

The Political Economy of Green Trade in the Context of US-China Trade War: A Case Study of US Biofuels and Soybeans

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Abstract : Under the neoliberal corporate food regime, biofuels are a double-edged sword that exacerbates tensions between national food security and trade in green agricultural products. Biofuels have the potential to help achieve green sustainable development goals, but they threaten food security by exacerbating competition for land and changing global food trade patterns. The U.S.-China trade war complicates this debate. Under the influence of different political and corporate coordination mechanisms in China and the US, trade disputes can have different impacts on sustainable agricultural practices. This paper develops an actor-centred 'network governance framework' focusing on trade in soybean and corn-based biofuels to explain how trade wars can change the actions of governmental and non-governmental actors in the context of oligopolistic competition and market concentration in agricultural trade. There is evidence that the US-China trade decoupling exacerbates the conflict between national security, free trade in agriculture, and the realities and needs of green and sustainable energy development. The US government's trade policies reflect concerns about China's relative gains, leading to a loss of trade profits, making it impossible for the parties involved to find a balance between the three objectives and, consequently, to get into a biofuels and soybean industry dilemma. Within the setting of prioritizing national security and strategic interests, the government has replaced the dominant position of large agribusiness in the neoliberal food system, and the goal of environmental sustainability has been marginalized by high politics. In contrast, China faces tensions in the trade war between food security self-sufficiency policy and liberal sustainable trade, but the state-capitalist model ensures policy coordination and coherence in trade diversion and supply chain adjustment. Despite ongoing raw material shortages and technological challenges, China remains committed to playing a role in global environmental governance and promoting green trade objectives.

Keywords : food security, green trade, biofuels, soybeans, US-China trade war

Conference Title : ICPSAIR 2025 : International Conference on Political Sciences and International Relations

Conference Location : Washington, United States

Conference Dates : July 15-16, 2025