

## **From Tariffs to Diplomatic Tension: The Impact of Trade Restriction Measures on U.S.–China Bilateral Political Relations, 2015–2025**

**Ebimnamaonye, Herbert Chukwudi**  
Rivers State University

**Abstract:** This study examined from tariffs to diplomatic tension: the impact of trade restriction measures on U.S.–China bilateral political relations, 2015-2025. The problem of the study was that U.S.–China tariff escalation, despite the initial claim of an economic adjustment tool, increasingly created diplomatic tension, eroded trust, realigned global trade relations and failed to address fundamental systemic disputes over intellectual property, market access, technological competition and strategic competition. The study sought to understand the impact of tariff escalation on diplomacy, the effects of trade restrictions on global diplomatic alliances, and whether tariffs solved or exacerbated structural issues between the two powers. The study used a qualitative method. Secondary sources of data included textbooks, journal articles, government publications, newspapers, policy documents and international media. These were analysed using content analysis. The research was guided by Bargaining Theory of War, also known as James Fearon's theory, which explained how bargaining failure, lack of trust, lack of information and miscalculation could turn bargaining tools into war-making tools. The study found that the U.S. and China's tariffs escalated trade relations into diplomatic conflict. Tariffs escalated retaliation, eroded trust in negotiation, bred mistrust between the U.S. and China, and prompted states in the international system to realign their diplomatic and economic relations. The study also revealed that tariffs did not significantly address systemic challenges; they exacerbated competition by intertwining trade, technology, national security and geopolitical influence. The study found that tariffs were not economic policies but diplomatic tools that transformed bilateral U.S.-China relations and contributed to global diplomatic repositioning. The study urged continued multilateral engagement, global trade co-operation and prudent tariffs.

**Keywords:** Tariffs; Trade restrictions; U.S.–China relations; diplomatic tension; bilateral politics.

### **Introduction**

Trade restrictions like tariffs and quotas are government policies that regulate the movement of goods and services across international borders. They may be used to support domestic industries against foreign competition, or as retaliatory measures for unfair trade practices. In the case of the U.S.–China trade war, which commenced in earnest in 2018, both countries levied tariffs on each other's imports to address an imbalance in trade and concerns over trade practices, such as intellectual property infringement and market access. These tariffs have increased in recent years, with President Donald Trump raising tariffs on Chinese imports and China responding with retaliatory tariffs [1]. This tariff increase was not just an economic but also a political move to put pressure on the other government to change its policies. Yun [2] suggests that these tariffs were intended to address the U.S. trade imbalance with China but have resulted in global trade and supply chain disruption.

Diplomatic tensions and bilateral political relations are the diplomatic exchanges and interactions between two countries in matters like trade, security and international cooperation. Diplomatic tensions occur when these relations are embittered by conflict, dispute, or differences in interests. For the U.S. and China, the trade war heightened the diplomatic tensions. The tariffs were accompanied by a more general ideological and geopolitical competition, both seeking to establish dominance in the global economy. The U.S. justified the tariffs as a response to China's economic policies, while China considered the tariffs as unfair and unwarranted economic adversity [3]. This led to strained diplomatic relations, with economic tensions dominating multilateral discussions on global issues like climate change and security [4].

The ongoing U.S.–China trade tariff dispute from 2020 to 2025 is not just bilateral but it has wider economic and geopolitical implications. The functioning of trade relations with other major trading partners, such as the European Union and Japan, have been renegotiated to reduce the risks associated with the U.S.–China relationship [5]. Additionally, there has been an interest in economic decoupling—the movement away from economic interdependence with foreign nations—particularly in technology industries where the U.S. has closed off access to Chinese firms such as Huawei. Such actions have significant impacts on global markets, trade, and geopolitical relations. According to Vyas et al. [6], these trade disputes have been impactful not just in terms of tariffs, but in a long-term, structurally reconfigured international trade system, as U.S. and Chinese firms would look for new markets and technological innovations. Therefore, the U.S.–China tariff escalation has ushered in a new era of trade wars, which have affected the economic prospects of these countries and international diplomatic relations as well.

### **Problem Statement**

The escalation of U.S.-China tariffs has been subject to considerable scrutiny in recent years as both countries have increasingly used tariffs as a bargaining strategy. While prior research has focused on the economic impacts of these tariff actions, there is less clear work on their long-term effects on U.S.-China diplomacy. Scholars have relied primarily on the impacts of the restrictions on trade and global value chains, but typically ignore the major patterns of political relations that are also being revised. This is short-sighted for two reasons: (1) the upward spiral of tariffs not only impacts the economic relationships but also their political differences; and (2) understanding the impact of tariffs on China's diplomatic relations is crucial for maintaining regional and global stability. For example, Yun [2] suggests that trade wars elevate economic, political and ideological rivalries, adding a new dimension to the global system. These insights point to a need for broader understanding of how tariffs are affecting diplomatic engagements between the two superpowers.

Furthermore, although economic theory predicts that trade disputes can result in realignment of international alliances and changes in international policies and relations, it is not clear how the emerging diplomatic tensions might be affecting the geopolitical landscape. Some analysts have noted that tariffs, while often used as a form of economic blackmail, also function as a signal of power, and a demonstration of dominance in a new multipolar order [6]. Will this tactic of economic diplomacy hold in the long run? Will the application of tariffs in fact address underlying complex problems in the bilateral U.S.-China relationship, or simply provide a tactical political victory? Given these questions, the full implications of tariff escalation in terms of deteriorating bilateral relations are not well understood in the existing literature. This gap in knowledge raises questions about the effectiveness of trade bans in contributing to genuine diplomatic solutions, and the need for more research to understand their political implications.

Further, the literature often underestimates the uncertain and spillover effects of tariff measures. Although many discussions focus on the economic consequences, the diplomatic implications (trust and multilateralism) are rarely discussed [7]. What if U.S-China diplomatic trust is lost forever? What will the international community's response be to the U.S. and China's hostile

relationship? As the two powers continue to lock horns over trade, such questions beckon. As such, it is within this context that this research was conducted in the from tariffs to diplomatic tension: assessing the effects of trade restriction on U.S.–China bilateral political relations, 2015-2025. Based on the above, the following research questions were stated to guide the study:

- 1) How have U.S.-China tariff escalations influenced the diplomatic relations between the two countries from 2015 to 2025?
- 2) What are the long-term political implications of trade restrictions on global diplomatic alignments, particularly in the context of the U.S.-China rivalry?
- 3) How do trade restrictions, such as tariffs, serve as effective tools for resolving deeper systemic issues in U.S.-China relations, or do they exacerbate diplomatic tensions?

## **Conceptual Review**

### **Tariffs**

Tariffs, considered a critical tool in trade policy, have been used by countries to adjustment trade relationships. A tariff is essentially a duty or tax levied on imports to drive up the price of imports and affect demand. As Puślecki [8] explains, tariffs are an instrument of protectionism, enabling governments to safeguard domestic industries against foreign competition and raise the price of imports. They can be levied as either a specific tariff (a fixed amount of tax per unit of the good) or an ad valorem tariff (a percentage of the value of the good). The aim is usually to limit imports, thus helping local industries. On the other hand, according to the United Nations Conference on Trade and Development (UNCTAD) [9], tariffs are a tool to regulate the flow of trade by increasing the cost of imported products, thus impacting demand. The UNCTAD notes that such tariffs are often used to correct trade deficits, or as a bargaining tool in trade agreements. Hence, economically, tariffs play an indispensable role in meeting national policy objectives, such as promoting local employment or promoting domestic manufacturing [10].

A deeper analysis of tariffs by a number of authors suggests multiple viewpoints on the implications of tariffs. Understanding tariffs with respect to specific global issues such as human rights care and environmental concern, Yoganandham [1] highlights that tariffs can be used to send political signals to other nations. He notes that tariffs are not always imposed for economic reasons, but as an indicator of a country's political will. This is backed by the argument of Minor et al. [11] that while tariffs might be thought of as economic tools, they are more closely tied to a nation's geopolitical policy. Through the application of tariffs, nations are not only aiming to safeguard domestic industries but are also trying to influence their trading partners. This characteristic of tariffs highlights their multifunctional nature, both as trade policy and geopolitical strategy tool. Conway [12] provides a different perspective, proposing that the unintentional impacts of tariffs go beyond trade deficits, such as destabilising global supply chains, and introducing uncertainty in world markets.

These definitions highlight the complexity of tariffs, but there is a need for research into the full socio-political implications of imposing tariffs on international relations and economic partnerships. While the economic consequences are well-understood, the effects of these tariffs on geopolitical relations, especially in protracted disputes such as the U.S.-China trade war, are less well understood. In my view, tariffs are not just duties on imports; they are also a manifestation of national economic and political policies, and used to deride international trade for domestic gains. They serve as an economic protection mechanism and a tool for political control and geo-political considerations.

### **Diplomatic Tension**

Diplomatic tensions are a condition of disagreement or confrontation between two or more nations or political powers that impacts their inter-governmental relations (sometimes hampering negotiations and collaborations). Such tensions can be over issues such as territorial integrity, conflicting interests, ideological differences, or breaches of international law [13]. For example, in the case of the U.S.-China relations, geopolitical, economic, and trade issues are often grounds for such tensions, and governments may engage in "punitive measures" such as tariffs, sanctions, or isolation [14]. Not only bilateral relations, diplomatic tensions might create international consequences, affecting global organisations, multinational accords and world security [15]. As Fhallúin [16] explains, such tensions can take the form of communication breakdown or refusal to co-operate or open diplomatic channels, and may have far-reaching consequences down the line.

In their study, Arslan [15] notes that diplomatic tension can also be indicative of underlying structural issues with the global political system, particularly in regions where power dynamics are shifting and/or competing. The emergence of new geopolitical actors and the waning influence of established powers can amplify diplomatic tensions, as nations strive to exert their power. In this regard, in Southeast Asia, increasing tensions in the South China Sea dispute and overlapping claims of China, Vietnam, and the Philippines are further amplified by significant powers, such as the U.S. and Japan, which play an active, diplomatic and/or military role. These diplomatic tensions are likely, as Mungai & Onyango [17] explain, to result in a diplomatic game of war of words and actions aimed at either amending or fuelling the conflict on the basis of national interests. Likewise, Zogu [18] notes that in the Western Balkans, diplomatic tensions are often brought about by conflicting foreign policies of major powers such as Russia and the European Union, which effectively impact the region's stability. This may result in a context of uncertainty, making policy coordination and international negotiation more challenging.

Despite the prevalence of work on diplomatic tensions, definitions of diplomatic tensions can often overlook traditional diplomatic tactics and responses while failing to address the role of emerging forms of diplomacy, such as cyber-diplomacy and digital communications, which have grown increasingly important in recent times. How do these new methods of diplomacy impact existing tension management? Do these forms of interactions enhance or reduce tensions? These challenges require a more sophisticated understanding that factors in modern tools of diplomacy in the digital age.

Thus, in this study, diplomatic tension is the hostility or dispute between nations or political actors resulting from political, economic or social policy differences, typically marked by a lack of communication or trust, and competitive and antagonistic actions. Such tensions have historically been managed through diplomatic engagements and negotiations, but can also play out via digital channels and cyber tactics, impacting the traditional remit of diplomacy.

### **Trade Restriction**

Trade restrictions are conscious actions by governments to restrict or regulate trade relations for the purpose of safeguarding domestic industries, regulating economy, or for political reasons. Such restrictions can include tariffs, quotas, subsidies, and non-tariff barriers. The United Nations Conference on Trade and Development (UNCTAD) [9] notes that trade restrictions are often used to correct trade deficits, protect national security, or to react to unfair trading arrangements with other nations. Restrictions can be employed to shield domestic producers from international competition, promote local industries, and even as a political tool. The application of tariffs is a common form of trade restriction, as it raises the price of the product, and makes it more expensive for the consumer [8]. In the era of globalisation, these restrictions have taken a new dimension as nations engage in more protectionist policies in order to safeguard their economic interests and maintain their competitive edge [19].

In addition, trade barriers are perceived as a mechanism for governments to reclaim sovereignty over their domestic economies as and if their interests are being threatened. As noted by Rashid [10], trade restrictions impact not only trade but also international relations and global supply chains. Trade restrictions, although they can be considered a short-term solution to stabilise a given industry, often create indirect effects, such as retaliation and a breakdown of trade relations [20]. The World Trade Organization (WTO) has traditionally also sought to minimise trade barriers but in recent years trade liberalisation objectives have been complicated by nationalist and regionalist attitudes [21]. These trade measures are especially pertinent in times of global issues such as the COVID-19 pandemic and geopolitical tensions. And despite the efforts of international organisations to liberalise trade, the strategic deployment of restrictions remains a cornerstone of today's policy frameworks. The nature of trade restrictions can be more complex than the usual definitions. How can trade restrictions in the information sector and data localization rules affect international trade in a digital era? Such questions underline the new aspects of trade restrictions that go beyond tariffs and quotas, and include new types of barriers that may not always be incorporated in trade data. My approach to trade restrictions would be that they are defined as limitations, controls and regulations on international trade by governments. Such measures are introduced for economic, political or security reasons and are not limited to tariffs and quotas but extend to new forms of economic measures and sanctions such as digital trade restrictions that impact the movement of goods, services and information.

### **Bilateral Political Relations**

Bilateral political relations are the interactions and deals struck between two nations that shape their diplomatic, economic and social relations. Such relations can be influenced by a range of factors, such as economic, geopolitical, historical and cultural factors. Arslan [15] argued that bilateral political relations play a vital role in shaping international interactions, as they are fundamental for diplomatic talks, economic agreements, and military partnerships. They can change with changes in political leadership, international principles, and external events like war or international recession. Zogu [18] noted bilateral political relations not only shape interactions between the parties involved but also influence regional and global security and power dynamics. In modern international affairs, these relations often include intricate negotiations and can be indicative of power struggles, with smaller countries negotiating with larger powers for bilateral interactions.

Building on this idea, Strat and Narain [13] emphasise the need to consider bilateral relations in terms of security and economic cooperation, arguing that bilateral political relations are often the foundation of international diplomacy. They suggest that bilateral political relations are not only limited to interactions between official governments, but also include civil society interactions, such as cultural exchanges and foreign development assistance. Filatov [22] defines bilateral political relations as an expression of mutual interests that set the foreign policies of different states, which are often responsive to specific international, but also domestic circumstances. For example, in the case of China and Russia, the bilateral political relations between the two countries have been characterised by a strategic alliance in the areas of trade and security, enhancing their roles in the face-off with Western powers [14]. These alliances show that bilateral relations are fluid and often need to be adjusted as states pursue their strategic interests in international relations.

Nevertheless, while the existing literature has primarily focused on inter-state relations in traditional political settings, there is now a need to better understand the role of current issues such as cyber diplomacy, environmental diplomacy and multi-lateral relations in influencing bilateral relations. How do global issues such as climate change and cyber threats reshape the traditional contexts of bilateral political relations? Also, what are the roles of cyber diplomacy and social media in shaping bilateral political relations in the 21st century?

Thus, bilateral political relations can be understood as the complex state-to-state engagements shaped by a blend of historical, economic, political and security factors and which change as states respond to various domestic and international challenges. These interactions involve not just intergovernmental exchanges but also the social, cultural and technological factors that influence the interactions of two countries in the global environment.

### **Theoretical Framework**

This study is based on the Bargaining Theory of War formulated by James Fearon in 1995. This theory suggests that war, including trade war, emerges as a result of lack of information, communication or bargaining. According to Fearon's theory, when two bargainers cannot resolve a conflict they will engage in battle, which may translate into a trade war. In this instance, the bargaining theory is applied to the U.S.-China trade conflict, where both nations imposed tariffs and other trade restrictions to win the trade battle. In the case of the U.S.-China trade war, the Bargaining Theory of the trade war is evident, with both countries trying to establish a bargaining advantage and favourable conditions in global trade [23]. The tariffs and restrictions not only escalated the economic competition between the United States and China but also fuelled political tensions, highlighting the importance of Fearon's theory in understanding the deterioration of U.S.-China relations at this time.

This theory is based on the assumption that both the U.S. and China are rational actors, seeking to secure better outcomes in the international environment. But as the trade war intensified, so did diplomatic tensions, and both sides started to misinterpret each other's actions, which resulted in distrust and continuation of retaliatory actions. This information and bargaining shortfall, as Wu [24] explains, set off the escalation in the U.S.-China relations. Fearon's model applies well to the research as it explains how the impositions of tariffs, intended as bargaining strategies, had developed into a diplomatic dispute. In the U.S.-China trade war, the Bargaining Theory accounts for a failure in communicating and negotiating differences, leading to the ongoing economic and diplomatic standoff. This model is essential to understanding the nature of the trade war in which both sides, despite the costs, continued to escalate the diplomatic dispute, and each believed they were in a better position than the other.

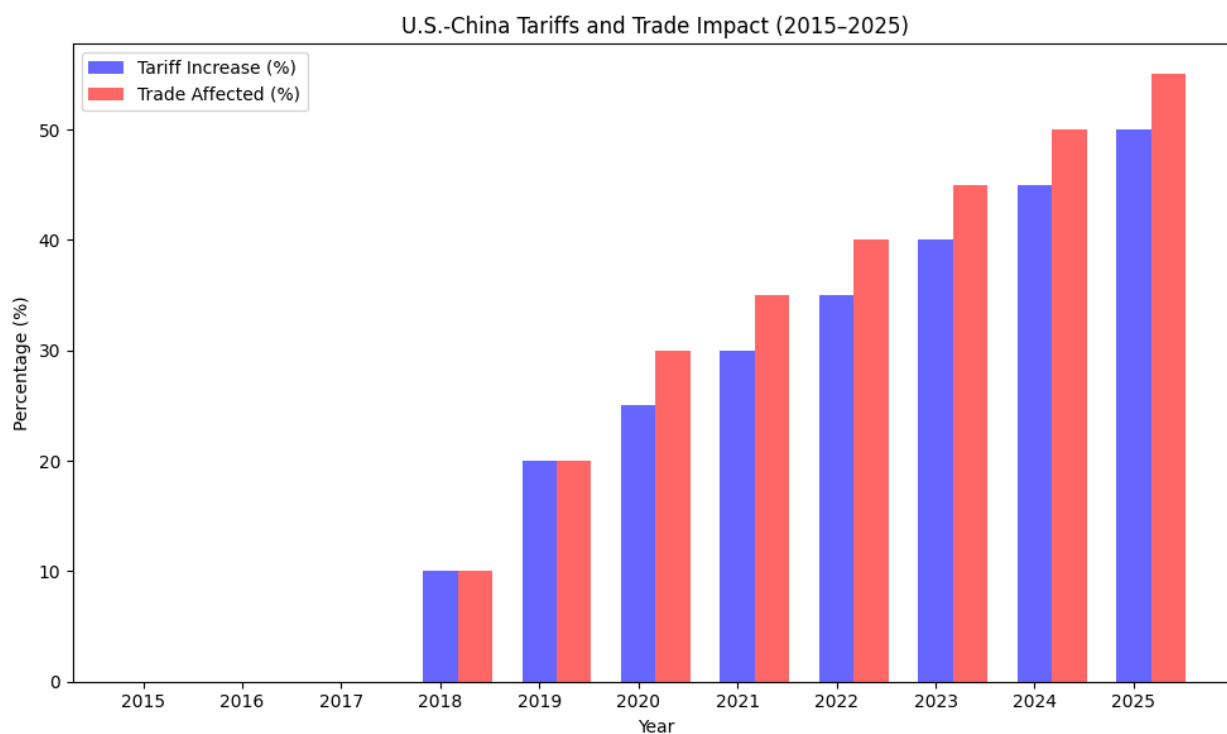
### **Method and Materials**

The choice of a qualitative research design as in this paper is adequate to engage the intricacies and interconnectedness between variables of trade barriers (such as tariffs) and U.S.–China bilateral political relations. The use of secondary sources, including textbooks, journal articles, government reports and global media sources offers a holistic view of the context, development and consequences of these factors. This allows for a rich and detailed understanding of complex, non-measurable factors of the trade war and diplomatic context, thus enabling a comprehensive analysis of the political, economic and diplomatic relationships between the U.S. and China.

### **Results and Discussion**

#### **How have U.S.-China tariff escalations influenced the diplomatic relations between the two countries from 2015 to 2025?**

The escalation of the U.S-China trade dispute following tariffs from 2015-2025 has had significant implications for their bilateral diplomacy. The tariffs, originally imposed due to economic issues including trade imbalances and non-tariff barriers, grew to become a geopolitical competition. Increasing tariffs led to escalated tensions, impacting both trade and political strategies. This resulted in a transition from collaborative to competitive diplomacy between the two countries, affecting their global status.



**Figure 1. U.S-China tariffs and trade impact**

Source: Compiled from: Wu (2024); Alazwari (2025); Mahakwe and Opuene (2025),

This bar chart shows the U.S. trade policy imposing increasing tariffs on Chinese goods between 2015 to 2025, as well as the percentage of trade affected. Between 2015 and 2017, there were no significant tariffs imposed, with increases of both 0%. The tariffs began in 2018, mainly for consumer products like clothes, and toys, with a 10% tariff and 10% of trade impacted. The tariffs continued to rise over the years, and reached a maximum of 50% in 2025, with trade affected rising to 55%. The escalation in tariffs over the years has targeted mainly technology, machinery, chemicals and electronics. This demonstrates the use of tariffs as coercive tools in the United States and China's trade relations which resulted in the deterioration of U.S-China trade relations, compounded by retaliation from China, which in turn affected global trade relations and diplomatic relations.

Trade and diplomacy: economic coercion and strategic signalling, 2015-2025 Until 2018, trade disputes involved negotiations, complaints and constrained economic diplomacy; but tariff policies for the war transformed it into diplomatic proxies. Bown [25] suggested that the 2018 U.S.–China tariff war was a dramatic shift from previous trade disputes because it saw transition from targeted protection by the United States to blanket unilateral pressure on China's industrial policies. This caused official conversations on both sides to become more antagonistic, with each side viewing the other's tariffs as a display of determination, angst, and national resolve. Zeng, Wells, Gu, and Wilkins [26] noted that diplomatic hostilities and trade became symbiotic, as political rancour limited trade, in turn perpetuating hostility. In this sense, tariff escalation constricted the diplomatic "room for manoeuvre," as every U.S. action invited China to retaliate, and every China action invited Americans to appear weak for backing down. The Chinese increasingly accused the U.S. of containing them by correcting trade, while the U.S. increasingly accused China of out-growing the U.S. economy. In short, tariff escalation affected diplomacy by transposing specific trade disputes into a contest over trust, fairness, autonomy, and power. It also elevated domestic opinion to diplomatic prominence, as each side could not show weakness at home and in diplomacy.

Reciprocation, bargaining breakdown, and trust erosion: The most obvious impact of tariff escalation for diplomacy was the erosion of trust between China and the U.S. In theory, tariffs could have been used as bargaining levers to bring about policy concessions; in reality, they brought retaliation, defensive nationalism, and diplomatic intransigence. Wu [24] analyses U.S.–China economic competition from a bargaining lens, arguing that the escalation of trade and technology disputes was due to disagreement over acceptable balancing points in bargaining over future gains, market share, and strategic ties. This bargaining process was evidenced by a continuing cycle of U.S. tariffs, Chinese retaliatory tariffs, and American cajoling. Fajgelbaum, Goldberg, Kennedy, and Khandelwal [27] demonstrated that the Trump administration's trade war had real economic impacts, but the strategic bargaining continued because domestic political considerations and international signalling meant that tariffs were valuable. Diplomatically, this incentivised leaders to take a hardline approach. The January 2020 Phase One Accord temporarily de-escalated tensions, but it did not reconstruct trust; instead, it resulted in a transactional "break" but failed to address fundamental differences on subsidies, industry policy, intellectual property, and technological leadership. So between 2020 and 2025, diplomacy between the United States and China was more crisis management than confidence-building. High-level exchanges took place, ambassadors were in regular contact, and negotiations continued, but the logic of economic interdependence as a relationship-smoothing force had broken down. Higher tariffs thus undermined the trust dimension of bilateral relations by creating the perception that the other side bore hostile intent towards one's economic policies.

Rules-based diplomacy subdued and institutional tensions deepened: Tariff escalation also affected U.S.–China diplomatic relations through the influence of rules-based diplomacy on conflict management. Prior to the tariff escalation, disputes over trade issues were resolved through the World Trade Organization, bilateral forums, or sector-specific dialogues, which enabled dissent to co-exist with diplomatic process. The fragile U.S.–China trade relationship challenged the WTO rules-based system, concluded Shaffer [28], because it involved economic, security, and normative contests that existing WTO rules inadequately handled. As tariffs grew, the United States and China were more likely to describe responses in terms of self-defence, rather than procedural negotiation. Caliendo and Parro [29] observed that experience with U.S.–China trade relations reminds policymakers that the world cannot rely on increased economic integration to guide political action when domestic distributional and geopolitical issues become more intense. In terms of diplomacy, this meant that as tariffs expanded, they did not just disrupt trade; they disrupted the mechanisms through which the two governments had tried to manage their differences. The deployment of tariffs to address perceptions of national-security risk, unfair-trade, and retaliation muddied the line between legitimate commerce and geopolitical aggression. Increasingly, China doubted whether the U.S. would abide by multilateral rules, and the U.S. doubted the institutions could rein in China's state-capitalist economy. This created a frail diplomatic environment in which rules were evoked but not enforced. Rather than arbitrators, institutions were found in the debate.

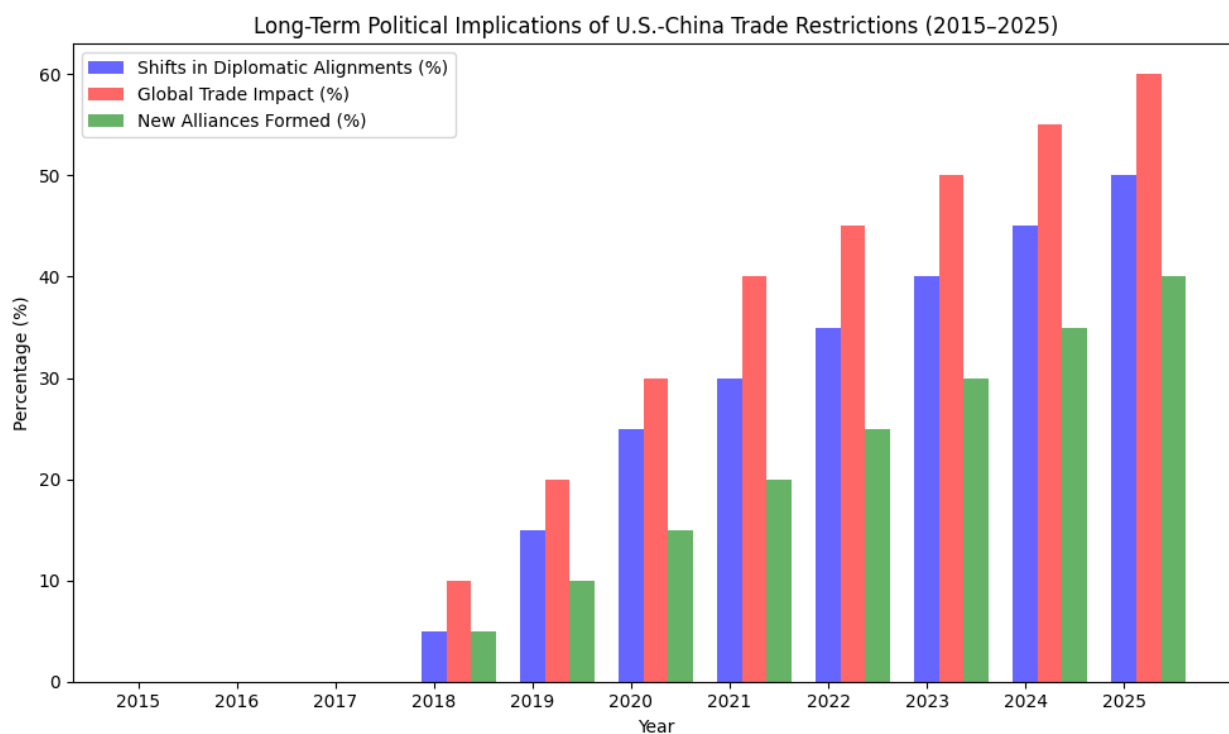
Technology, security, and escalation of conflict: Tariff escalation also impacted diplomatic relations by broadening the conflict from merchandise trade to technology, investment screening, supply chains, and security. While the original tariff measures were ostensibly in response to trade deficits, concerns about intellectual property, and unfair industrial practices, it becomes inextricably linked to perceptions of technology competition and strategic dependency. Kim [30] stated that the real motivation of the trade war was not simply bilateral trade imbalance but the Sino-American rivalry for global dominance, as China's industrial upgrading undermined the U.S. Likewise, Wu [24] argued that the trade war was different from the technology war, but his analysis demonstrates that both wars stemmed from similar concerns about bargaining power and economic domination. Drawing a line between the two also altered the dynamics of U.S.–China diplomacy. Tariffs avoided making interdependence look precarious while restrictions on tech firms,

semiconductors, and critical supply chains also made bargaining look like security. Thus matters that were once the special preserve of commerce ministries became the business of national-security ministries, congressional committees, and intelligence. This process constricted the scope for negotiations because trade agreements could be seen as security risks. Thus, by 2020–2025, bilateral diplomacy was marked by the rhetoric of resilience, decoupling, de-risking, and economic competition. Tariff escalation contributed to the mainstreaming of the idea that economic interdependence with the other partner could be weaponised, so the bilateral negotiations became more transactional and defensive.

Managed competition and redefined bilateral engagement: From 2015 to 2025, tariff escalation did not entirely wreck U.S.–China diplomacy, but it shifted it from engagement-focused engagement to managed competition. The U.S. and China still talked, traded, and negotiated, but in a more transactional, defensive, and crisis-prone manner. Zeng et al. [26] showed the tensions impacted trade relations, as "political hostility and trade move in the same direction." This helps us understand why tariff escalation impacted the embassy, summits, strategic dialogues, and public diplomacy: economic measures created political meaning that affected the broader sentiment of relations. Shaffer [28] called for the future management of U.S.–China trade relations to include pragmatic agreements that facilitate continued trade in the context of two different systems. This is important because tariff escalation demonstrated that previous claims about the convergence between China and the U.S. were no longer convincing. This is because for the U.S., tariffs became part of a wider strategic arsenal of bargaining, domestic reassurance, and re-posturing. For China, retaliation provided means of defiance, sovereignty maintenance, and status preservation. This led not to clean breaks and breaches but negotiations without trust. Tariffs were more than circumstantial factors of change: they sped up bilateral suspicions, offered tangible proof of competition, and turned diplomacy into attendance fees. Thus, U.S.–China diplomatic ties between 2015 and 2025 were shaped by tariffs in the translation of economic disputes into strategic mistrust and reframing of bilateral relations in terms of strategic rivalry rather than interdependence.

### **What are the long-term political implications of trade restrictions on global diplomatic alignments, particularly in the context of the U.S.-China rivalry?**

The long-term political effects of trade restrictions, especially in the larger context of the U.S.-China competition, have had a profound impact on international diplomatic relations in the last decade. The period between 2015 and 2025, during which both powers ramped up tariffs and trade restrictions, marked a geopolitical realignment as nations were compelled to adjust to the economic and political implications of the restrictions imposed by these two global powers. These trade barriers, which started with a focus on trade deficits and perceived market distortions, have now become part of a broader geopolitical competition for power and control. In response to the U.S. and China asserting their influence, nations had to recalibrate their relationships - either more closely with one of the superpowers or in new diplomatic partnerships. Such alignment illustrates the increasing importance of economic tools, like tariffs, in diplomatic and geopolitical policy.



**Figure 2. Long-Term political implications of U.S.-China trade restrictions**

Source: Compiled from: Wu (2024); Alazwari (2025); Mahakwe & Opuene (2025),

The bar chart presents the long-term political implications of U.S.-China trade restrictions from 2015 to 2025, represented through three key aspects:

**Changes in Diplomatic Relations (Blue Bars):** Areas under these bars represent the percentage of nations or regions that have changed their diplomatic alignments because of the U.S.-China competition. Beginning at 0% in 2015, there is a gradual increase to 50% in 2025. This is because of the diplomatic adaptations and moves that countries have made in light of the trade tensions and tariffs, often moving closer to the U.S. or China on the basis of economic motives.

**Impact on Global Trade (Red Bars):** This illustrates how much of the world's trade is affected by the U.S. and China tariffs. It starts at 0% in 2015, with a gradual rise to 60% by 2025. This suggests the rising tariffs have seriously affected global trade dynamics, with many countries and regions impacted by these trade wars.

**New Partnerships (Green Bars):** These bars display the rate of countries that entered into new trade agreements due to the trade war impacts, from 0% in 2015 to 40% in 2025. In response to escalating political tensions, countries began to align with others to minimise risk and economic vulnerabilities and open new trade opportunities. The graph illustrates the impact of trade restrictions on global diplomacy

The enduring political impacts of trade restrictions in the U.S.-China relations can be seen through the prism of global trade relations, taking into account, in particular, how these measures are affecting bilateral and multilateral diplomatic relations. The tariffs and trade restrictions imposed by both nations in the last decade have led to a realignment in global diplomacy, in which economic interdependence is no longer taken for granted, and nations are now forced to re-evaluate their diplomatic and trade relations. As per Lynch et al. [31], the trade wars have played a role in the realignment of international diplomacy as countries are now assessing their foreign policies in terms of security, economic relationships, and geopolitical alliances. The U.S.-China trade war has exposed the increasing polarisation of the global economy, as nations club with one of the two superpowers to gain economic or strategic benefits. For example, European Union or Southeast

Asian countries have struggled to align economic ties with both the U.S. and China, leading to more neutral foreign policies. This has translated in diplomatic relations where countries, like India and Japan, have begun hedging to take advantage or avoid any direct consequences from the U.S.–China rivalry.

The geopolitics of the trade war between the U.S. and China, especially since the escalation of tariffs in 2018, has compelled countries to adapt their foreign policies. Alazwari [32] suggests there has been an increase in diplomatic pressure by both sides on the global south, especially African countries, to align with the trade war. This has resulted in a greater inclination for these nations to enhance their multilateral ties, through bodies such as the World Trade Organization (WTO) and the Group of 20 (G20), as a result of the pressures of being too closely aligned with either China or the U.S. This recalibration, according to Mahakwe and Opuene [7], highlights that tariffs have evolved from merely being economic mechanisms to becoming geopolitical bargaining tools, and affect long-term diplomatic nexuses.

In addition, the growing reliance on tariffs and non-tariff measures has also resulted in an erosion of trust between China and its traditional partners, especially in the Global South. Zeng et al. [26] note that China's growing global influence, which was once welcomed as an economic opportunity, is now viewed with increasing suspicion, especially as trade restrictions are imposed on Chinese industries and technology. These concerns have posed a need for countries to reassess their reliance on China and to find alternative trading partners. In turn, the U.S.'s trade policies have also resulted in realignment of powers in areas where states seek to decouple from Chinese investment. Ultimately, trade restrictions are used not just for economic, but also political control. Anyalebechi and Hart [33] imply that the longer-term outcome of these measures is that international alliances will be less about common economic goals and more about national security and ideological considerations.

The digital nature of trade restrictions and tech-based tariffs adds to the complexity. As Son [34] notes, the technological and digital aspects of the rivalry between the U.S. and China have led to a "digital trade war" that has impacts on global supply chains and multilateral trade agreements. Nations engaged in exchanges or dependent on the global circulation of data now need to align with one side or seek alternatives to mitigate the negative consequences of conflict. For instance, the U.S. has placed sanctions on Chinese tech giants such as Huawei, causing European Union, African, and Southeast Asian countries to review their technological partnerships. This, in turn, has resulted in the emergence of new norms and platforms for global technology governance, in which countries must acquiesce based on their technological interdependence rather than traditional trade partnerships. The consequences of the changes in digital diplomacy go beyond these short-term considerations; they show that long-term political alliances will be increasingly driven by technology and cyber security, as well as national security.

To sum up, the long-term political implications of trade bans in the U.S. vs. China relationship are significant given they are changing the world diplomatic landscape through bilateral and multilateral channels. The tariff battles and other economic strategies have required nations to rethink their international relationships, in which economic interdependence and security considerations form a critical part of foreign policy. The U.S.-China relationship is now more than an economic rivalry; it has evolved into a geopolitical one, and countries are re-evaluating their foreign policy to adapt to the realities of economic competition and ideological rivalry.

**How does trade restrictions, such as tariffs, serve as effective tools for resolving deeper systemic issues in U.S.-China relations, or do they exacerbate diplomatic tensions?**

Tariffs are trade restrictions often used as bargaining tools, which have a number of diplomatic implications, especially for the United States and China. Between 2015 and 2025, the tariff

escalation between these two world powers has exacerbated existing systemic problems, with a resulting web of intricate political, economic and strategic consequences. Tariffs were originally designed to correct perceived unfair trading practices and to correct trade imbalances, but they soon developed into important elements of geopolitical competition. Wyne suggests that while tariffs aim to put economic and trade pressure on others, they rarely address systemic issues such as treated nation status, or intellectual property rights, but rather only increase political tensions. The tariff actions by the U.S. and China, both acting in what they perceived to be their national interest, led to increased political tensions and retaliation, further deteriorating relations between the two countries.

The imposition and escalation of trade barriers between the U.S. and China did not result in the rapid resolution of the systemic problems they were designed to resolve, but rather exacerbated the political impasse. Hopewell notes that, far from opening up avenues for negotiation, tariffs have solidified political differences between the two countries as they saw the other's economic policies through a lens of strategic rivalry. This was especially the case in the tech industry, with the U.S. levying tariffs on Chinese technology firms, including Huawei, as an alleged security threat. Zeng et al. [26] also note that, in the long run, the tariffs have succeeded in re-conceptualising trade not just as an economic, but also as a national security and geopolitical issue. In elevating trade disputes to security threats, the tariffs magnified the tensions and made it harder for the two countries to resolve issues through conventional diplomatic means.

The effects of tariffs on global politics and economics are also evident in how states have reacted to the U.S.-China conflict. As Contractor notes, tariffs have resulted in the redistribution of global supply chains, with countries needing to respond by realigning with new economic blocs. The growing complexity of adapting to these economic realities has resulted in a recalibration of diplomatic relationships, especially in parts of the world, like Southeast Asia and Europe, where countries are now having to think about how they can manage their relationship with both the U.S. and China. This new distribution of global trade demonstrates the role that tariffs can play in compounding systemic geopolitical problems through the promotion of a more divided, less cooperative international system. Tariffs, far from providing solutions, often push countries into tough decisions and further away from each other.

Moreover, tariffs have also played a critical role in the domestic politics of the U.S. and China. Wu [24] argues that these tariffs, by drawing attention to external economic threats, have been used by both the U.S. and Chinese governments to galvanise the public, despite the escalation of an international conflict. In the U.S., tariffs were justified as a means to "return jobs" to the United States, especially in manufacturing. Likewise, in China, the official response to U.S. tariffs would be presented as a nationalist effort to protect China's sovereignty. Tam [38] argues, this domestic politics came at the expense of long-term relations, as both sides became firmly entrenched in positions that were more nationalist, making it difficult to negotiate.

Tariffs and trade restrictions are designed to correct specific issues or perceived unfairness in trade, but in the context of the U.S.-China trade war, they have compounded diplomatic issues and hindered the process of resolving underlying problems. Rather than being a means for effective reform, these tools have compounded the issues they aimed to resolve by furthering international diplomatic tensions, which have seen economic battles evolve into geopolitical competitions. As Alazwari [32] notes, the long-term effects of these measures may not only delay bilateral engagement but also realign global diplomacy, with nations taking "sides" based on security and economic considerations, rather than mutually beneficial trade and labour arrangements. This, therefore, illustrates that tariff wars are rarely effective solutions to underlying economic problems and may further destabilise other diplomatic relations.

## **Conclusion**

The key findings of this study reveal that the trade war between the U.S. and China, with escalated tariffs during the period of 2015 to 2025, had a significant effect on U.S.-China diplomatic relations. The paradigm used to understand the trade negotiations and conflict, the Bargaining Theory of War (Fearon, 1995), helped explain the nature of trade agreements and disputes. Failure to settle disputes by way of trade negotiation, and the escalating use of tariffs, was used as a bargaining strategy in the geopolitical competition between the U.S. and China. This theory assisted in the understanding of how, from the onset of being imposed to correct economic issues such as trade deficits and theft of intellectual property, tariffs morphed into tools of political power that supported the adversarial nature of the bilateral relationship.

It revealed that far from being a solution, the tariffs contributed to escalation, transforming trade tensions into diplomatic disputes. The two nations interpreted these moves as further evidence of a perceived hostility, further fuelling the conflict. Furthermore, the long-term consequences of the trade restrictions resulted in a realignment of global diplomacy, as nations aligned their foreign policies according to their economic priorities, security priorities and alliances. The tariff battle also affected global supply chains, leading to realignment in global trade relationships, as countries were forced to align themselves or pivot to other partners to minimise the risk of U.S.-China tensions. Thus, analysis showed that trade restrictions, such as tariffs, did not address the fundamental problems between the U.S. and China but exacerbated the diplomatic tensions, leading to realignment of global economies and politics. The restrictions had ramifications beyond the bilateral trade relationship, affecting global trade and international politics.

### **Recommendations**

Based on the major findings, the following recommendations were made:

1. To avoid escalation of the current trade war, the U.S. and China should pursue a multilateral approach to trade negotiation and diplomacy, with the World Trade Organization (WTO) as a possible mediator. Through diplomatic engagement, the United States and China can resolve underlying systemic issues - such as intellectual property protection, market access, and trade imbalances - without resultant tariff hikes. This will maintain international stability and reduce the damaging effect of trade restrictions on international relations.
2. The geo-political consequences of trade restrictions underline the need for enhanced global trade cooperation. Nations should focus on extending trade deals which include equitable trade, technology transfer, and mechanisms for dispute settlement. Emphasising cooperation instead of competition can facilitate the creation of more sustainable and fair-trade relationships while also removing the incentive to side with one of the two in the U.S.-China rivalry and instead foster international economic growth.

Tariffs, as their recent impact has shown, should be approached with caution as a means of dispute negotiation. The U.S. and China need to re-evaluate the diplomatic implications of unilateral tariff actions. Rather, they should pursue other form of sanctions or targeted reforms that can address the problem without affecting the world trading environment. By seeking more targeted and nuanced measures, diplomatic relations can be safeguarded.

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