

RISE OF CHINA AND NEW WORLD ORDER



by

MINAHIL SHAWAL AFRIDI

SCHOOL OF POLITICS AND INTERNATIONAL RELATIONS

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QUAID-I-AZAM UNIVERSITY
SCHOOL OF POLITICS AND INTERNATIONAL RELATIONS

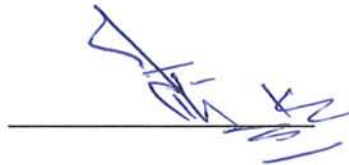
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FINAL APPROVAL LETTER

This is to certify that we have read the graduate essay submitted by Minahil Shawal Afridi and in our judgment it is up to the standard of acceptance by the Quaid-I-Azam University for the grant of the degree of BS in International Relations.

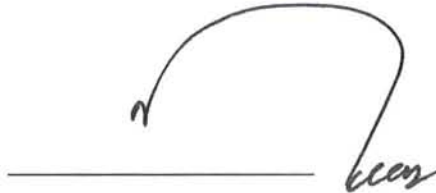
1. Supervisor

Mr. Faheem Ullah Khan



2. External Examiner

Dr. Muhammad Khan



3. Director

Prof. Dr. Nazir Hussain



Dedicated to

Dedicated to my loving parents who always trusted my abilities and my highly esteemed supervisor Mr. Faheem Ullah Khan, whose constant support enabled me to achieve my goal.

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ABSTRACT

The last 100 years have seen the rise of communist and capitalist societies. However, at the end of the Second World War, the world got divided into two distinct blocs; one spare headed by the United States and the other led by the former Soviet Union. In the meantime, the Chinese nation slowly and gradually started transforming itself with non-conflict policies. The same era saw increased progress in the economic might of China, and now China has become the indisputable economic giant at the global level. The phenomenal investments of China in almost every continent have drawn the world's focus towards Chinese driven progress followed by the adoption of the Chinese vision of prosperity.

The purpose of this paper is to carefully scrutinize the increasing dominance of China as a rapidly emerging international economic power and global shareholder. The paper explores how China is providing great opportunities for the Asian states to incorporate with its economy and how this cooperation will establish and maintain the Chinese hegemonic character in the evolving “new world order”.

The paper will also examine and evaluate the influence of China on the United States in terms of economic development. It will further examine the efforts and steps taken by China to create and sustain her economic growth.

It explains how a shift in power structure might impact the dynamics of the international system. It also analyzes different strategies that a country uses when it aspires to become a global or regional power.

INTRODUCTION

We live in a world, where the states have to survive in the anarchic system created by the great powers to influence the underdeveloped or the developing countries. Throughout history, we observe that this struggle for the acquisition of power and hegemony dragged the world into conflicts, wars, proxies and/or competition. China's rise in the last few decades has challenged the U.S. and is also inviting her in the race of power and domination.

The aspiring powers in the international system have a mutual interest in overturning the international order that has long advantaged the west at their own expense. In order to avail the market of developing countries and to easily get access to their material resources, both China and the U.S. are trying to influence other countries of their region and beyond. But in this struggle for domination, China can be seen as an opportunist who is making alliances through the "One Road One Belt" initiative. This mega-project aims at promoting economic cooperation and development, which will make the member countries' economies dependent on China.

In the past decades, most of the Asian countries have shaken hands along with China and are welcoming the projects initiated under China's Belt and Road Initiative. The rise of China has challenged the existing world order. This research will analyze China's rise through the framework of international relations theory, which deals with the power structure in the international system, "the power transition theory" and examine the power relations between the states and the rise and fall of states.

Historically it can be analyzed that from the Napoleonic to the Czar and from the U.S to China, trendsetters are those states which have both, the tangible and intangible

form of powers. Historians believe that China had a glorious past and was among the powerful states of the world. Now in this new world, China's aim is clear; to regain her previous glorious position. This research will examine how China is challenging the existing power structure in order to compete for the U.S. and how China will modify it. In order to build up economic cooperation within the continental and intercontinental states, China's President Xi Jinping in 2013 touted the Belt and Road Initiatives (BRI). China claims that the Belt and Road Initiative will support the long-term growth of partner economies through the development of infrastructure and better connectivity. China has always presented herself as a state, pursuing shared harmony and mutual economic development without perturbing the existing world structure. How China conducts herself in the future will be reflected by how the rest of the world, including most notably the current hegemon, the United States reacts and interacts with China as China rises.

By the strategies that China is adopting, it seems that she is likely to become the next dominant economic power and will challenge U.S. economic hegemony in the near future. China's rapid growth depends on the continuity of GDP growth and efficiently tackling economic problems. China's progress depends strongly on the development of technological capabilities along with the initiatives she is taking in the region and beyond.

On the other hand, strengthening and promoting the western economic system; adopting strategies to counter the rise of China; and gaining the trust of its Asian alliances, U.S. will somehow be able to maintain and sustain its hegemonic position and counter rising China.

China's rise is undoubtedly affecting global affairs and is also deeply impacting the regional relations within Asia. Ongoing disputes, such as the South China Sea conflict,

have brought China's expanding military power to the forefront as China continues to pursue an aggressive agenda over this territory. Not only the west, but the regional states are also anxious over China's rising power status and how China will use this power, especially with its advancing economic, military and technological capabilities.

Research Problem

The rise of China will have a considerable impact on the international socio-political and economic environment as it will break the U.S. hegemony. Understanding how China's rise may impact the global order is of vital importance and needs to be analyzed by the actors of the international system to act or react accordingly. China has replaced Japan as the second-largest economy after the United States. As a rising state, China is the most discussed country across the globe. The dominance of China will surely challenge and threaten U.S. hegemony since China has already achieved the status of great regional power and is not far from reaching the level of the dominant power. Therefore this research will evaluate the future dynamics of the global order as the rise of China will have a lasting impact on the entire world. How this will impact the existing hegemon United States depends on the satisfaction or dissatisfaction of China with the current international order established by the United States.

Research Questions:

- How is China rising?
- Why is China touting mega economic projects in the region?

- What will be the impact of China on the international order?

Hypothesis

China is all set to become the world's sole economic power with massive direct investments in the region and around the globe. China's rise through the projection of soft power is challenging the U.S. led world order.

Research Methodology

For this research, a qualitative methodology is used to gather information and to analyze data that give in-depth information relating to the rise of China as an emerging power in the current world order, dominated by U.S. Secondary data sources such as articles, online platforms, and books are analyzed to draw conclusions based on present scenario of the international system.

To understand the strategies taken by China to rise and restructure the world order, relevant articles and thesis have been studied with special regard to understanding the facts. This research is qualitative in form having secondary data.

Organization of the Research

The study conducted will be compiled according to the following division.

First Section

The first section of the study will cover the basic conceptualization of the core of the research. An attempt will be made to explain the gist of China's rise and its significance in present times.

Second Section

This section of the study deals with the theoretical aspect of the study where the central arguments of the theory, employed to understand the rise of China will be analyzed. Core assumptions of the theory are identified and analyzed critically.

Third Section

In the third section, the impact rising China will be analyzed. Moreover, the present US-China trade war will be discussed and its implications on the existing international socio-political and economic landscape.

Fourth Section

In this section, the emphasis will be laid upon China's BRI concept and the geo-economic strategies used by China to maintain her position in the world.

Fifth Section

In the conclusive section, the rise of China will be analyzed in terms of peaceful rise or a threatening phenomenon. Also, perception of the west regarding the ascension of China will be studied.

CHAPTER ONE

THEORETICAL FRAMEWORK

Given the growing global focus on the rise of China, theorists and scholars have been persistently involved in rigorous theoretical debates on rising powers. Power Transition Theory is central in this regard and explains the phenomenon of the rising powers and its implications on the international order.

Power Transition Theory

The Power transition theory is a prominent theory in international relations that analyses the relations between states in the international system. It was put forward by Organski in the late 1950s.¹ Power Transition theory has been used by theorists and scholars as it provides an effective and systemic model for analyzing essential transformations in the international order, and anticipating the conditions of cooperation or causes of conflicts at all levels of analysis.

Power Transition theory attempts to account for the transfer of power and the inception of conflicts between states. This theory focuses on the hierarchical nature of nations in the international system, the pace of economic development, power transformation, the change in the international order, as well as the means through which these transformations occur. It sheds light on the mechanism of how the superpowers or rising states influence relatively weaker states. The proponents of the Power Transition theory analyze the distribution of power in the international system

¹ Organski, A. F. K. 1958. World politics. New York: Knopf.

and examine the impact of this order of power. They argue that the powerful state controls the resources and dictates the trends of the international system. On the other hand, the less powerful states or the relatively weaker ones then decide whether they are satisfied or not satisfied with the existing hegemon.

The actors in the international system who are contented with the dominant state do not challenge its position and they make efforts to ensure peace and stability. Whereas a rising power dissatisfied with the trends set by the major powers and current resource structures can create problems for it, thus leading to conflict as a result of the clash of interest.

If we look back at history, it is seen that the rising states creates an environment of competition and challenge the existing status quo, and this creates a ground for conflict. According to the power transition theory, the balance of power or the power parity increases the chances of the struggle for dominance among the states. Power Transition theory is at variance with the tenant of the Balance of Power theory which argues that the balance of power among states leads to peace.² The possibility of conflict is higher under the conditions where states have equal power.

The power transition theory attempted to explain the international system in a unique way that had not been discussed previously. It negated three central assumptions of the realist perspective regarding world politics. These assumptions were; that the international order was anarchic, having no police force or supreme regulatory authority. The Power transition model perceives the international system as hierarchical and not as anarchic. It states that the international system is configured in a manner that is similar to that of a domestic political system. The actors in this

2 Schweller, Randall L. "The Balance of Power in World Politics." Oxford Research Encyclopedia of Politics. 9 May. 2016.

international system acquire a certain position and accept or reject the influence of dominant actors based on their level of satisfaction with the rules set by the major powers; the power transition model understands the nature of the international political system as having the same form of the ruling pattern as that of the domestic political system.³

The exponents of this theory believe that despite the lack of a practical code of international law, there are no significant differences between the mechanism of governing domestic politics and those of the international sphere. Just like the political groups are in constant competition with each other in the domestic system, the nations are competing with one another over deficient resources in the international order; The power transition theory proposes that competition among the actors in the international system is devised by the potential net gains that could be triggered by dispute or cooperation among them. They argue that the aim of nations is not to gain maximum power, but to maximize net gains. These are the few key assumptions of power transition theory which produced a dramatically distinct perspective of the workings of the international order.

To understand the model of power transition theory, it is vital to interpret the concept of hierarchy in the international system. This hierarchy is present in the form of a pyramid. The dominant state lies on the top of this hierarchical pyramid, constituting maximum power as compared to the other states in the system. Since the end of the Cold War era, the U.S. until now has been the dominant nation. Under the dominant nation lie the great powers which are strong, developed nations but are unable to compete or match the power of the dominant nation alone, at a given point in time.

³ Kugler, Jacek, Vanderbib, University and Abramo Fimo Kenneth Organski. "CHAPTER 7 The Power Transition : A Retrospective and Prospective Evaluation." (2011).

Although these powers have the potential and aspiration to challenge the dominant state in the future. These major powers can become the challenges of the global order. Moving further in this pyramid are present the middle powers, who are mostly the developing nations. Below these middle powers lie the small powers, constituting of underdeveloped nations. At the bottom, most of the hierarchical pyramid is the colonies, though the concept of colonization has vanished in contemporary times.

The major powers who are satisfied with the international order established by the dominant power, support it and adjust in the system. The dominant power ensures stability in the international system with the support of great powers who are satisfied with the policies of the existing hegemony. On the other hand, some nations are not pleased with the functioning of the international order and the management of the dominant nation. If the dissatisfied states are weak, they cannot threaten or challenge the dominant state. But in certain cases, the dis contented nation is also a strong power.

A strong power has managed to rise to a level where it can challenge the dominant nation. A challenger is a nation that has acquired power and is dissatisfied with the existing international order. The exponents of power transition theory maintain that due to the rise of a potential challenger, the chances of conflict are present as it aims at establishing a new place for itself, which it believes its increasing power entitles it.

The conditions of peace prevail and the international system runs smoothly when the major powers are unable to rise to the level of the dominant power and when the former accepts the rules and standards set by the latter. The international order is very likely to shift when a discontented great nation reaches parity by increasing in power more rapidly than the dominant nation.

According to Kugler and Organski, in the post-cold war period, the dominant power in the U.S. and the international order led by the U.S. is supported by most of the major powers of the world, including Germany, Japan, France, and Italy. China and Russia are the potential challengers but are relatively weaker than the U.S. India is a large country with huge resources and population but is still not that powerful enough to challenge the status quo. Thus the power transition theory states that the global order is stable as it has been since the post-cold war period because the European countries and other majority major powers support the status quo. This argument is valid for the point of time it was proposed by its exponents. But if we look back at the last few decades, we observe that China has overcome her weaknesses and is adopting grand strategies to become a strong economic power not only in the region but in the whole world. China's rise has become a hot debate in the contemporary era and is posing a threat to the domination of the U.S.

The aspiring power or the challenger has basic objectives which include; surpassing the dominant nation; shifting the global order; and challenging the rules of the existing international order. As a result of all this happening by the rising power, the dominant power prepares to resist this change.

Certain concepts are associated with the Power Transition Theory, "Power" being one of the key concepts. The idea of power lies at the heart of the Power Transition theory. Power has a different meaning for different theorists and scholars and its measurement is not simple. The power transition model stresses the economic strength, demographic dispersion and political capabilities in analyzing the units of power. According to Katherine Organski and A.F.K. Organski, power is based on

population.⁴ Similarly, Kugler and Swaminathan maintain that individuals of a state are both the producers of output and the requisite actors to initiate conflict, thus the population is the basis of power.⁵ The population is a very important factor in analyzing the power of a nation.

Along with the population strength, productivity is necessary to generate the potential in order to exercise influence. This argument is posited by different theorists, who argue that the maximization of GDP enhances national power.⁶ The Power Transition theory considers that national wealth indicates the power potential. The domestic political leaders can decide to allocate parts of domestic product to different sectors such as security, growth, health, education, infrastructure, etc., depending on the level of threat detected by the ruling authorities. Organski and Kugler also included political performance as a factor in evaluating power. The political aspect of power is necessary for understanding the possibility of major conflicts as it deals with how the states behave. The revised standard or factors for assessing power include demography, productivity, and political performance.

Power transition theory and the rise of China

The fundamental work on the power transition theory was organized and compiled by including Organski⁷, Organski and Kugler⁸, Kugler and Lemke⁹, and Tammen along

⁴Lorin A. Thompson, POPULATION AND WORLD POWER. By Katherine Organski and A. F. K. Organski. New York: Alfred A. Knopf, 1961. 263 pp, *Social Forces*, Volume 41, Issue 1, October 1962, Pages 97–98, <https://doi.org/10.2307/2572937>

⁵ Tadeusz Kugler, Siddharth Swaminathan, The Politics of Population, *International Studies Review*, Volume 8, Issue 4, December 2006, Pages 581–596, <https://doi.org/10.1111/j.1468-2486.2006.00627.x>

⁶ Lemke, Douglas. "The Continuation of History: Power Transition Theory and the End of the Cold War." *Journal of Peace Research* 34, no. 1 (February 1997): 23–36.

⁷ A. F. K. Organski. "World Politics", (New York: Alfred A. Knopf. 1958.) *American Political Science Review* 53, no. 2 (1959): 587–87.

with his co-scholars¹⁰. There are three intellectual generations of the power transition theory; A.F.K. Organski, who conceived the basic concept of the theory in 1958; Jacek Kugler, who joined Organski for the empirical evaluation of the theory; and Douglas Lemke, who extended the theory beyond the great power interactions. After the disintegration of the Soviet Union, the patterns of growth in the Asian continent changed. It compelled the thinkers and policymakers to consider a new dimension in international politics. This new dimension was the fast-growing economic power of China in the region. Kenneth Organski had predicted the significance of the rise of China long before it happened, in 1958. He argued that the matter of concern is not whether China will become the most powerful state in the world, but rather how long will it take China to achieve the status of global hegemon.¹¹

The recent developments in the power transition theory have been the extension of the regional subsystems in the world.¹² The theory has continued to generate interest and debate among scholars and theorists. The power transition theory is referred to as a dynamic and flexible research area that has largely developed and revised over time.¹³ The reason for the development and diversity of the theory is that it offers verifiable understanding and predictions of world politics.

⁸ Lemke, Douglas William ; Tammen, Ronald L. / Power transition theory and the rise of China. In: *International Interactions*. 2003 ; Vol. 29, No. 4. pp. 269-271.

⁹ Schneider, Gerald. "Parity and War: Evaluations and Extensions of the War Ledger. Edited by Jacek Kugler and Douglas Lemke. Ann Arbor: University of Michigan Press, 1996. *American Political Science Review* 91, no. 2 (1997): 504-5.

¹⁰ Ronald L. Tammen, Jacek Kugler, Douglas Lemke, Alan C. Stam III, Mark Abdollahian, Carole Alsharabati, Brian Eford, A. F. K. Organski, *Power Transitions: Strategies for the 21st Century 1st Edition*, Seven Bridges Press, LLC / Chatham House; 1st edition (2000): 264.

¹¹ Organski, A. F. K., *World politics*. New York: Knopf., (1958).

¹² Lemke, Douglas. "Power Politics and Wars without States", *American Journal of Political Science* 52, no. 4 (2008): 774-86.

¹³ DiCicco, Jonathan M., and Jack S. Levy. "Power Shifts and Problem Shifts: The Evolution of the Power Transition Research Program." *The Journal of Conflict Resolution* 43, no. 6 (1999): 675-704.

The emergence of China is the current debate among the policymakers and the statesmen, is predicted to exceed the U.S. as the world's dominant nation until the middle of the 20th century. Dating back to history, such circumstances have led to a major shift in the global order and have resulted in major conflicts. These two interpretations represent the most significant strategic calculation of the present century; the issues concerning prevalence war and peace, cooperation among powers, or the clash of interest leading to a major conflict.

According to the analysis of the power transition theory, if China surpasses the power of the United States, and has no considerable demands for a change in the existing principles of the international order, the possibility of any major conflict likely will be avoided. In this case, the emergence of China will be characterized as a "satisfied" dominant power; similar to what the United States did when the position of international leadership was acquired by the U.S. from the British.

Contrary to this, if China poses a threat to the power of the U.S. and challenges its hegemony while holding deep-rooted grievances against the West animosity towards its imposed international principles and standards, then the probability of war will rise. Thus the power transition theory, at its heart, focuses on the current most important concern of world politics, which is the international order and great power stability.

Critique:

The advocates of the Power transition theory have raised several concerns regarding the power transition theory stance on the rise of China. They have analyzed the logical connection between the subject matter which the power transition theory presents i.e. dissatisfaction and war; satisfaction and integration. This argument states

that if the challengers are likely to pose a threat to the dominant power, why they do not take preventive measures like waging war against the rising state to counter its rise.

CHAPTER TWO

IMPACT OF CHINA'S RISE ON CURRENT WORLD ORDER

In the past few decades, the U.S. has placed at risk the privilege of sustaining its position as the global hegemon due to a number of reasons. The U.S. has placed the majority of its resources, energy, time and potential on the war on terror and foreign engagements in an attempt to stabilize the chaos in many areas of the world. These include its ancillary action in Iraq, proxies in the Middle Eastern region, intervention in Afghanistan, etc. These factors are further conditioned by the security concerns of the United States and the persisting refusal to the maintenance of a long-term focus in the foreign policy. Thus, these internal, as well as the external factors, have weakened the American supremacy and alarmed the U.S. strategic interests.

The U.S. foreign policy has been inconsistent in the aftermath of the 9/11 attacks and the instability in the Middle East has created a condition of immediacy in her foreign policy. The national priorities of the U.S. have been dissonant to the long-term national interests of the country. Consequently, the strategic thinking of the American policymakers has grown stale. The reason behind this is this failure of the Cold War generation of policymakers to anticipate and understand the post-cold war world. It is also a failure on the part of strategy making community to provide new perception and focus.

As a result of this, the U.S. administration and the policymakers neglected the fact that the real and stronger threat lies not in the terrorism and regional conflict but the clash of interests between the U.S. and the rising global power; China, as Asia has

now become the focal point of the world politics. The events happening in the Asian region hold great significance as they will determine the future of sustainability of American supremacy in the world and power hierarchy in the international system.

The United States is already in panic and has until now started different measures that are likely to add more confusion and chaos to the global order.

The U.S. China Trade War

The recent measures by the US against China in their ensuing trade war depict the US insecurity with the rising global rival. President Trump through his executive orders has imposed harsh restrictions on Chinese telecom giant Huawei. It will not be allowed to operate in the US anymore. The pretext for the ban is that the technologies and types of equipment of Huawei could be used as an espionage source for the Chinese Intelligence. This measure by a state whose own national intelligence agencies were caught for using user data of various social media websites and communication channels is ironic.¹⁴ These steps show nothing but a misuse of state power to restrict the growth and make hurdles for a Chinese company that US companies cannot compete for because the Chinese company products are cheaper, user-friendly and efficient.

The data shows that in the realm of international trade, China has outrun the US as a credible trade associate. Of 115 units in Germany that deliberated to shift their production units overseas, 31 percent preferred China while only 9 percent wanted the US to be its next production facility.¹⁵

¹⁴ Finian Cunningham: *Washington's Huawei hypocrisy..US government is an instrument of American corporations*, Russia Today, 30 May 2019.

¹⁵ Chen Qingqing: *Huawei expands 5G footprint in Europe despite the US*, Global Times, 31 May 2019.

The last four decades could be termed as the era of the rise of the dragon. China has displayed growth in terms of quantity (its rise to an economic power) as well as quality (use of high technology, broadening of its scientific research base). For many years the Western writers have commented on China's unendurable development, but the current rise of China has proved that their analysis was erroneous and illogical.

In 2014 China exceeded the US in a matter of purchasing power parity turning China into the world's largest economy.¹⁶ When the GDP is juxtaposed with purchasing power parity it reveals the economic output, the nominal value juxtaposition in the West is prominent until today. In the West, questions are raised about the fading US power in economic and power relations terms.

The rise of China is also visible in the worldwide ascent of Chinese companies in various technologies, but there are areas in which they have to work to master all the sectors. For instance the 5G, where it has a good reputation because of the excellent performance of Huawei, but it is still unable to develop its operating system. For which China is still dependent on international partners.

When the Chinese ascent is compared with the US, it shows that it is far away in the advancement of its communication network like 5G. The US not only lagged from China but also from a few companies in Europe too. It is a known fact that till today there is not a single US company who is capable of making networks with 5G technology.

Chinese advancement in 5G technology has threatened US global leadership because the importance of 5G is undeniable and cannot be ignored. With its arrival the potential

¹⁶ Frank Holmes: *the U.S. Earns Good Grades On Global Economic Report Card*, *Forbes*, 20 October 2014.

of artificial intelligence (AI), automation and mechanization could be fully harnessed. It will fully change the contours of contemporary technology as well as the various aspects of life associated with it. These factors clearly suggest that China has challenged the US global dominance.

Data shows that Huawei sold 50 percent more in the first quarter of 2019 and it has surpassed Apple in its worldwide sales. Huawei sales are increasing exponentially while Apple sales have dropped by 30 percent in the same duration. Despite all the restrictions from the US, Huawei sales have crossed \$100 billion.¹⁷ The statistics are enough to concern the US of the emerging power of China. Before the official announcement of US tariffs and restrictions on China and hence the commencement of the trade war, China was content with the order of the world as it permitted China to earn huge influence in the economic and diplomatic spheres. The main reason for the initiation of a trade war against China was to target the constant trade surplus.

Usually, restrictions free trade and economic struggle support the powerful competitor, at the same time, imposing bans, restrictions, and tariffs are usually used by the vulnerable one. When the US with its allies in the west were ahead in technological fields from the rest of the world they nurtured boundaries free trade, transparent competition, and privatization. States which created hurdles in this free trade and economic competition had to face the force from those who claimed to be its pioneers and protectors.

The year 2019 saw an increase in the intensity of the trade war started by the USA. It was augmented by putting limitations and bans on Huawei- an evolving and growing power in 5G technology. This shows that the trade war is now combining with a

¹⁷ Huawei sales top \$100bn despite US-led pressure, BBC, 29 March 2019.

technology war. The effect of initiating a trade war is also felt inside the US too. In 2018, Huawei spent \$70 billion on components and other supplies, only \$11 billion passed to the US.¹⁸

To counter the Chinese rise in the field of future technologies, the US took the measures against Huawei on the pretext that the company constitutes serious threats to national security as it is gathering data of the US citizens and is involved in espionage. These vicious proclamations from the leader of the new world were strongly rejected by the Chinese Company and a lawsuit was filed against punitive actions. US Secretary of State later accused the company of its covert collaboration with the Chinese Government and the Communist Party of China.¹⁹ The trade war will not affect the image of China as an emerging global power.

Statistics show that China exports to the US in the previous year were 3.6 percent of their GDP. The total value of these goods going to the US contribute about 66 percent and there will be a loss of 2.4 percent of the GDP. If all exports are stopped the upper limit of the loss to China will be an adjustable 1.2 percent.²⁰

This shows that the trade war is not going to produce an overreaching impact on the Chinese economy even if the trade war is further escalated by the US. However, if the

¹⁸ Raymond Zhong: *Trump's Latest Move Takes Straight Shot at Huawei's Business*, The New York Times, 16 May 2019.

<https://www.nytimes.com/2019/05/16/technology/huawei-ban-president-trump.html>

¹⁹ Sandy Fitzgerald: *Pompeo: Huawei an 'Instrument of the Chinese Government'*, Newsmax, 29 May 2019.

<https://www.newsmax.com/newsfront/mike-pompeo-huawei/2019/05/29/id/917976/>

²⁰ Lawrence J. Lau: *How China can shrug off the impact of the US trade war on its economy and improve the lives of its citizens*, South China Morning Post, 24 May 2019,

<https://www.scmp.com/comment/insight-opinion/article/3011282/how-china-can-shrug-impact-us-trade-war-its-economy-and>

US formed a Global alliance in this war, then there will be consequences for China. So far some states are adopting a balancing attitude in this confrontation, which shows the majority of the nations will not sacrifice their profits just for the US interests.

The US-China war in the field of Technology and the commercial sphere will slow down, but the parties will not surrender. It is still very obvious that the US is trying to conserve its global hegemony, and it is doing by obstructing and confronting the Chinese status of emerging global power wherever it is possible. This attitude is obvious from the statement of the current President of the US in which he said that “China would not become top superpower until he is the American president.”²¹ The Chinese response to this posturing shows that they will not capitulate either.

The nature of the allegations of the US in Huawei episode is of such serious nature that China will defend itself at every cost. Beijing in no time rejected the accusations of espionage and did not consider the news related to its relationship with Huawei worth considers of a response. The United States wished to get the Chinese surrender through this case, but keeping in view the character and pride of the Chinese nation, this wish seems impossible to get fulfilled. The reason is if China just surrenders in case a tech company it will seriously hamper its aspiration of a future superpower and her indigenous economic model. The statements of Colonel General Wei Fenghe, The Chinese defense minister is on the record, he said China would fight to the end, and at all costs, in the defense of its economic interests in the trade war, as well as in military terms, if external forces tried to separate Taiwan from China. He added that the US

²¹ *Trump Claims China Won't Become Top Superpower 'With Him' in Office*, Sputnik News, 20 May 2019,

<https://sputniknews.com/us/201905201075155189-china-us-trade-war-trump/>

knows that the war would be catastrophic for both.²² In another statement, the defense minister validated the forceful suppression of the Tiananmen Square protests in 1989. He said that China's growth after the episode demonstrated that the decision was perfect at that time.

China considers US responsible for the downturn in bilateral relations. This was declared in a white paper that was issued in the first week of June 2019 in China.²³ The same paper elucidates the Chinese Stand regarding its trade war. The paper also clarifies that the People's Republic is ready for a cooperation that is favorable for both the countries, but it will not compromise on any conceptual modification. It is obvious in the Chinese Government behavior, they have adopted a perception that the US will demand more if it accedes to its forced and excessive demands. Similarly the Chinese strongly denounce the US allegations of spying. China's aspiration to a future global power is also visible in the response of the Chinese public.

A glimpse of the Chinese press is evidence of the fact that the general public is ready for a long term trade war with the United States. They are openly supporting the strong counter-response of its Government to the US tariffs. The majority of the citizens consider these sanctions as a deliberate effort to hamper Chinese development into a world power. Some sections of the Chinese society are also of the view that its Government should not be involved in a long term trade conflict, but they are also

²² Russia Today, *15 Chinese defense minister vows to 'fight to the end, at all costs' over trade & Taiwan*, 2 June 2019,

<https://www.rt.com/news/460857-china-fight-trade-taiwan/>

²³ *Wang Cong: China steps up criticism of the US in trade tussle with a scathing white paper*, Global Times, 2 June 2019,

<http://www.globaltimes.cn/content/1152748.shtml>

supporting the idea that if the international environment is disturbed only to halt China's, then the trade battle should be fought till the end. Because of this strong support from its public, the Chinese Government is responding in a befitting manner in this trade war.

The Chinese ruling establishment, for the protection of its national interests and its emerging image of a global leader, has taken many steps. Domestic industries and their products are getting more support from the government. These companies in response to the fair treatment are persuading their employees to prefer locally produced goods. Similarly, China has intentionally minimized the imports of a few items from the United States. On the technological front, China is developing the sectors where it lacks from its opponents. Huawei expansion and climb to a world leader in the technological front in Europe and the US most trusted ally UK shows China's seriousness and consciousness of its future endeavors. Similarly, the Chinese Defense capabilities are strengthening according to its opponents. China is taking these steps in response to the concerted efforts of its global and regional enemies.

The Chinese premiers believe that the US for the protection and maintenance of its global hegemony has a craving for a methodically and complete annihilation of Chinese progress. Lee Hsien, Prime Minister of Singapore, in his principal address at the 18th Shangri-La Dialogue conference clearly explained the steps and measures are taken by the opponents to hamper and reverse China's development.

Lee Hsien declared that the world should accept the ongoing growth of China, China will continue to grow and it is impossible to stop it. He said China has completely changed in the last four decades. He prescribed that being an emerging global power, new rules should be developed in many fields in the international arena where China's

point of view is listened and respected. The current rules were made without Chinese participation.²⁴ Besides these demands and a visible rebuke and countermeasures by China in the ensuing trade and technological war, there also raises questions of the inadequate response on its side.

Some analysts consider China as a weaker in this new form of warfare, but it is not a sensible interpretation of the current standing of China in the international arena, it may be shaky in few areas; the US too is not a perfect counterpart in all spheres. It is also possible that the US has adopted these measures for gaining short terms goals while China is reasoning, devising plans for long term incentives. China is trying to maintain its image of emerging global power and would achieve its target to become a global leader by creating a world order anchored on free trade and free competition. The current clash is occurring because of the protectionist regions do not want its current order to be replaced by the Rising Dragon.

²⁴ *Preventing China from growing neither possible nor wise: Singaporean PM*, Global Times, 1 June 2019,
<http://www.globaltimes.cn/content/1152641.shtml>

CHAPTER THREE

CHINA'S GEO-ECONOMIC RISE – BRI

China's rise to the world's second largest economy in such a short time is unparalleled in the History of the world. Its economic gains have fascinated the world powers, it has also compelled the international community to think about the use of this power and economic ascendancy by the leadership of the country. The kind of Geo-economic clout that China carries in the contemporary international system is changing the individual perception about the essence of international relations of this century. It also compelled us to think about the actual benefits, when this evolving influence will be put in place by the Chinese decision makers. The Belt and Road initiative (BRI) is an important component and catalyst for this growing influence. China directs its external and strategic initiatives through the BRI spectrum and it is becoming an anchor to its emerging power.

Some commentators correlate that BRI is a modern form of the Marshall Plan with a Chinese attribute.²⁵ Fairly and unquestionably it is located on a critical geographical location. Without any doubt, BRI will be the most momentous economic and social accomplishment of the century. According to Beeson and Li "Indeed, if the BRI becomes a reality it will quite literally cement China's place at the center of a regional

²⁵ Ying Chen And Wojciech Olszewski, *Effective Persuasion*, 22 April 2014, <https://doi.org/10.1111/iere.12051>

network of production processes that will inevitably enhance China's overall economic and geopolitical importance".²⁶

The industrial and economic progress in Eastern Asia had affected the basic beliefs regarding the attributes of economic advancement. Today China's emerging influence and progress in various fields are compelling us to revisit, our concepts about the features of capability and dominance of states in the arrangement of the global system. It is getting very obvious now that the strength of states is now displayed by their comparative alterations in the economic spheres than by other critical conventional factors. According to Strange, traditional geopolitics and geo-economics have always been linked but some archival attributes are useful to the application of economic advantage in affairs of the state.²⁷ In the forthcoming lines china measures to use it's emerging economic power by precisely inspecting its BRI and then the ramifications of Chinese economic rejuvenation for the surviving power frameworks, particularly their role in refracting the potentials for a procedure of 'hegemonic tradition'.

It is a known fact that progress and transformation in the economic field have visible impacts on geopolitical outcomes. As pointed out by Gilpin in 1981 that change in the basic tangible areas and revival of the economy has a visible effect on the power-sharing, it annoys the existing settled structures and constitutes provisions 'hegemonic transitions'. The current relationship between China and the United States has again diverted the debate to these concepts. According to some experts, the U.S.

²⁶ Beeson, Mark & Li, Fujian, *China's Place in Regional and Global Governance: A New World Comes Into View*. Global Policy. (2016), 10.1111/1758-5899.12348.

²⁷ Strange, Susan. "Wake Up, Krasner! The World Has Changed." *Review of International Political Economy* 1, no. 2 (1994): 209-19. <http://www.jstor.org/stable/4177099>.

rise after WWII followed the same economic pattern as China is following now. That analysts who consider the BRI as a new version of the Marshall plan present many arguments.

“While the instant goal of the Marshall Plan was to offer a direct boost to Europe’s ailing economies, in the eyes of its architects it was seen as ‘the key to social harmony, to the survival of private-enterprise capitalism, and to the preservation of political democracy’”.²⁸ In the view of the analysts, if this so-called "Chinese Marshall Plan" comes into reality, it will function in different political and strategic circumstances. To understand its real ramifications and importance, it is important to discuss the essence of geo-economic power that changes those international prospects which are more crucial and dominant in contemporary times.

The increased use of geo-economics in contemporary academic debate and writings can be easily noticed. It is because of the great success achieved by China in a short period, and the determinations of their leaders to use the acquired power (economic, technological and security) in political and ideological spheres, can be explained through geo-economics. There is a lack of consensus over the definition of geo-economics. Some observers consider geo-economics as a segment of the conventional type of great power politics. Hence, geo-economics is ‘applying economic instruments to advance geopolitical ends’²⁹. Geo-economics is realist power politics by other means; national interests remain pre-eminent, and geo-economics provides one increasingly important way of pursuing them. China too is using these

²⁸Maier, Charles S. "American Visions and British Interests: Hogan's Marshall Plan." *Reviews in American History* 18, no. 1 (1990): 102-11. doi:10.2307/2702734.

²⁹ Blackwell, Robert D., and Jennifer M. Harris. *War by Other Means: Geoeconomics and Statecraft*. Cambridge, Massachusetts; London, England: Harvard University Press, 2016. <http://www.jstor.org/stable/j.ctt1c84cr7>.

ways to promote its national interests and maintain its stature of an emerging global leader. It has adopted various means and measures to ensure and enforce these national goals, and BRI is one of them.

“China’s elites are both increasingly confident about their capabilities and their right to occupy a more central position in the mechanisms of global governance.”³⁰ At the level of direct geo-economics influence of a sort that the BRI looks certain to consolidate, China has become an increasingly important and influential source of direct investment and engagement in the Asian region and from Africa to Latin America. There exhibit visible similarities with the Japanese expansion into south East-Asia and the contemporary Chinese expansion into Africa. Africa is giving the required testing space to China to emerge as a new epitome of power and influence in the global economic sphere, hence highlighting the importance of geo-economics in the equation of states in contemporary international relations. The Belt and Road is one such initiative that will enable China to achieve its goals of occupying a central position in global economic and security governance.

Belt and Road Initiative

The Chinese have been taking steps for the restoration of the "ancient silk road" and the trade routes. These linkages provide China the deep-rooted economic superiority in Asia. The BRI will enable China to turn that old dream into reality. It will also combine the direct and indirect spheres of Chinese impact.

³⁰ Mark Beeson, *Geo-economics with Chinese characteristics: the BRI and China's evolving grand strategy*, *Economic and Political Studies*, (2018), 6:3, 240-256, DOI: 10.1080/20954816.2018.1498988

The Belt and Road Initiative has two main facets, a 'Silk Road Economic Belt' (SERB) and a 'Maritime Silk Road' (MSR). The MSR is particularly designed to connect and harmonize the maritime states of the southeast and south Asia. The SREB, on the other hand, will re-connect and renovate the ground-based linkages with Central and South Asia, also joining them to both China and finally to Europe. The infrastructure that will be developed across the old Silk Road (BRI) will stabilize and strengthen China's position at the center of economic activity throughout the main area of Asia. The importance which the Chinese leadership is giving to this mega project can be assessed from the fact that the BRI was included in the comprehensive reform blueprint of the Party leadership, and adopted as a key policy priority before 2020.³¹

China has both the state capacity and the practical experience to make BRI a reality. The key agencies, like the National Development and Reform Commission (NRDC), have developed meticulous plans for the implementation of projects under the BRI.

One of China's augmenting problem is of domestic surplus capacity. According to some economists and analysts, among other incentives of the BRI is that it will provide a solution to the ever-increasing hurdle of surplus domestic capacity. The Chinese understand that the actions of the subordinate states are among the various important factors or indicators through which states the bigger states take different foreign policy steps and achieve their hegemonic goals and objectives.

In the view of impartial commentators, BRI is the quintessential manifestation of China's potential economic leverage and a more proactive approach to foreign

³¹ Nadège Rolland, *Beijing's Response To The Belt And Road Initiative'S "Pushback": A Story Of Assessment And Adaptation*, Asian Affairs, (2019), 50:2, 216

235, DOI: [10.1080/03068374.2019.1602385](https://doi.org/10.1080/03068374.2019.1602385)

policy-making.³² Also, China's unfolding economic position has made it possible for it to convert its projected strategy (the grand strategy of economic objectives) to an instrument that will use its status of emerging global power to accomplish goals in the realm of its external policy, that earlier seemed impossible. The BRI also have goals related to bringing stability to the internal policy of China.

The BRI in its objective also includes the march in the direction of the West in its projects. Expansion towards western countries will make the Chinese borders more safe and secure, thus minimizing the threats of internal turmoil. This will make China more strong from the inside and it will be able to continue its intended progress to a global leader.

32 Michael Clarke. *"The Belt and Road Initiative: China's New Grand Strategy?"* Asia Policy 24 (2017): 71-79. <https://muse.jhu.edu/> (accessed July 4, 2019).

CHAPTER FOUR

ASCENSION OF CHINA; THREATENING OR PEACEFUL?

The "rise of China" is viewed as an essentially political process and the success of the economic development of the country has concrete political implications. The external implications are cautiously monitored and assessed by China's neighbors and the regional countries, and the current superpower in the world; the U.S.

The current debate and key concern among the international policymakers and the statesmen are that whether the rise of China be a threat to the U.S hegemony and the regional countries or it will ensure peace in the global political arena? The U.S.' main anxiety is the rise of China's hegemonic position in the international system and her ideological conflict with the West. The rapid growth in its economy has assured the West that in the near future China will arise as the powerful nation of the world. The ideological intentions of China are threatening the U.S. and other nations of the world.

Different arguments have been developed to explain the implications of "China's rise". The first one is, that the cultural and ideological aspects show her as a threat. According to Samuel Huntington's "Clash of Civilizations" thesis, the cultural factor in the struggle for civilizations is of great significance. It maintains that the unholy alliance of Islamic and Confucian civilizations is the most prominent threat to the West.³³ Under the canopy of this logic, a rational response from the U.S. in the short run could be a containment policy, or a head to head approach if needed.

³³ Huntington, Samuel P. *The Clash of Civilizations and the Remaking of World Order*. New York, NY: Simon and Schuster, 1996.

The second aspect is the geopolitical and geo-economic factors. Nationalism can still put China in a confrontational position with the United States if the United States refuses to share leadership with China as a growing power. A major apprehension is also that democracy will bring about strong nationalism, and it may make China even more aggressive towards the U.S.

The third argument is the downfall of China similar to that of the former Soviet Union. This perspective is different from the previous two perspectives and argues about the Soviets like sudden death syndrome can be a worse scenario for the region. The huge number of population of China will create the worst refugee problem, the state failure will result in the eruption of a civil war, crimes, and domestic unrest, etc. keeping in view these three important considerations, the United States often fluctuate from demonization to the romanticization of China and from limitations to engagement. Relations between the United States and China have been varying from conflict to confrontation, to competition and back to clash of interests; but the aspect of cooperation has been rare between the two. One Sino-U.S. expert referred to the bilateral relations between the two states as "the sweet-and-sour Sino-American relationship."³⁴

The relatively less powerful Asian countries, particularly closer to China have more than just ideological stakes in China's new move. For them, the presence of a powerful country surrounding them and their growing dependence on the Chinese economy for development has compelled them to be very cautious about their terms with China. In the Asian continent, China has vast territorial land and bulk population as compared to the other Asian Pacific Nations. China has an enormous quantity of

³⁴Ribeiro, Paulo, *Is China Threat Theory a Construction?*, (2015), 10.13140/RG.2.1.1654.4089.

foreign direct investment and provides a large number of exports. The increasing economic, as well as military might, is therefore viewed as a threat by other nations. Thus, none of the Asian Pacific states has clearly shown any of her policies against China as it is an emerging power in their views. The combination of efficient economic growth and volatile political governance of China raises serious concerns about China among the other countries of the world.

The Chinese leaders have recognized the need to dispel these fears and create an international environment favorable to her rise and progress. In order to portray her rise as a peaceful phenomenon, the Chinese government has taken many steps including sponsoring exhibitions regarding China in foreign countries, promoting Chinese language programs, tourism, etc. In light of the peaceful rise of China, there are certain key arguments evaluated by Chinese scholars and strategists.

China's growth is dependable on world peace and in response, China will bestow to play its role in contributing to peace. Secondly, China will continue to grow peacefully. Furthermore, China will rely on its resources, not intended to exploit the developing or the underdeveloped states. Also, China is focusing on its development for the upcoming future generations in the long run for their well-being. And lastly, the most important being that if China seeks its final target of economic might, she will not create trouble for the rest of the world.

According to the basic principles of China's peaceful ascension, the Chinese government actively pursued diplomacy with at different levels.

1. Building a strategic partnership with second-tier powers;

China has engaged in strategic partnership pacts with the European Union, Russia, and regional developing powers to strengthen their relations with each other and counter the U.S. power.

2. Promote Friendly Neighborhood Policy in the Asia-Pacific region;

By expanding trade with the Asia-Pacific region and allowing them to benefit from China's trade surplus, China is positioning herself as an important trading partner for these countries.

3. Looking for partnership and avoid direct confrontation with the United States. The Chinese have delivered Washington a straightforward signal that China is a stable force and does not intend to break the status quo.

4. Sidelining of Japan;

Since China has handled to maintain its partnership with the second-tier strategic partners and neighboring states, China can afford to avoid Japan.

Over the past five years, due to the war on terror, the Chinese leaders have been successful in managing domestic nationalism and American unilateralism. Now there are indications that the good relations between the United States and China have ended after the economic rise of the latter. If the United States changes its policy towards China in a hard line approach and becomes provocative towards China, repeated problems may arise in Sino-US relations.

China's Rise through Western Lens

Due to the large landmass and the huge size of its population, China is a tough strategic competition for the United States. It is the most populated country in the world and a

fast emerging economy. In recent years, the power and influence of China have increased, along with the economy as compared to Europe and the U.S.

Many nations are worried, especially the existing hegemon United States, from the economic growth of China. The United States has been trying to maintain its glorious position in the globe. The major concerns of the nations for struggling with Chinese rise is the ongoing trade war between the two powers, which is not just a trade war but it is the struggle for power and domination, affecting the whole world as the conflict between the two largest economies in the world has not only worsened but also widened.

The US views China as an aggressive state, pursuing authoritarian expansionism. This is clearly depicted by the remarks made by the U.S. Vice President Mike Pence in his recent speech. He stated that China chose "economic aggression" to expand its influence on the world and "debt diplomacy". He mentioned that China is using political, economic as well as military propaganda, to promote its influence across the region and beyond and there is no confusion that China is interfering in the U.S democracy.³⁵

The Chinese fear that the United States wants to control them and many in the U.S think that the Chinese want to conquer the world. All Americans have grown up in a world dominated by the United States, and if a state challenges this hegemony, like China is, then they consider it as a serious warning and danger.

³⁵ Remarks by *Vice President Pence, on the Administration's Policy Toward China, FOREIGN POLICY*- Issued on October 4, 2018
<https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-administrations-policy-toward-china/>

US government is pressurized to using a more commanding policy towards China, thus President Trump is applying the intense and assertive policies. He has blamed China for tampering in the U.S. elections. He also has accused China of exploiting the currency. While at the same time, China's most important statement of claims on power by President Xi Jinping, makes many people nervous. The self-esteem and tough attitude of the two leaders towards each other's states are worsening it, and will possibly give rise to a new Cold War conflict.

The Australian parliament has passed new laws to stop foreign involvement in their country, which seemed to target the widespread of China interference in their homeland. China's increasing power is also posing a threat in New Zealand. The increasing concern of nations has also led to restrictions on Chinese telecom companies such as Huawei and ZTE etc.

The Australian government has imposed a ban on Huawei and ZTE from providing 5G mobile network technology in the country. The British security committee also expressed worries about Huawei's telecommunications equipment. Both the U.K and Australia have shown concerns to stop the services of these telecom companies in their countries. The government of Germany also vetoed the acquisition of an engineering firm by a Chinese company due to national security concerns.

The states which are directly or indirectly getting some advantages from China's growing economy are also being very careful regarding the rapid growth of the China economical market.

In 2013, the Belt and Road initiative of China was touted with the aim of enlarging the trade connections and economic cooperation between Asia, Africa, and Europe and beyond. However, this project of worth billions of dollars is being opposed by

many countries due to the fear of being in the debts of China forever. States like Sri Lanka, Malaysia and Pakistan have expressed serious concerns about the mega project. Recipient countries are concerned about China's growing debt and its influence in the country.

China is also accused of expanding influence in other countries through economic diplomacy and securing her strategic assets internationally. Also, the international community has shown serious concerns over the debt diplomacy of China to get hold of the states joining China's Belt and Road Initiative.

CHAPTER FIVE

CHINA- A SATISFIED OR DISSATISFIED RISING POWER?

The world power composition is based on hierarchical structure and this hierarchy reflects variations, motivated by fluctuating growth rates and movement of capital and resources across the nation states. In the past, these hierarchies constituted of nation-states, whereas in contemporary times this hierarchical structure also accommodates the powerful non-national actors, including interest groups, corporations, etc.

Since the post-cold war era, the U.S. has the status of being the sole dominant power until today and its dominance had remained unchallenged. However, in the present world, we observe that since the last two decades, the U.S. preeminence is decreasing in relative terms by the emerging economic giant, China. Scholars argue that the decline in the U.S. hegemony is due to certain factors, mainly including the lack of a long term strategy by the country and the unavailability of a policy to bring the potentially rising states and stakeholders under the US dominating coalition of satisfied powers. They further present that the U.S. is not a superpower alone; rather it maintains dominance by preponderance i.e. grouping and organizing a coalition or alliance of nations having mutual interests and preferences.

The nations who are happy with the status quo, accept the norms and principles set by the dominant state and ensure the stability and prosperity of the global order. On the other hand, there are emerging powers who remain outside this alliance, led by the

dominant power, and challenge or negate the existing standard the preeminent nation creates.

The nations dissatisfied with the international order established by the dominant nation, pose a threat and challenge it, and tend to reorder the hierarchy.

The hierarchy that is dominated by one preeminent power creates a situation where the cost of conflict is high for the relatively weaker powers. The leading power aims at maintaining the status quo. The dominant power allows the less powerful nations to adjust in the order established by it. Whereas in the balance of power, where the hierarchy is uniform, the possibility of conflict increases and the probability of integration is reduced. The preponderant nation imposes tariffs in order to promote their self-interest.³⁶

The inner mobilization of assets, coalition arrangement or balance, can be controlled by the changes in approach and policies. A reliable strategic point of view is required to settle on decisions in political issues, especially for the U.S, as key choices can influence the parity in favor of either worldwide stability or instability.

We also look at the Asian region using the power parity logic, as it enables us to analyze which actions have the probability to generate conditions for serious confrontation. Parity is achieved when the challenger has met the maximum of the abilities of that of the predominant country and is ended when the challenger has surpassed the dominant country's capacity, thus turning into the dominant country.

³⁶KEOHANE, ROBERT O. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton University Press, (1984). <http://www.jstor.org/stable/j.ctt7sq9s>.

Past research has stressed upon and recommends that the time of most serious threat is the point at which the challenger figures out how to overpower the predominant country and crosses the capabilities of the latter.³⁷

In the contemporary era, the United States and China are in a long haul rivalry for the supremacy of economic power. China, being the rising challenger today, is developing at a lot quicker rate as compared to the United States. This dynamic change is creating the conditions for an overpowering later on, and the dominance of China. Thus strategically this places China into the zone of equality and potential progress with the United States. Under the conditions of equality, stability and harmony are accomplished when the two powers are satisfied. Whereas if the challenger is frustrated in the international order established by the hegemon, the likelihood of war increments drastically.³⁸

In contrast to the rivalry with the USSR, it is believed by many that with the progression of time, China could surpass the United States in terms of GDP. If this occurs, with its gigantic population, China's subsequent economic equality likely will transform into military predominance as well. If China develops to its maximum capacity, it would turn into the preeminent country in the global system in the near future.

The important concern or debate is not that whether China will be the prevailing country in the international system, however, whether a predominant China would clearly challenge the current worldwide regime, or join, or lead the international

³⁷ Kugler, Jacek. "The Policy Implications of Power Parity." *Conflict Management and Peace Science* 16, no. 2 (September 1998): 99–124. doi:[10.1177/073889429801600201](https://doi.org/10.1177/073889429801600201).

³⁸ Kugler, Jacek, and Douglas Lemke. *Parity and war: evaluations and extensions of The war ledger*. Ann Arbor: University of Michigan Press, (1996).

system? Looking back at history we have examples of such cases. For instance, the U.S. conquered the British in the early 20th Century. British accepted their leadership peacefully and cooperated ever since. Whereas when Germany overtook the United Kingdom, two world wars were fought to decide who would dominate the world.

Stability is possible in the condition when the challenger is satisfied with the existing status quo. Here the key problem is whether China is satisfied or dissatisfied?

Different factors are analyzed in determining whether China is a satisfied rising power or an unsatisfied rising power. The first one is the role of any land/territorial disputes as it results in dissatisfaction, and is associated with the possibility of war. So the important point is that, "Is there any territorial clash between China and the United States?" Dating back to history, both the powers have been confronting with territorial implications in the Korean War, the Vietnam war and Taiwan. In the present times, Taiwan is seen as part of its core territory by China and represents the most threatening example of a territorial dispute.

The second determinant is the buildup of armaments to counter the threat posed by each other. This is important in analyzing whether the rising power is satisfied with the existing international system or not. So the key concern is that are both powers engaged in the arms race? The defense expenditure of China has increased and is likely to cope with that of the U.S. and Russia. Also the maximum of the Chinese military expenditure is off budget. It is not revealed in official budget documents. China is also buying and trying to secure co-production rights for advanced arsenal from Russia.

The third important point to mull over is that "Is China unhappy with the current international rules of world politics?" The leaders of China portray their rise as a

peaceful phenomenon with a benign agenda to advance the development of the nations of the world. They have exhibited their foreign policy as “non-interference in the domestic affairs” of the nations. Recognizing the growing impact of China, it is engaged in bilateral as well as multilateral initiatives. Her economic expansion has overtaken the U.S. export market and is becoming the economic hub of the Asian continent. This depicts the Chinese long term strategy for casting regional influence. Internationally China has always been prudent in choosing her affiliations with the organizations operating in the world. For instance, Chinese leaders chose to enter the WTO but refused to extensively cooperate with the conventions and organizations dealing with the escalation of WMDs and associated delivery systems. This approach of China indicates her level of dissatisfaction with the existing international order set by the United States.

The fourth essential point is that is there any strong ideological conflict between the U.S. and China? State-supported and implemented ideology is the required cost of constrained individual freedom. This arrangement of ideological convictions experience disturbance, however, the enforcement mechanisms of the government and its emphasis on Party predominance have been steady.

The two ideological frameworks one led by the United States and others by China are at variance with each other over the role of primacy in the political domain. The long history of Western invasions in China, the sentiment among some Chinese leaders that the West has treated China with disrespect and the sense of humiliation that China has been compelled to swallow bitterness on account of the West, complicates this conflict. Combined with rising patriotism, this enemy anti-west and xenophobic frames of mind, make a vague mien among the Chinese political elite. There are domestic elite groups in China comprising particularly of the business community and

other blocks of the civil society who act as a key component in setting internal as well as external preferences away from nationalism, in the pursuit of the global agenda. Thus the elites or interest groups support the international order set by the global hegemon, leading to the acceptability of the world rules.

The fifth point to ponder is, "Are there any patterns of trade and partnership between the two states?" There are significant economic binding between the U.S. and China. The phenomenon of economic interdependence is also rising; China represents the largest bilateral trade deficit with the U.S. and is the third largest trading partner. There is substantial economic binding between China and the United States to both countries fear the loss of momentum in these economic ties. Therefore the possibility of future cooperation is also possible to ensure economic stability.

The U.S. and China have the choice of going for conflict or cooperation or even integration. Integration would mean the adjustment of China within the current global order and cooperation would witness no arms race or military buildup between the two powers, moderation of nationalism, promotion of internationalism, and trade enhancement and pursue a mutual interest.

The challenge for the U.S. in the future will be to carefully observe the patterns of economic growth and the rising nationalism in China. The United States will need to create a balance in avoiding the conditions that would result in the dissatisfaction of China while not fully letting her expand influence over the world. U.S. strategy should be a reciprocal yet interlinking, self-interested yet binding ties with China.

The primary issues between the two powers will include debate or dialogues over copyright laws, fiscal transparency, the dollar as international standard currency, access to world markets, labor standards, migration patterns, environmental concerns,

and exchange rate controls, etc. For China to tackle these issues will be more difficult as there is a deep gap between the individual productivity of the labor of China and that of the U.S. Here the individual productivity means the effectiveness of productive effort, calculated in terms of rate of output per unit of input. In order to solve this problem, the attention of good scholars and decision makers is required to design a well-thought strategy.

The alternative for the U.S.A. will be to alter the timing of parity by bringing out a structural change in order to avoid confrontation with China. This would include the enlargement of NATO or any similar arrangement to gather Russia, India, and Japan under one umbrella of the Western Alliance as it will delay parity with China for a considerable range of time.

China could also join an international structure like NATO but this looks practically unachievable given the foreign policy of China and her geopolitical interests. If China along with India follows this strategy, it would ensure global peace and stability.

Although the power structure is changing in a way that China is becoming the focus of the international political system, we cannot neglect the reality that the U.S. has widened the power gap with the other states of the world to a very considerable extent. This argument is supported by looking at the military might of the U.S. which is clearly demonstrated in her armed conflicts with various countries of the world.

The U.S. is superior in terms of technological capabilities, modern military tactics and has invincible lead in military proficiency. Dating back to the first Iraq War, the military capabilities of the U.S. were very well demonstrated. U.S. exhibited a skillful, unique air power and an efficient plan that employed deception, speed and

large firepower to win an astonishing victory against a massive military force, although the U.S. had already been weakened by a decade of war.

Then in the Bosnian war, the United States conducted an air campaign and achieved a full range of war objectives, without the use of ground forces. This adroit military success cast anxiety and a sense of competition among international players.

Similarly, in the second Iraq War, the U.S. military tactics astonished worldwide military planners. China's most rich asset is her manpower, but the modern military tactics of the U.S.A have made China realize the fact that manpower can no longer provide the strategic advantage. China has focused more on the development of her economy over that of the military. The Chinese leadership needs to reconsider the strategy and discover approaches to reach the level of tactical supremacy of the U.S and to compensate for the imbalance.

CONCLUSION

Different debates and opinions going on in the world regarding the future of China. There is a basic uncertainty over China's status in the international order. Some scholars predict a sino-centric world in the future while some argue that China will collapse similar to what happened to the former Soviet Union.

The United States has always tried to shape the developments in the international system, to maintain her primary position in the world. U.S. views the rise of China as a threat whereas the Chinese view U.S. as an unhappy state that is, directly and indirectly, trying to hinder the rise of China. The U.S. wants China to be brought into the principles that govern international relations.

With time, China has evolved her internal composition and technological capabilities to mark that of the U.S. But at the same time, we cannot be oblivious to the reality of the military supremacy of the United States. In order to avoid the possibility of conflict or confrontation in the future, the U.S. will have to find ways to accommodate China into the current norms of the international order. In China, the formation of a "comprador elite", an internal interest group that supports the norms and rules led by the U.S. will play a key role in determining the foreign policy approach of China.

The process of integrating China into the existing order can be initiated by the world states to join and participate in the regional and international organizations as it will enhance the internal diversity in China.

On the other hand, the path of China's smooth rise can be hindered if its leadership is unable to balance between national imperative to develop rapidly as well as careful

handling of the overheated economy of the country. There is a possibility of political unrest in China by the workforce if the control mechanisms fail.

Until now, China has depicted her rise as a peaceful, non-threatening phenomenon with no intention of replacing the existing international order. What happens in the future will depend on how the world reacts with rising China, particularly the United States.

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