

# The Impact of the Trade War Between the USA and China on the Global Economy: The Reaction of Professional Men and Women in Zambia

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## Abstract

*The purpose is to investigate if gender affects knowledge of the International Trade War. The results will show that if both men and women had knowledge in full, of the devastating effects of an International Trade War, before it's escalation, any trade war would be withheld. If women fully understood and participated in war issues, then the negotiations and agreements would be richer, stronger, subtler and firmly rooted especially in developing countries. The Author used the Chi Method to understand how knowledgeable are the Professional Men and Women in Zambia on The International Trade War and the data will show the knowledge imbalance. The Article confirms that more needs to be done with the dissemination of information and participation of women because the lack of knowledge and participation does not bring positive results according to the findings in research which is briefly referred to in the Literature Review. Sadly, it appears that the gender gap will always exist.*

**Keywords:** *International Trade War, Global economy, Gender, Tariffs.*

## Background

The Trade War between China and the USA started in July 2018 when President Donald Trump of the USA after months of threats, decided to impose tariffs on China for unfair trade practices. After the imposition of tariffs and failure to negotiate, the USA slapped China with US \$550 Billion worth of Chinese products and China has set tariffs on US \$185 Billion worth of USA products. China and the USA are currently in a Phase One Deal to adjust and cut the tariffs from the USA and increase China's purchase of products from the USA.

The specific objective of this study is to evaluate the level of awareness in the Professional field of both men and women in Zambia with regard to the International Trade War, which so far has had a devastating effect on the global economy. Presupposing that there was a gender balance in awareness, the study reveals that conflict resolution would be stable and deep rooted.

The Methodology used is primary through questionnaires and secondary, through available literature on the International Trade War. The data was subjected to multi variate analysis to

find if any relationship existed and the Chi Method was used.

This information is useful for the Professional Men and Women in Zambia because the global economy is not isolated from the Zambian situation in the sense that, the Professional women and men can disseminate information accurately and their participation can greatly improve Zambian lifestyles and coordination to the greater global economy.

Trade Wars protect national interests and provide advantages to domestic business and this greatly affects job creation and job security. The effect on men and women is always different and adjustments have to be made accordingly because the effects greatly affect, good production and consumption, education, health and general home management.

## Introduction

A trade war is an economic conflict from extreme protectionism in which states raise or create tariffs or trade barriers against each other in response to the trade barriers created by the other party.

Trade is simply the exchange of goods and services between countries and that holds the global economy and whatever has an impact on

the global economy affects the price, demand and supply of both domestic and foreign goods/services and the policies across the globe.

As part of the Global Economy the Professional Men and Women in Zambia need to participate and try to show a greater interest in the trade war between China and the USA, disseminate the information and resolve issues before they become global disputes.

China has been in sub-Sahara Africa for decades and has been accused for the decline of industrial employment because of its ability to hold a powerful import and export policy that was launched in 1999 for global inclusion. China has had a great relationship with Africa in general and Zambia is no exception. The Trade War magnitude is not limited just to the USA, therefore, professional men and women in Zambia must take a great interest in the prevailing issues.

## **Literature review**

International Trade has many advantages like comparative advantage, economies of scale, competition, transfer of technology and job creation.

Every economy wants to be globally connected to grow with technology and interconnectivity so that through various growth strategies they uphold competition on the foreign market, create jobs and meet demands for products and services at reasonable prices for the best quality recognised globally.

According to the War Street Journal, the escalating trade war between China and the USA has impacted the global economy very negatively, small businesses have been badly affected in the USA and the industrial giants have not been spared in Asia and Europe in the export-oriented factories.

This has had dire consequences in Africa because most countries depend on aid and Foreign Direct Investment (FDI) from advanced nations and once aid and FDI reduce, this leads to an economic recession with fewer jobs and a loss in capital flow.

China has been described as the biggest partner of Africa and if China suffers, Africa suffers too and this conclusion is arrived at by the exports, imports and loans from China to Africa according to statistics. The South China Post reported in August 2019 that the African Economic Outlook of 2019 indicates that Africa

will be deeply hurt by the trade war through exports to China and Europe and there will be difficulties in the debt servicing of Africa and worst-case scenario China may dump its goods and services very cheaply on Africa.

According to the Press Reports of UNCTAD, UNCTAD warned both the USA and China that they both would be hurt and bilateral, unilateral and trilateral relations they have would decline because of higher prices and trade divisions. Both would lose out and the global economy would remain unstable.

If there is consensus, trade is beneficial to all, but imposing tariffs and threatening trade partners leads to loss of public support and all past achievements are rendered as nothing because everything is put at risk and in the end, there are no winners, but disruption of progress (Anahita Thoms 2019).

The more trade there is, the more an increase in the number of women contributions to the economy and the more benefits women reap in the global economy because their options increase with an adequate education. Cognitive Skills have also been identified as important investments in early childhood and throughout the school years to facilitate constant adjustments to new technology, change and employment and those that lack cognitive skills will always oppose (Worssman 2011).

## **The Significance of Knowledge of the Prevailing Trade War Between the USA and China**

In the USA there are 7 times more women than men and in China for every 115 boys born, there are 100 girls, so men outnumber the women on a massive scale. In Zambia, there are 8 more women than men and for ease of comparison, the USA upholds the reality in Zambia. Women buy most products and services, raise their children and take care of other family members. The Trade War has affected most products and services (Cari Shane 2018). The UN Security Council Resolution 1325 adopted in 2000 protects women's rights and women's integrity. Gender and women's rights go hand in hand. Knowledge of any war will categorize women as a homogenous social group to be either victim or perpetrators. Peace and Security designs categories to offer positive transformation. Men are always actors in negotiations, but the changed roles of women from conflict to peace, while

addressing gender perspectives for conflict resolution now call for the participation of women (Thea Waldron, Erin Baines 2019). For the purpose of peace building and peace-making, gender is a concept that embraces all for greater knowledge, participation and negotiations for richer, stronger, subtler and firmly rooted resolutions in societies (Antonia Potter 2008).

As a result of the trade war, there is pressure on job creation and job security, wages, labour rights and the true assessment on the employment distribution, employment growth and the corresponding trade agreements whether bilateral, regional or multilateral. Special attention is paid to the labour market, employment policies and the result of trade liberalization. Income and Job Security are extremely important for the increase of standards, improvement of living conditions and they have a direct link on globalization, outsourcing and Job Creation. The gains have to be distributed well in developing countries like Zambia and thus, professional men and women have to be greatly interested. As an emerging economy, an interest has to be taken in competition and competition laws, especially with regard to the quality of the products made available on the market. China has already been accused by many, as holding Africa as a dumping grounds for its cheaper and low-quality products. Although the negative perceptions are there, the growth effects of participation in a global economy have led to a lot of initiatives in the import and export of goods and services and any disruptions by a trade war has devastating effects. Political debates and analytical systems end up in a struggle because trade affects the quality and quantity of employment. The informal sector is also greatly affected because it has limited possibilities and if the formal sector has a great analytical system, then the informal sector cannot be greatly hampered by any trade war.

### **Objectives of the research**

The aim was to find out the level of awareness in the Professional field and the extent of knowledge on the International Trade War between China and the USA and Zambia as a case study.

1. Evaluate the level of awareness and Knowledge of the trade war.
2. The application of the International Trade War to the Zambian situation.

3. To cite the main challenge.

### **The methodology used**

The Primary Data Collection was done through questionnaires and the research questions that were asked were:

1. Do you know the genesis and content of the International Trade War?
2. Do you think joining the International Trade War is the best or worst option?
3. Would it be wise to pursue other regional agreements with other countries?
4. What is your view on Unilateral Liberalisation?

The Secondary Data Collection was done through Journals, Books and the Internet.

The study looked at both the primary data and secondary data that directly related to the International Trade War, other than that, a study was conducted on a population of Professional Men and Women in Zambia by limiting the sample to the ages between 35 to 65, not limited to any profession at all.

### **The individual reaction of countries towards the trade war**

- Join the war, this is considered as the worst options.
- Do nothing, which is just as bad as joining it.
- Pursue regional trade agreements with regions outside the warring countries and thus, divert trade.
- Unilaterally liberalize on imports from the warring countries

The above findings are from the World Bank working papers on the usual responses to a trade war.

For the purpose of this paper, the final result sampling was done as follows:

**Method:** Simple Random Sampling.

**Variable:** Categorical.

**Data:** Contingency Table with an expected frequency count of about 4

### **Hypothesis**

**Null Hypothesis:** Variable A does not help in predicting Variable B and the variables are independent, typically a comparison is between the p- value to the significant level.

Ho- Gender and Knowledge of the trade war are independent.

## Alternative Hypothesis

Ha- Gender and Knowledge of the trade war are dependent.

This is the Alternative Hypothesis which is basically that, knowing the level of Variable A can help you predict the level of Variable B. The Variables must be related but the relationship not necessarily causal.

## Testing our hypothesis

To compare the findings of the Word Bank which may look theoretical to some people on the general reaction to the trade war, 50 individual professionals in different fields were used as a sample analysis for comparing a variance to the 'theoretical findings' of the World Bank. This will help us determine the different relationship of nominal data. This will help in determining how well the distribution fits to the determined data. The classifications will show whether data is dependent or independent.

The data was subjected to a series of multivariate analysis to find if any relationship existed and the Chi Method was used.

This helps us to test the goodness to fit, the significance of association and the homogeneity or the significance of the population variance.

This will greatly help us explain whether or not two attributes are associated 0 probability was due to chance.

The following conditions were fulfilled:

1. Observations recorded and used were collected at random.
2. All the views and reactions of the professionals were independent.
3. The number was/is acceptable

It must be noted that the samples had no effect on one another.

## Analysis plan

Chi square method was used for this discrete input and discrete output of data which fluctuates over time and usually used when the null hypothesis is true and there is no category population or set of data and if there is a significant frequency in data. This is best for data analysis plans for quantitative data to be studied and appropriate to study or examine the relationship two nominal level variables. The r value is the number of rows and the c value is the number if columns.

The Reaction of Men and Women in Zambia To the Trade War Between the USA And China

	MALE	FEMALE	
Knowledgeable	20	15	
Non- Knowledgeable	5	10	
Our Chi Square Formula	MALE	FEMALE	ROW TOTAL
Knowledgeable	Cell A 20 Obs 35 Exp	Cell B 15 Obs 17.5 Exp	35
Non- Knowledgeable	Cell C 5Obs 15.6 Exp	Cell D 10 Obs 15.6 Exp	15
Column Total	25	25	50

## Calculating the expected value

CELL A CELL B

Row Total= 35 Row Total = 35

Column Total = 50 Column Total =25

$35 \times 50 = 1,750$   $35 \times 25 = 875$

Total no. Of cell = 50 Total no. Of cell = 50

$1750 / 50 = 35$   $875 / 50 = 17.5$

CELL C CELL D

Row Total = 15 Row Total = 15

Column Total = 25 Column Total = 25

$15 \times 25 = 375$   $15 \times 25 = 375$

Total no. cells = 50 Total no of cells = 50

$$780/50 = 15.6 \quad 780/50 = 15.6$$

The difference between the Expected Value and the Observed Value in a Cell Count is the Significant Level or P- Value (a).

This helps to establish if data is dependent or independent and any value between 0 and 1 can be used and in this case the P Value is 5% represented as:

$$a = 0.05$$

P- Value is the probability of observing a sample statistic as extreme as the test statistic and the test statistic is a chi square.

## Analysing Sample Data with the Degree of Freedom

The degree of freedom is the freedom of links or joints in a sequence, expected frequency counts and chi square statistics are used to determine the P Value.

$$DF = (r-1) \times (c-1) = (2-1) \times (3-1) = 2$$

r = Number of category or data sets.

c = Number of levels for other categorical variables.

$$E_{rc} = (nr \times nc) / n$$

$$E_{11} = (35 \times 25) / 50 = 875 / 50 = 17.5$$

$$E_{12} = (35 \times 25) / 50 = 875 / 50 = 17.5$$

$$E_{21} = (15 \times 25) / 50 = 375 / 50 = 7.5$$

$$E_{22} = (15 \times 25) / 50 = 375 / 50 = 7.5$$

$$\chi^2 = \frac{(20 - 17.5)^2}{17.5} + \frac{(15 - 17.5)^2}{17.5} + \frac{(15 - 7.5)^2}{7.5} + \frac{(10 - 7.5)^2}{7.5}$$

$$= 14$$

P Value is the probability that a chi square statistic having 2 degrees of freedom is more extreme than 14

P ( $\chi^2$  is greater than 14.2)

Degree of Freedom = 2

Chi square critical value = 14 CV

P  $\chi^2$  less than 14 = 0.9991

P  $\chi^2$  greater than 14 = 0.009

## Result Interpretation

Since the P Value is 0.009 which is less than the Significant Level (0.05), we cannot accept the null hypothesis.

CONCLUSION: There is a relationship between gender and Knowledge of the trade war and the data herein cannot be of further use.

THE STRENGTHS OF THIS STUDY:

- The data was readily available.
- It was inexpensive.
- Holds absolutely no bias.
- Extremely confidential.

## The weaknesses of this study

- The sample size was small, limited to 50 persons
- The literature review is limited to less than 4 authors.
- The scope is limited.

## Hypothesis Conclusion

To be significant, the observable value must be equal or greater than the critical value and in this case it was significant.

The Null was rejected and this essentially means that nothing has changed and it cannot be proved as wrong.

The Alternative was accepted means that the education of women and improving their knowledge skills and participation is far greater or a better result than doing nothing.

The test as to goodness of fit is considered a good one because the sampling method was random and the variable studied was categorical and the Chi square goodness of fit test is greater than the table value and thus, the null hypothesis was rejected.

The test as to independence is also considered a good one.

There is a difference between the reaction of male and female to the trade war.

## Observations as to the test of Independence

This is a test of frequency to show lack of bias.

20/25 of the males had full factual knowledge of the genesis and content of the trade war. The affirmatives hold 40%.

15/25 of the females had full factual knowledge of the genesis and content of the trade war. The affirmatives hold 30%.

5/25 males had no idea or interest in the trade war, this accounts to 10%.

10/ 25 females had no idea or interest in the trade war, this accounts to 20%.

15/15 of the females regarded joining the trade war as the worst option which accounted to 30%, compared 15/25, of the males, that is, 30% who considered it the worst option.

Both genders upheld a 100% score that doing nothing about the trade war was just as bad as joining it.

15/25 of the females, that is, 30% upheld the view that the possibility of pursuing other regional agreements with regions outside the warring countries to divert trade was the best option, compared to 20/25 males who upheld the same view at 40%.

The view of Unilateral Liberalisation did not uphold any score with most ignoring it and seeking further information.

The findings of The World Bank to the reaction of countries to the trade war is inferred from the basic reactions of the broad spectrum of people and holds to be true.

## Discussion

There will always be disputes and these are settled mostly in the Courts of Law or through Alternative Dispute Resolution (ADR)-mainly,

mediation and arbitration. When both men and women are involved in designing the resolutions to peace building and conflict management, the terrain that is greatly ignored by men is meticulously addressed by women such as care giving for the aged, addressing orphans, health care, education and food reserve. If women are for example, variable x and completely taken out from Dispute Resolution Methods, it would be a great injustice because in Zambia and the USA for instance, women are more than men and make great advocates of peace, the best observers and dispute resolvers. Women need all the support they can get, to address problems without impunity. China has been said to be more willing and better equipped to uphold the working conditions in Africa and have greatly diversified in the distribution of goods and services, this expansion of trade has led to changes in technology and that change means that both men and women must upgrade their knowledge and participation in information technology (Brautigam D, 2010).

The relationship between gender and Knowledge of the trade war is very obvious that men have more information than women, women would rather not participate at all while men have more knowledge, do not hold long lasting solutions. These results are consistent with other works and the observations have been highlighted. The war applies greatly to the Zambian situation because the Zambian statistics show that women are more than men and head household and the women are more in the Professional field. With China, Zambia is part of sub- Sahara Africa and has had great dealings with China, the trade war has had an impact on Zambia. The domino effect is that export values and revenue generation may fall, but the greater impact is that trade between Zambia and China may vastly increase, while for the USA which favours its protectionism and is reluctant to venture in Africa will both be favourable at all.

### **Limitation**

The Trade War magnitude is limited to the strength that each country wants to hold as a ransom to the other, which is greatly unfair and a huge disadvantage to the global economy. Knowledge and awareness are also highly subjective and limited to the knowledge, personal views and magnitude of the professional transactions concerning the international market.

### **Summary**

#### **The research is conducted on the topic**

**The Impact of the Trade War Between the USA and China on The Global Economy – The Reaction of Professional Men and Women in Zambia.** Notably identified is the knowledge and awareness imbalance between men and women. The issues prevailing in the current International Trade War between China and the USA with Zambia as a case study. Lack of knowledge leads to lack of participation or agreement in the issues that affect the Global Economy. Zambia us part of the Global Economy and there has to be a proactive base that would allow it to disseminate information from the elementary to professional level to enable the utilization of information and allow it to take a positive stance and position to state in clear terms it's Sovereign view of issues affecting the Global Economy because each and every household buys goods and services.

The International Trade War affects every product and service provider, customer and consumer. The women have been identified in both the USA and Zambia as the major end users. Therefore, the dissemination of information and participation is very important. For information to be useful, it must be timely, complete, quality and relevant. The published information must enable the decision maker to make informed decisions that are accurate, valuable, important and most of all useful.

The challenges are a lack of surveillance and updated statistics to know the exact number or ratio from a reliable source to know the levels of knowledge, awareness and participation.

The other challenge is the general tendency for both genders, particularly, here in Zambia to think that The International Trade War is far and remote, this is cultural, but ignorance is not a defence. The dynamics of the Global Economy call for the participation, constant updates and strategies for the decision maker.

Labour reforms and trade reforms always need massive adjustments pre, during and post a trade war because of the loss of earnings, labour churns, redistributed income, massive layoffs and regional concentration. The loss of income and its effect is always devastating and effective strategies are needed to affiliate global compliance to concession and economic recovery. This is not an easy task, but provided there is adequate data, resources, commitment

and control, the effects become manageable and statistics are managed better.

## Conclusion

Every war has a devastating aftermath and every great leader who is an authentic visionary for the greater good will build diplomatic relations and focus on internal operations to uphold trade policies for national and international development in bilateral and multilateral relations to build a better legacy. If the professional population in a country is unaware or uninterested in the trade war or any major global issue, it is worrying because it would mean they would have no global platform to address any global issue independently and frequently, statistics would also be difficult to compile. There is also need to address gender issues and perspectives for conflict resolution. Globalization calls for countries to shape their standards according to the current trends and dynamics in the global economy to escape from the weakness of the internal structures and standards, since women are more than men, they must be at the forefront of finding resolutions before the eruption of devastating wars.

## Recommendation

I greatly recommend that trade wars should never be encouraged and The World Trade Organization must envision a benefit for each country and thus never encourage any trade war from the outset. The escalated Trade War although valid to the two countries, is a great inconvenience to all stakeholders. From our findings, it is clear that people will hold various views, but the devastating effects will only be felt after a long time due to a lack of agreement. There should also be greater dissemination of information and participation from schools to the Professional field because it is the women who suffer the most from the devastating effects of any war as burden bearers.

Zambia must have institutions that are distributed country wide to enable the allocation and the utilization of resources to adjust and adapt to improve self-sufficiency in times of global wars and loss especially. Workers are usually displaced and it's better to move to an area in need and sustain a good job with lesser benefits, than no job at all. The greatest recommendation is improving the infrastructure and its quality and providing education. The duty is with the

government more than civil society because government can intervene much quicker with no or less interference.

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