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Oligarchic rivalry: US–China tariffs and the global politics of inequality

The Trump administration framed the recent escalation of tariffs between the United States and China as a bold move to defend national security, restore domestic manufacturing and fix trade imbalances. But behind this patriotic rhetoric lies a sharper reality: the US uses tariffs not only as weapons in a global contest to restrain China’s rise, but also as a domestic political strategy to shift the tax burden away from the super-rich and onto ordinary Americans. Trump and his administration’s officials deployed the US–China rivalry as a convenient cover to redirect financial strain from loyal elites to working- and middle-class consumers.

Instead of targeting offshore wealth or tightening loopholes for the ultra-wealthy, these policies make everyday Americans – through higher prices on essential goods – the principal financiers of state revenue. Tariffs function less as protective tools for national industry and more as regressive fiscal instruments that deepen inequality. While trade war rhetoric blames foreign adversaries, its real achievement lies in consolidating domestic oligarchic power, making the average consumer pay more while shielding political allies from economic sacrifice.

Tariffs as a hidden tax on the poor

At their core, [tariffs are a hidden tax on ordinary consumers](#), deliberately inflating the price of imported goods and transferring the burden of strategic competition onto those least able to afford it. For a typical American family shopping for clothing, appliances or smartphones, tariffs translate into sustained price increases that erode real purchasing power. Studies show that tariffs enacted since [2018 have cost American households an average of \\$800 per year](#), a burden that disproportionately falls on low- and middle-income earners who devote a greater share of their income to consumables. In 2025, the Trump tariffs are estimated to cost each American household [at least \\$1,243](#).

Concrete impacts are well documented. During Trump’s first term, washing machine prices, for instance, [rose by 12 per cent](#) within a year of tariff implementation, and tariffs on steel and aluminium [raised input costs](#) across a spectrum of industries, inflating the prices of homes, vehicles and infrastructure projects. Meanwhile, revenue gains for the US Treasury were dwarfed by losses incurred by consumers and businesses, effectively making tariffs a net drag on the economy.

The destructive nature of tariffs magnifies deeper structural inequalities. With real wages stagnating for much of the working population and basic costs of living surging, tariffs exacerbate economic precarity. They widen the gap between those with so much financial cushioning and those living paycheck to paycheck, consequently fostering a political environment ripe for populist backlash and social unrest. Rather than shielding national interests, tariff policy, in practice, transforms global competition into domestic sacrifice – offering a sense of protection for the strategic [goals of the super-rich](#) while hollowing out the economic security of millions at home.

Corporate evasion and the reinforcement of inequality

While households absorbed the economic shock, multinational corporations (MNCs) nimbly evaded tariffs. [Large firms secured exemptions through aggressive lobbying efforts](#), and restructured supply chains to countries like Vietnam, Malaysia and Mexico. Major technology companies relocated assembly lines abroad to maintain profitability, while small and medium-sized enterprises (SMEs) struggled with rising costs and supply chain disruptions. For example, manufacturers reliant on niche Chinese components faced input shortages, while larger firms leveraged their scale to diversify suppliers.

Moreover, corporate lobbying for tariff exemptions highlights systemic inequalities in political influence, where access to power is mediated by financial resources, further distorting policy making. The outcome is an economy where resilience is rewarded selectively, [protecting elites](#) while exposing smaller actors to the full brunt of economic disruption.

Thus, tariffs entrenched corporate advantages, widened wealth gaps and undermined the intended strategic purpose of fostering national resilience.

Global disruption and strategic fallout

The global ramifications extend far beyond the US and China. Garment workers in Bangladesh, electronics assemblers in Vietnam and agricultural producers in Kenya experienced job losses and wage declines as global supply chains fractured. Multinational supply chain realignments triggered economic instability in many Global South economies dependent on steady export flows.

Moreover, tariffs exacerbated tensions with US allies, many of whom were also subject to American trade barriers, [weakening the multilateral cooperation](#) needed to confront China’s economic practices. These frictions undermine efforts to build coordinated responses to China’s growing global influence.

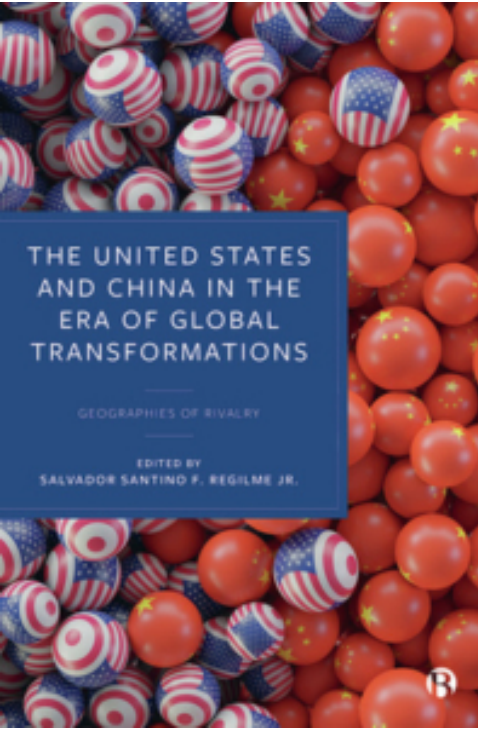
Tariffs were not designed to protect democracy or foster equitable development; they aimed to slow China’s rise. Ironically, the methods mirrored the centralised, opaque decision making associated with the economic models they sought to challenge, concentrating power within executive branches and bypassing legislative deliberation, technocratic expertise and public critique.

Furthermore, there are indications that tariff-driven instability could fuel nationalist [backlashes](#) and deepen authoritarian trends globally, as economic hardship often breeds political extremism.

If strategic competition demands resilient, inclusive domestic economies and strong alliances, tariff-driven nationalism has failed to deliver. Tariffs exacerbate the domestic fragility of the economy, alienate allies, and undermine long-term innovation – the important assets crucial to maintaining long-term global prosperity.

Ultimately, while tariffs aimed to fortify US dominance against China, they exposed deeper vulnerabilities at home. Real strategic strength requires recommitting to equitable growth, democratic governance, multilateral cooperation and a transparent economic order anchored in fairness and resilience.

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by [Salvador Santino Regilme](#)
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