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Jeffrey D. Sachs

As young people resist Trump, the future of American politics belongs to millennials

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FOREIGN VIEWS

THE key political divide in the United States is not between parties or states; it is between generations. The millennial generation (those aged 18-35) voted heavily against Donald Trump and will form the backbone of resistance to his policies. Older Americans are divided, but Trump's base lies among those above the age of 45. On issue after issue, younger voters will reject Trump, viewing him as a politician of the past, not the future.

Of course, these are averages, not absolutes. Yet the numbers confirm the generational divide. According to exit polls, Trump received 53 percent of the votes of those 45 and older, 42 percent of those 30-44, and just 37 percent of voters 18-29. In a 2014 survey, 31 percent of millennials identified as liberals, compared with 21 percent of baby boomers (aged 50-68 in the survey) and only 18 percent of the silent generation (69 and above).

The point is not that today's young liberals will become tomorrow's older conservatives. The millennial generation is far more liberal than the baby boomers and silent generation were in their younger years. They are also decidedly less partisan, and will support politicians who address their values and needs, including third-party aspirants.

There are at least three big differences in the politics of the young and old. First,

the young are more socially liberal than the older generations. For them, America's growing racial, religious, and sexual plurality is no big deal.

Second, the young are facing the unprecedented economic challenges of the information revolution. They are entering the labor market at a time when market returns are rapidly shifting toward capital and away from labor. The elderly rich, by contrast, are enjoying a stock market boom caused by the same technological revolution.

Trump is peddling cuts in corporate taxes and estate taxes that would further benefit the elderly rich (who are amply represented in Trump's cabinet), at the expense of larger budget deficits that further burden the young.

Third, compared to their parents and grandparents, the young are much more aware of climate change and its threats. While Trump is enticing the older generation with one last fling with fossil fuels, the young will have none of it. They want clean energy and will fight against the destruction of the Earth that they and their own children will inherit.

Part of the generational divide over global warming is due to the sheer ignorance of many older Americans, including Trump, about climate change and its causes. Older Americans didn't learn about climate change in school. They were never introduced to the basic science of greenhouse gases. That is why they are ready to put their own short-

term financial interests ahead of the dire threats to their grandchildren's generation.

In a June 2015 survey, 60 percent of 18-29 year-olds said that human activity was causing global warming, compared with just 31 percent of those 65 and older. A survey released in January found that 38 percent of American survey respondents 65 and older favored fossil-fuel expansion over renewable energy, compared with only 19 percent of those 18-29.

Backward-looking

Trump's economic policies are geared to this older, whiter, native-born America. He favors tax cuts for the older rich, which would burden the young with higher debt. He is indifferent to the US\$1 trillion overhang of student debt. He is reprising the 1990s NAFTA debate over free trade, rather than facing the far more important twenty-first-century jobs challenge posed by robotics and artificial intelligence. And he is obsessed with squeezing a few more years of profit out of America's coal, oil, and gas reserves at the cost of a future environmental catastrophe.

One might attribute Trump's backward-looking mindset to his age. At 70, Trump is the oldest person ever to become president (Ronald Reagan was slightly younger when he took office in 1981). Yet age is hardly the sole or even the main factor here. Bernie Sanders,

certainly the freshest mind of all the 2016 presidential candidates and the hero of millennial voters, is 75. The young are enchanted with Pope Francis, 80, because he puts their concerns within a moral framework, rather than dismissing them with the crass cynicism of Trump and his ilk.

The main issue here is mindset and political orientation, not chronological age. Trump has the shortest time horizon (and attention span) of any president in historical memory. And he is utterly out of touch with the real challenges facing the young generation as they grapple with new technologies, shifting labor markets, and crushing student debt. A trade war with Mexico and China, or a tragically misconceived ban on Muslim migrants, will hardly meet their real needs.

Trump's political success is a blip, not a turning point. Today's millennials, with their future-oriented perspective, will soon dominate American politics. America will be multiethnic, socially liberal, climate conscious, and much fairer in sharing the economic benefits of new technology.

Too many observers remain fixated on the traditional party divides in the US Congress, not on the deeper demographic changes that will soon be decisive.

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How China will come out ahead in a trade war

Winter Nie

CHINESE VIEWS

DURING his election campaign, President Donald Trump threatened to impose 35 to 45 percent tariffs on Chinese imports to force China into renegotiating its trade balance with the US. The immediate result of that would be a fierce trade war that America would almost certainly lose.

Trump is now entering uncharted waters. He has already demonstrated his ignorance of Asian affairs in a number of recent developments.

For the moment, China has decided to wait for the US to make the first move. A trade war would be problematic for the region, not least for South East Asia, which would be most likely to suffer negative fallout as a major trade partner to both the US and to China. But it would not be a disaster for China, mainly because the US needs China more than vice versa.

Unfortunately for Trump, it's not the

80s anymore. Twenty years ago, the situation might have been different. China was dramatically underdeveloped, and it wanted access to Western technology and manufacturing techniques. China has most of what it needs now, and what it doesn't have it can easily obtain from vendors outside the US.

The fastest growing markets for the best items China produces, like laptop computers and cell phones, are in developing regions such as India, Latin America and Africa. In contrast, China itself is a market that the US can hardly ignore. By the end of 2015, Chinese consumers had bought 131 million iPhones. The total sales to US customers during the same period stood at only 110 million. And iPhones are only a small part of US exports. Boeing, which employs 150,000 workers in the US, estimates that China will buy some 6,810 airplanes over the next 20 years, and that market alone will be worth more than US\$1 trillion.

Were Trump to start a trade war, the most immediate effects would probably

be felt by companies like Walmart, which import billions of dollars of cheap goods that are bought mostly by the people who voted Trump into office. The prices on almost all of these items would quickly skyrocket beyond the reach of the lower economic brackets — not because of manufacturing costs, but because of the tariffs. The result would be an economic war of attrition that China is infinitely better positioned to win.

China's foreign currency reserves now stand at about US\$3 trillion. In contrast, the US has foreign exchange reserves that hover at around US\$120 billion. Trump's tariffs would automatically trigger penalties against the US in the World Trade Organization (WTO), and might even lead to the WTO's collapse, which would lead to higher tariffs against US exports. While it might take a while for that to happen, the turmoil would be catastrophic for American business and employment.

China, on the other hand, would emerge relatively unscathed.

In fact, the importance of the US-China relationship is already being challenged by other players. Apple's iPhone sales in China are running into competition from local Chinese manufacturers, and Samsung is more than happy to fill any void that the Chinese can't deal with.

Likewise, the Chinese would happily shift their trillion dollars in future aircraft purchases to Airbus, a European firm that is already building a plant in China to finish assembly of large, twin-aisle jets.

Both China and leading economic experts hope that a trade war won't happen. The American political system is relatively mature with checks and balances, but with a president who often acts uniquely based on his own beliefs regarding complex issues, almost anything is possible.

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