisions, but it is also true that we have a real problem in our capacity to absorb an economy like China's. We managed it with Japan, South Korea, Taiwan, and a number of other countries, but with a country the size of China, which faces such dysfunctions, it is true that with our institutions today, which were created in the aftermath of World War II, we have a real problem. Even though we have made enormous mistakes ourselves, particularly in Europe with the outsourcing of our value chains, the fact remains that our institutions can no longer move forward. This is clear — everything is blocked at the WTO, and the Bretton Woods institutions have now become ineffective.

Can we therefore conclude that, in the end, the strategy of Trump and his advisers is a winning strategy, since China is, in a way, quite isolated?

"I'm not sure it's a winning strategy because, as I said, there is such interdependence in a number



of industries that these tariffs won't be able to be applied for long. Furthermore, we must not forget that the activity of American companies on Chinese soil is still very significant. This amounts to about 600 billion dollars in annual revenue, especially regarding supply chains, which are very important, and here, the retaliatory measures China could take could really hurt these companies. But China would suffer too. As I mentioned earlier regarding Cambodia, China needs Foxconn to produce the smartphones that are then shipped to the United States. And even though China only retains about 10% of the added value of the smartphones on its territory, given the volume it produces, it's huge. There are very important stakes for China as well.

I believe the two countries cannot remain in this situation for too long, or we will end up with a decoupling that will become significant if we continue on this path in the coming months. If decoupling occurs, governments will have to bear the cost in terms of consumer prices, inflation, and sometimes even the halting of certain things. We see it today with the rare earths issue, for example, we know very well that in two to three years, we could find new rare earth production plants all over the world, and that's certainly what will happen.

This is why China handles this issue with a lot of caution, because it knows that if it truly cuts its rare earth exports overnight, it will cause it a huge amount of problems. But if a breakdown in trust were to occur, it's possible that in two or three years, the United States, Europe, and Japan, these production centers, would seek supplies elsewhere than in China, and then China would be left with all its rare earths on its hands."

I think this is already the case, there are already discussions on this topic.

Absolutely. But in the short term, it could still lead to major problems for the production of certain products.

Isn't it the case that, ultimately, we are witnessing a questioning of globalization since China's entry into the WTO, with the hopes that were placed on it in 2001, which have ultimately turned out to be disappointing for most countries?

China's entry into the World Trade Organization mainly benefited China, allowing it to reach its current level, becoming the second-largest economic power in the world, or even the first, depending on the calculation methods.

Up to a certain level of outsourcing production, I believe Western countries were very much winners, in terms of prices... Well, it depends on who you're talking about. The average

consumer benefited. However, a number of companies had to shut down, with all the deindustrialization issues that it caused. This has been experienced differently by the various stakeholders, as we know.

And paradoxically, it was the deindustrialization experienced by certain regions of the United States that fueled, as we also know, an increasingly hard Republican vote on these issues, which in turn allowed populist rhetoric to take shape and translate into significant electoral effects in certain parts of the country. This is the paradox of globalization. It is also true that up to a certain level of relocation, there were still shared gains. Moreover, remember, there was at that time a recurring discourse, which was that the middle classes would emerge and develop in China, and then we would witness a political, democratic evolution of this country. It's a bit like the idea we had after the war with Japan, to counter the communist strikes of 1946-47.

We let Japan develop, as we did with Germany. In this case, it was about somehow connecting China to the democratic world. These were all the ideas from the late 1980s and 1990s with the end of the Cold War.

However, this did not happen as expected. In fact, it went in the opposite direction with nationalist discourses leading today to a loss of confidence in this expected evolution. There is also this important factor that today, after about twenty years, China, like Japan, South Korea, or Taiwan, has succeeded in digesting, assimilating foreign technologies, developing them, and pushing them almost to the technological frontier with a remarkable organizational capacity.

So today, China is a competitor, not just on civilian products but also on dual-use, military ones. This, of course, scares the Western world today, after the geopolitical dominance they, especially the Americans, have ensured in Asia. So, we can see that it is no longer just a trade war. It is quite striking to note that China has become a bipartisan issue in the United States since the end of President Obama's term. Both Republicans and Democrats agree that China is a competitor, even an enemy, on the strategic front. So we are no longer in a purely commercial framework, and for China, it's the same, with additional dimensions where the Chinese Communist Party feels attacked, where it has a regime, and particularly its main representative, who cannot appear weak in front of the United States, after building a nationalist and vengeful discourse.



There is also an entire narrative that has been constructed in the United States to bring China to its knees. All of this intertwines, making negotiations, in my opinion, extremely difficult and creating a very concerning deadlock from an economic and commercial standpoint."

Until now, we were talking about risk mitigation, about 'de-risking.' Have we not today taken an additional step where Trump is leading us into a logic of decoupling?

Or at least the beginning of a decoupling that will deepen with China, the world's second-largest economy?

And could we, if this trade war continues and intensifies, be heading towards a Cold War brought about precisely by this decoupling, when during Trump's first term, the term 'Cold War' was used, but those in power would respond negatively, arguing that there was interdependence between the two main economies, making such a scenario impossible?

I think I've already emphasized that this decoupling will be very tough, but at the same time, it is again very difficult to continue on the same path today. Whether it's America or others – the European Union is in the same situation as the United States regarding China – it is unthinkable that we would abandon our industries, or rather what's left of them, when we have resorted to very high technology or very complex products like automobiles or aerospace, and that Europe, the United States, or Japan would allow a total domination of China. As long as we were not facing direct competition, as long as it was about supply, where China was doing the production and assembly but leaving design and marketing to the Western countries, as with smartphones, it wasn't too much of a problem, the current system could absorb it.

But once China begins to take over the design and marketing segments of high value-added products, i.e., complex products, the entire globalization system begins to degrade because at that point, there is no longer a positive-sum game between the actors. Indeed, we are reaching a crucial stage in globalization, and while we were capable – though not without difficulty – of absorbing countries like Japan in the 1970s–80s, when there were very strong reactions but politically the archipelago was still under the protection of the American nuclear umbrella, leading to some things changing globally in the direction desired by the West.

Then Japan experienced a real estate bubble burst that weakened it. For China, this is not the

case at all; it's a different dimension. It has political and military independence, so we are in a radically different situation, which, in my view, makes it clear that we are at a major turning point compared to what we've known since the late 1970s–80s. We will certainly pay the cost for this, but it will take time. There is undoubtedly a breakdown in trust.

Yes, but at the same time, with these drastic measures announced by Trump – we will see what comes out of the negotiations that have already started with several countries – won't this lead to adjustments on both sides?

Yes, but then we need to look at which countries and the impact this might have. The initial goal of the U.S. administration, aiming for relocations and re-industrialization in the United States, is completely different. If the U.S. wants to rebuild an electronics sector, it will largely play out with China. As for textiles, the fact that Vietnam or Cambodia are negotiating with the U.S. won't change the problem for the United States. The impact will be relatively minor, as it will be difficult to relocate textile production to American soil.

We come back to my previous question. Whether it's a coincidence or not, it is clear that the tariff measures announced by Trump on April 2nd come at the same time as Chinese Prime Minister Li Qiang's assessment of his country's economy during the Two Sessions, which is not very promising.

China is facing difficulties that are quite significant, except for exports, which set all-time records last year with a surplus of about 1,000 billion U.S. dollars.

However, we observe that the fundamentals are still in bad shape, requiring stimulus measures that have been announced and appear to be quite ambitious in the current internal and external environment. Not to mention that these will also take time to be implemented and have a positive effect on the Chinese economy.

Absolutely, but it is also true that if we were to fully follow the logic of globalization, China would have to deindustrialize and start investing or sourcing massively from countries with lower incomes, possibly focusing on this practice as we did.

But as we can see, and I return to what I was saying earlier, we would enter into direct competition over a number of goods and services or the production of finished products. In a way, China would have to be ready to deindustrialize, which would indirectly lead it to



make the same major mistakes that we made in the United States or Europe.

As a result, China does not want to adopt this regime whose harmful effects we know well: the loss of certain trades and a number of productions. However, if we look at the current environment, we are dealing with a China that is trying to control its level of exposure, which it deems strategic, particularly in areas like food, high technology, and a number of other sectors.

We can clearly see that this is also a discourse of decoupling, which it maintains to ensure its security.

Therefore, it is understandable why, after its setbacks in real estate, the country's recovery has also focused on investments in industry to make it more self-reliant.

The problem is that it is difficult to disengage from China's addiction to real estate, infrastructure, and land, which have been a considerable engine for the development of the country's economy and also its industry. Indeed, today, massive social transfers to the Chinese population would need to be made, as well as a slowdown in industrial production and all the dependency on infrastructure and real estate.

And these are adjustments that are very long and very costly for China. Moreover, we do not know if it really wants to do this. Without painting too bleak a picture, we are facing a regime for which growth is still a major component of the political-economic compromise made with the population after the bloody events on Tian'anmen Square in 1989.

We don't know what this would politically mean in China if it suddenly had to settle for a European growth rate of around 1%. We always come back to that image of the elephant riding a bike, which maintains its balance as long as it pedals quickly. This social contract has allowed the population to become wealthier over nearly forty years, on the sole condition of not meddling in politics. What would happen if this social contract were to be broken?

That said, China is a large domestic market, a continental economy that has the ability to manage by itself. But it still remains heavily dependent on external markets for its outlets.

We still have the impression that China somehow anticipated the shock that was going to happen. I'm particularly thinking about 'Made in China 2025,' where it was about, and this has been reiterated by the Chinese Prime Minister, focusing on high technologies, artificial intelligence, quantum

computing—things that are technologically extremely advanced, and in which China has already made significant progress, even surpassing the United States or Europe in certain sectors.

We also saw that Xi Jinping slightly changed his doctrine towards the private sector.

He seems to be trying both to attract foreign companies by promising the implementation of a number of favorable measures for them, while at the same time giving more consideration to Chinese private companies that he had previously sidelined, such as Alibaba.

At the same time, it remains a very centralized economy with a president who decides everything, which handicaps all these measures that could be implemented but will inevitably be penalized by the hyper-centralized system defined by Xi Jinping.

Yes, we are at the intersection of several things. When we talk about the current and future evolution of the Chinese economy, we have long-term structural data, particularly demographics, that cannot be overlooked because its effects are extremely rapid and significant.

China has clearly entered an accelerated phase of population aging, with a much faster population decline than was initially expected. This is a major fact, as is the evolution of its labor productivity. China is no longer in the situation it was in during the 1990s. To simplify, back then, a farmer would be placed in a factory, and then productivity would explode. That is largely over, even though there are still some pockets of this phenomenon in certain provinces.

There are all these conjunctural elements. There are also, of course, the household goods and equipment markets slowing down, the fact that there are high-quality infrastructures that cannot be aggregated, like an inflation of airports or highway kilometers in a region where building more serves no purpose.

There is a sort of overcapacity. If we take, for example, the habitable area per person in China, it is now comparable to that of Europeans.

Of course, we could imagine it evolving further, like in Canada, the U.S., or Australia, but that would then raise colossal environmental issues. How would this translate for the Chinese population in terms of cubic meters of concrete and greenhouse gas emissions? China cannot afford that, but at the same time, we have gone from about 8 or 9 square meters of living space per person in China to around 35-40 square meters, which is the average in Europe.



So all of this, with the population decline, inevitably leads to a natural slowdown, we are at a plateau, or even experiencing a decline in all of these levers. There are therefore all these structural effects coming together, and then there is the way out of this, and here we realize that the maneuvering room for the Chinese economy is no longer what it was not long ago, with today's slower growth, much higher debt, and much more limited fiscal room than what official figures might indicate, since there is a whole series of deficits hidden in the accounts of provincial governments.

And this poses a huge problem for China in terms of stimulus, and at the same time, it has the urgent need to continue, or even accelerate, the construction of its social transfer systems, which will cost a lot of money. China must ensure that these public goods develop. It also has a very fragile financial system, and that's why it doesn't want to do what Thailand or other countries have done—open it too much, because it would lose control.

This system is very fragile, and the Party knows full well that systemic crisis ingredients could emerge. The Chinese government, which has been driving this industrialization since the late 1970s, wants to avoid the mistakes we made in terms of deindustrialization and continues to invest heavily to maintain industrial capacities on its soil. We would all be happy in Europe with 4 or 5% growth, but for China, this is something new, and we can well imagine that this growth regime could decrease even further.

In this scenario, how would China react?

We have a whole series of elements that show that, indeed, the maneuvering room for the Chinese economy has become weaker. So when we lay all this out and add the issue of tariffs and the fact that a number of companies, particularly small private companies in coastal areas that worked for export, will be severely impacted, it's something that won't be easy to manage. And we know that it's easier to manage when you have 8, 9, or 10% growth than when you only have 3 or 4%.

We remember the speeches made by Western economists in the 1990s, who claimed that if China's growth rate fell below 7%, the country and its political regime would collapse.

Indeed, we may have exaggerated this a bit, but there was still some truth to it. We saw in the 1990s that the financial problems from bad debts were almost resolved by themselves in just about a decade because China was experiencing a 10% growth rate, which

automatically devalued the debt by that much each year. It may be a bit of an exaggeration to put it that way, but it is still true. In practice, China didn't pay much attention to all the financial problems it had, and these issues gradually resolved themselves. Today, that's no longer possible.

As for China's private sector, it's true that it has been hit hard by the decisions to recentralize, the takeover by Xi Jinping. But today, even though there's a desire to reintegrate the private sector into the system, trust is no longer there. I'd say this is also the case for local officials. It's all the legacy of Deng Xiaoping that has been shattered.

This decentralization, which was Deng's trademark, created corruption problems, but it's also true that the anti-corruption campaign and the suppression of the private sector, as well as the recentralization of all local bureaucracies, mean that even today, if these actors are told to rejoin the game, they will continue to look in their rearview mirrors. They are very afraid of being caught off guard again. So no one is moving. In any case, the trust that existed in China in the 1980s, 1990s, or early 2000s is no longer there.



Jean-François Huchet

Jean-François HUCHET is the President of INALCO (Institut National des Langues et Civilisations Orientales) since April 2019 and a university professor at INALCO since 2011. He has also been Vice-President of France Universités since January 2025. He teaches at the Department of China, focusing on contemporary Chinese economics and development models in Asia. He led the ASIEs research team at INALCO from 2014 to 2017 and the GIS Asia - Asia Network (CNRS) from 2013 to 2017. A Doctor of Economics from the University of Rennes 1, he lived in Asia for nearly 16 years. He studied at Peking University between 1987 and 1991 to learn Chinese and conduct his doctoral research. He then held research positions at two French research centers abroad (IFRE), managed by the Ministry of Foreign Affairs and CNRS: from 1993 to 1997 at the Maison Franco-Japonaise in Tokyo and from 1997 to 2001 at the Centre d'Études Françaises sur la Chine Contemporaine (CEFC) in Hong Kong, where he became the director from 2006 to 2011. During this period, he also founded and directed the "East Asia" Service and Research Unit (USR n° 3331 of CNRS), which includes the CEFC in Hong Kong, the Maison Franco-Japonaise in Tokyo, and the journal Perspectives Chinoises (and its English edition China Perspectives). He is the author of numerous books and articles on economic development in China and the role of the state in Asia. His latest book on The Environmental Crisis in China was published by Sciences-Po Press in October 2016.



Analysis

The Impact of President Trump's Trade Policy on Asian Countries.

By Yves Carmona

This article is likely lacking some complementary elements, as Mr. Trump frequently changes his mind, and therefore his policies. Or perhaps, as many experts believe, he simply does not have a well-defined policy. The whole planet is buzzing with comments on the consequences of his actions, which are the subject of this article concerning Asia. But what policy? Never has one single man shaken the entire planet in such a way, a paradoxical success of globalization, of which he claims to be an opponent.

An American think tank explained on February 27, 2025, that the Secretary of State, who is well-acquainted with the ministry he leads, will face the challenge of diplomacy as determined by President Trump, with a half-dozen special envoys who control Marco Rubio. Will he be able to make a more reasonable voice heard? Apparently not, if we are astonished by what has happened since — and this article is written on April 17, 2025, a necessary detail because Donald Trump often does the opposite of what he just announced.

As everyone knows, on April 3, the head of the White House decided that U.S. tariffs on all imports would increase approximately tenfold according to Fitch Ratings, rising from 2.5% in 2024 to 22%.

The tariff rate is as high as it was in 1910, before World War I. The Japanese daily Mainichi Shinbun wrote the same day: "The successive increases in tariffs by the Trump administration have jeopardized the global free trade system. The situation risks turning into a 'trade war' in which the unilateral measures of the United States are countered by retaliatory tariffs, but a retrospective look at world history also shows that excessive protectionism not only leads to economic division. Tariffs and the bloc economy contributed to World War II."

Reflecting on the fact that the protectionism of the 1930s contributed to World War II, the GATT (General Agreement on Tariffs and Trade) indeed came into force in 1948 with the goal of liberalizing multilateral trade.

By creating a "dollar economic zone" with Latin American countries and effectively blocking imports from Europe and other countries, it

forcibly created an environment in which only rice-based products could be sold.

In the same vein, the Washington Post noted that this was a "sharp turn toward protectionism that the United States abandoned a century ago." In response, Trump updates all the crises that are happening together, even if he is not the cause: geopolitical and military, commercial, economic, institutional, moral, and ideological...

Indeed, the intentions of the American president may be commendable if it is about reindustrializing the United States, but what has been done since January 20, the day of his official inauguration as the president of the world's leading economy, goes against this objective.

Let's take the example of the policy pursued in Vietnam, as described in an interview by a former United Nations resident, now a retired economist: "The United States cannot make cheap Nike shoes, okay? The U.S. cannot make cheap T-shirts. The U.S. cannot assemble cheap iPhones.

These are the comparative advantages of Vietnam compared to the U.S.," highlighting the illogicality and unfairness of the tariff increase to 46% as well as the high-level loophole accepted to bring Vietnamese products back to zero tariffs on the U.S. market since Vietnam is classified as a non-market economy, a classification the U.S. capital itself accepted at the World Trade Organization (WTO), giving it the right to impose anti-dumping duties and anti-subsidy measures in case of a massive influx of Vietnamese goods on the U.S. market, which would inevitably happen if these goods entered duty-free.



However, he continues, "Vietnam cannot afford to buy expensive American products like liquefied natural gas (LNG). We also cannot imagine Hanoi, which historically sourced its arms from the USSR and then from Russia, purchasing a large number of American fighter jets. Furthermore, bringing agricultural products into the Vietnamese market duty-free would deny it the status of a developing country (LDC) and eliminate most small businesses."

The same reasoning applies to many other developing countries in Southeast Asia. Let's list them alphabetically: Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Thailand, and Timor-Leste. In South Asia, all are also in this category, with only Brunei, South Korea, Japan, Singapore, and Taiwan escaping, with India being an exceptional case. Indeed, despite the hopes of Prime Minister Narendra Modi, India is not spared by President Donald Trump, as it exports a lot but remains a developing country.

American threats come at a difficult time for India. The Indian economy strongly rebounded after the Covid-induced slump, but in the past year, there have been growing concerns about its ability to maintain growth due to both domestic and global headwinds.

As expert Amaia Sánchez-Cacicedo points out during the recent EU-India Trade and Technology Council (TTC), both the European Union and India have sought to make their strategic partnership more operational and adopt an integrated vision linking trade, critical technologies, and defense to encourage synergies between these crucial areas of cooperation.

This partnership has since gained importance for both parties, as they both seek to consolidate diversified partnerships in the face of an increasingly unpredictable world order. According to Indian Foreign Minister Subrahmanyam Jaishankar, during the 10th edition of the Raisina Dialogue in Delhi (March 17-19, 2025), the entire world is now at the heart of a "massive renegotiation" in the balance of power. This leads to the question: will the Indo-Pacific strategy, to which the U.S. has subscribed, endure?

Staying with less powerful countries, the approximately 75 that President Trump claims to have called to negotiate, the press has singled out one non-Asian country with a particularly striking case, Lesotho, which mainly exports diamonds — good luck to the United States in replacing that with domestic production, the report says with a hint of irony!

More dramatically, the former UN resident reminds us: "The last time there was such a trade war was 95 years ago, when the Smoot-Hawley Tariff Act of 1930 was passed by Herbert Hoover, the then President of the United States, which aggravated the Great Depression. And that led to a dramatic reduction in global trade. This will be very detrimental to Vietnam, whose economy is highly dependent on trade."

Re-industrializing the United States this way is also an "illusion" according to American economist Kyla Scanlon: the "Trumponomics" resemble less an effort to forge a different future and more a confusing, self-destructive program and a nostalgia for a bygone era — the 20th century — others refer to the 19th century, to which the mercantilist president often refers.

In a slightly less dramatic tone, the former governor of the Bank of Japan and the Asian Development Bank, Haruhiko Kuroda, believes that such a policy can only lead to inflation, retaliation, "stagflation," economic uncertainty, and a slowdown in investments, while the United States has paralyzed the WTO since 2019, and Trump has embarked on destroying the international multilateral system, which adds to the uncertainties.

But according to the Mainichi Shinbun, the U.S. president has succeeded in uniting Japan, whose government, through its leader and several ministers, tried in vain to obtain preferential treatment. Anticipating a decrease in purchasing power, opposition and majority parties are agreeing on a reduction in the consumption tax for food and essential products.

If we try to analyze a short-lived action — we know how, on the same day and in light of the collapse of stock markets and U.S. Treasury bonds, President Trump abruptly changed his economic policy — we will therefore only attempt to sift through the Asian countries affected by the American president's erratic economic and trade behavior, leaving aside the geopolitical aspects, which were extensively covered in the previous issue of « Nouveaux Regards sur l'Asie ».

The least uncertain approach is to attempt phenomenology. "France's politics are not made in the wastebasket," said President De Gaulle when there was still one; today, transactions never stop, and prices rise and fall at an ever-increasing speed. Seeing this, the American president had to change his policy for at least three reasons:



1. His friends, starting with Elon Musk, lost a lot of money, at least 44% of the fortune that made him the richest man in the world – protests around the world denounced one of his flagship companies, Tesla.
2. The average American, whom Donald Trump claimed to be the friend of during his election campaign, had often invested in stocks for his future retirement and social protection, of which the federal aspect is known to be insufficient or even nonexistent.
3. Capitalism, of which he also claimed to be the defender, does not like uncertainty; it needs stability to make increasingly costly investments profitable, as they are necessary for technical progress, whether in robots or artificial intelligence. However, these constant reversals erode trust.

This is especially what both American Nobel laureate Paul Krugman and economist François Meunier say at the French think tank La Grande Conversation. According to the latter, Mr. Trump is certainly skilled at navigating between the three trends that make up his majority – big entrepreneurs, techno-libertarians, and populists (MAGA). He is inspired by President McKinley (1843-1901), an advocate of mercantilism against China, which, since the early 2000s, has led to disillusionment in the U.S.: it has certainly strengthened by becoming the world's manufacturer, disrupting employment and the industrial fabric of most countries. Its capital allows for a payments balance surplus, but those who benefit are not those who lost their jobs due to outsourcing.

It is therefore easy to blame the consumption of Fentanyl, the trendy drug and American obsession. Yet, instead of rallying his allies, the American president, wounded in his pride, seems to be taking the opposite path, while, according to the same economists, the game – and the balance of power – is shifting: having the monopoly on electric batteries is for China a power asset almost as great as Wall Street's dominance over global finance.

Rather than increasing tariffs, the Trump administration could depreciate the dollar, even if it means twisting the arm of the Federal Reserve Bank (FED) governor who is trying to preserve his independence, or raise taxes to reduce the purchasing power of Americans – but it is clear that this would not be electorally profitable.

Faced with this lack of clarity, let us focus on the repercussions of Trump's policy on trade in Asia, sorting countries according to their level of

development and exposure to goods exports – because the American president does not mention services to the U.S., "punishing" countries by dividing their external trade in goods, if it is unbalanced, by their GDP.

Washington is also targeting strategically close countries, simply because their armies are closely tied to or dependent on it, such as South Korea and Japan. The Japanese capital hoped to escape the rise in tariffs and other vexing measures, such as the obstacles placed in the way of Nippon Steel, which wanted to buy US Steel, but – as is often the case – Washington imposes its law.

According to the Mainichi Shimbun, Trump managed to trigger a united front there. Anticipating a decline in purchasing power, opposition and majority parties are coming together to agree on a reduction in the consumption tax for food and essential products.

All of this is favorable to China, whose economy no longer experiences the growth rates of the past but claims to be ready for a trade war. It is already preparing to replace the United States with a decoupling that its leaders have long desired and to which American economic policy contributes. Increasingly, in addition to economic power, it controls high technologies. It seems to be turning toward Europe, as evidenced by its recent reception of Spanish Prime Minister Pedro Sánchez, but will actions follow? Recently, Beijing added the refusal to sell rare metals to its arsenal of confrontation.

Countries like Nepal, a weak neighbor, or those in Southeast Asia, are being pushed toward their Chinese neighbor because they have an interest in free trade and multilateralism, unlike the new American policy. Coincidentally, Xi Jinping has reserved a rare tour outside his borders for Vietnam, Malaysia, and Cambodia (on April 17, the date the Khmer Rouge entered Phnom Penh). The journal *The Diplomat* recalls that in the Trans-Pacific Partnership (CPTPP), Japan took the place left vacant by the U.S., and the interplay of relations among Asian actors makes the situation unpredictable.

As an exception to this article on tariffs, Laos stands as a particularly shocking example of the destruction caused by USAID. As rightly noted by RFI: "Fifty years after the Vietnam War, Laos continues to dig up American bombs. It is estimated that during the Vietnam War, to cut off the supply routes of communist guerrillas in the north of the country, American aviation dropped more than 2 million tons of explosives and chemical weapons over Laos. About 30% of



these devices did not explode. Every year, these bombs kill or mutilate. There have been 20,000 deaths since the end of the war, 46 last year, 40% of them children. Since 1993, the United States has invested more than 390 million dollars to clear the land, but about a quarter of the country remains contaminated by unexploded ordnance, particularly cluster bombs. It will take decades to overcome this."

The same goes for Vietnam, which was also

defoliated by Agent Orange, a toxic herbicide, the scars of which many still carry, if they haven't already died from it...

In Nepal, another weak country, some are questioning too much dependence on neighboring India and China, but also now the United States: a 500-million-dollar aid program was supposed to be concluded years ago, but what will happen now?



Yves Carmona

A former ENA student and diplomat, Yves CARMONA has spent most of his career in Asia: twice Foreign Affairs Counsellor in Japan, First Counsellor in Singapore and Ambassador to Laos and then Nepal (2012-2018). In these positions, as in those he held in Paris, he focused his attention, including as a student of Japanese, on the very rapid evolution of Asian countries and their relations with France and Europe. Now retired, he is committed to making his experience available to those to whom it may be useful.



Analysis

Social Sciences and Humanities in China Today: A Public Debate.

By Benoît Vermander

On February 25, Jin Li, president of Fudan University in Shanghai, publicly presented the large-scale reforms that his team would implement at the university, following a two-year preparatory phase. The announcement of certain chosen measures – reducing the number of students in humanities and social sciences (HSS) to 20% of the total enrollment, the corresponding reduction of courses in these disciplines, and the accelerated increase in AI training offerings – caused considerable uproar, well beyond the borders of the university in question.

In an interview on March 6 with Southern Weekly (南方周末) from Guangzhou, Jin Li clarified his

positions without retracting any of them. He stated that the university aimed to train students "capable of facing the uncertainty of the future." For Jin, reducing the number of students in the humanities and social sciences (currently about 35% at Fudan) by 20% is a social necessity: "How many humanities students are needed in today's era?" (当前时代需要多少文科本科生?)

Fudan is likely already at the forefront for courses offered with AI support: 116 in the first semester of 2025, and this is just the beginning. The planned reduction of the humanities sector is far from unique. Analyzing statistics from the Ministry of Education on university courses abolished in 2024 in Chinese universities, Southern Metropolis Daily (南方都市报) noted that the majority concerned liberal arts degrees, with some universities even eliminating their humanities faculties.

This is the result of a planned effort: in 2023, the Ministry of Education published a general reform plan focused on introducing new course offerings to "adapt to new technologies," which included the elimination of programs "incompatible with social and economic development."

Modernization and Interdisciplinarity

The position defended by Jin Li – a trained geneticist whose research has focused on modeling human migrations, particularly in East Asia – is, in substance, less caricatured than some of his blunt statements might suggest. Jin Li emphasizes the need to "integrate the humanities and social sciences (HSS) with the

hard sciences" to better address global challenges.

He specifically proposes the creation of interdisciplinary centers combining philosophy, sociology, and emerging technologies: a reevaluation of HSS through applied projects (e.g., urban studies related to sustainable development); increased funding for HSS research with a "measurable social impact."

He also wishes for a "competitive internationalization" model to contribute to these goals: recruiting foreign researchers to strengthen international publications in key programs; and well-quantified excellence criteria. Nonetheless, the instrumental aspect of the overall approach is reinforced by other announcements: the emphasized importance of "patriotic education" integrated into HSS, particularly to promote "socialist values" in curricula; and the development of research supporting public policies (e.g., modern governance, Chinese soft power).

A Broad Critical Debate

The intensity of the debate that followed surprised observers. The history of Fudan University partly explains the opposition to the program. Founded in 1905 by former Jesuit Ma Xiangbo, who sought to defend the original spirit of the Aurora University created two years earlier and, in his view, soon corrupted, Fudan is known for its humanist tradition, its commitment to liberal arts, and the excellence of its departments in Chinese, history, and philosophy. Between 2000 and 2015, during the peak of Chinese media flourishing, its journalism school was the best in China.

However, Fudan is a generalist university: its medical faculty operates fourteen hospitals; its departments of hard sciences (mathematics,



theoretical physics) are among the top in the country. It is in the technologies that it shows its weaknesses, although it has succeeded in remarkably developing certain sectors, particularly environmental technologies.

The university's motto can be translated, more or less literally, as: "Expand knowledge with a firm will; question ceaselessly and reflect carefully (博学而笃志, 切问而近思)," an ideal that is quintessentially Confucian and humanist. For several years, both internal and external voices have regretted, more or less openly, the erosion of this ideal. On social media, Jin Li's announcements sparked numerous reactions from netizens affiliated with the university or from other centers of excellence, generally critical (though often resigned in tone), some of these analyses being remarkably long and well-argued. The following paragraphs summarize many of these reactions, mostly those published on the social network Weixin.

The first major critique focuses on the gap between the program and the spirit of the institution. Several say that Fudan cannot become another Tsinghua University, and the proposed reform can only cause it to lose its traditional reputation without successfully acquiring a new one.

The second major critique, as expected, is that, as this reform reflects a national trend, the humanities and social sciences (HSS) risk becoming even more tools serving a political or economic agenda, to the detriment of academic freedom. The priority given to "socially useful" projects automatically marginalizes theoretical or critical research. These criticisms of the project were made because several of them found a politically acceptable angle. Thus, several participants denounce the "excessive Westernization" of the HSS implied by their social instrumentalization, a Westernization that further threatens the study of Chinese classics. In response, Jin Li defends a "creative synthesis" between cultural heritage and modern methods.

A related line of attack draws from what could be called "Marxist humanism." This perspective attempts to create a synthesis between some aspects of Jin's project and the defense of a certain tradition. One internet user argues as follows:

"The Marxist view of education emphasizes 'the comprehensive development of human beings' and holds that education should 'cultivate all human attributes of society.' In current educational practice, the humanities curriculum has become a mere ornament added to

technical training, and political education has remained a façade. This alienation has reduced education, which is supposed to shape the soul, to a conveyor belt of vocational training. The tragedy of Wan, a doctoral student in the Chinese Department at Fudan University, is precisely the cruel consequence of this alienation in education: when quantitative tests become the sword of Damocles hanging over teachers and students, questions about the meaning of existence and reflections on the value of life become a luxury. The dilemmas of deconstruction demand a return to the methodological nature of Marxism. (...)

In the Fudan University reform project, the construction of 'new humanities' should not be limited to a mere slimming down of traditional disciplines but should achieve a deep intersection of literature and science: the philosophy department can explore scientific and technological ethics with the artificial intelligence laboratory. The history school can collaborate with the Big Data Center on Digital Humanities, an interdisciplinary innovation that would preserve the heritage of the humanities while responding to the needs of the time. The restructuring of the humanities education ecosystem requires a systemic change at the institutional level.

I propose creating a 'general education credit bank for the humanities' that would require students in science and engineering to take basic humanities courses such as philosophy and art; establishing a 'cross-disciplinary fund for science, technology, and humanities' to support joint research on major topics in both the arts and sciences. (...) These institutional transformations can both break down disciplinary barriers and cultivate composite talents, transforming the traditional wisdom of 'cultivating oneself, governing one's country, and making the world a whole' into an intellectual resource that can contribute to solving the dilemmas of modernity. »

As we can see, the critiques voiced do not prevent a fundamental agreement on the project developed by Jin Li when looking beyond the catchy titles. In China, the fascination with Big Data and the rapid progress of AI (especially since the success of Deep Seek, celebrated by everyone as a national triumph) often outweighs other considerations, even among those who wish to defend a certain humanist tradition. However, specific resistances are strongly expressed. They concern the underfunding of the humanities and social sciences (HSS) and the blatant risk of standardizing research (a standardization that is already largely apparent). Researchers also



fear the loss of the specificities of Chinese HSS in favor of globalized norms. The potential merger of historical departments (such as that of philosophy and political science) also raises concerns and strong criticisms.

Perspective

Jin Li's project is not without merit, and his ambition to develop what he calls "hybrid sciences"—disciplines that combine humanities and social sciences (HSS), technologies, and hard sciences, particularly through the use of Big Data and AI—cannot simply be ignored. However, its weaknesses are also evident: critical thinking is already scarcely developed within Chinese universities.

Education in sensitivity and the exercise of imagination is nearly nonexistent. "Historical foundations" (for philosophy, the careful study of classics, both Chinese and Western) are increasingly neglected in favor of often fleeting trends.

In fact, the social sciences in China have already entered a crisis, while their development between 1980 and 2010 was remarkable. Of course, purely political constraints play a role.

But it is not just that; the quantitative has taken precedence over the qualitative, and young researchers thus ignore what it means to "lose time" with their subjects to understand them and enter their world.

Very few sociologists and anthropologists are truly trained. As a result, our knowledge of "real" Chinese society, its sensitivities, its dynamics, its lived experiences, is now minimal. The power itself "knows" much more than it "understands."

The reforms, of course, will "pass," and Fudan's goals are and will be those of all Chinese universities. However, a risk of polarization still exists, and the implementation of the program will necessarily suffer.

Above all, the contradictions between a technocratic vision of education and the humanist mission of HSS will be further exacerbated. In any case, we must acknowledge a significant merit in the project launched by Jin Li: it has sparked a debate on the mission and nature of the humanities and social sciences that has not reached the public arena in a long time.



Benoît Vermander

*Benoît VERMANDER, a Jesuit, is Professor in the Faculty of Philosophy at Fudan University in Shanghai, where he teaches the anthropology of religion and Chinese classics in comparative perspective. His publications in French include *Que cette demeure est donc précaire*; *De Chine, penser en pandémie* (Reussis, 2020); *L'Homme et le grain* (Les Belles Lettres, 2021, in collaboration with Alain Bonjean); *Comment lire les classiques chinois* (Les Belles Lettres, 2022).*



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Chairman

Nicolas Macquin

Managing Director

Thomas Mulhaupt

Editorial Director

Jean-Raphaël Peytregnet

Edition

Agathe Gravière



15 rue de la Bûcherie
75005 Paris
France

contact@fondationfranceasie.org
www.fondationfranceasie.org

Become a contributor, please contact :

jean-raphael.peytregnet@fondationfranceasie.org

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This English translation was made with the assistance of ChatGPT.

ISSN 3077-0556



