No One is Satisfied: Two Theories of the US-China Global Rivalry and the International Order

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ABSTRACT

A remarkable shift is underway in the geostrategic relations between the United States, long a dominant global power, and China, a relentless economic engine with a rapidly growing military. Their competition promises to change the face of global politics in the 21st century. This paper examines that conflict from the perspectives of two discrete political theories: power transition theory and hegemonic stability theory, which come to different conclusions when applied to China and the United States separately. However, taken together with both nations in mind, they arrive at six possible futures, including regional warfare and a wholesale overhaul of the existing international order.

Keywords: international order, hegemon, challenger, satisfaction, dissatisfaction
INTRODUCTION

Sino-US relations qualify as a classic great power struggle between a dominant power (or hegemon) and a rising power (or challenger). Throughout history, relations between dominant and rising powers have shaped the world order. Today, that struggle unfolds in a world of advanced technology, doomsday weaponry, communications, and an interwoven global economy. China, a derelict state only a few decades ago, has become the second-largest economy in the world, surpassing the US in purchasing power parity in 2013. Along with its economic growth, China has adopted an aggressive grand strategy under paramount leader Xi Jinping.

Two over-arching theories provide insight into major power relations on the international stage. This paper draws from power transition theory (PTT), promulgated by A.F.K. Organski in his 1958 book *World Politics*, and hegemonic stability theory (HST), described in 1984 by Robert Keohane. PTT holds that a nation that achieves hegemony will ultimately be challenged by a rising nation dissatisfied with the status quo. HST argues that the international system, including treaties and trade, enjoys more stability when a single nation-state is the dominant player. Together, these theories form the backbone of what is known as the realist school of thought in international relations, as distinct from the systemic school, yet their approaches differ. HST takes into account politico-economic perspectives, which typically rely on a cost-benefit analysis in an attempt to reach rational decisions, while PTT focuses more on the motives of the rising power. These different approaches, taken together, illuminate the great power politics currently underway.

This paper makes two central arguments. First, Sino-US strategic relations bring uncertainty to the existing world order because both the US, as the hegemon, and China, as the rising power, seek to rewrite the rules to maximize their respective interests. This uncertainty has not ended with Donald Trump’s departure from the US presidency. Second, six prospects emerge from the international order, based on current trends in great power relations:

(1) no obvious dividing line in strategic competition;
(2) diminishing international values and norms;
(3) shifting formations, and strategic purposes, for both current and future international multilateral institutions;
(4) the possibility of unexpected small wars in flash points;
(5) re-emergence of traditional nuclear power competition; and,
(6) the emergence of a new world order.

On this we can agree: 1) the behavior of a rising China is more assertive in extending its national gains against the US and the existing international system, and 2) the United States has found that the post-World War II order, which it helped to shape, has produced some negative consequences, leaving it vulnerable in the realms of economy, military, and technological competition.
LITERATURE REVIEW

Before China’s rise, most scholars used HST to focus on the rapid growth of Japan relative to US supremacy and to predict how their relations would unfold.¹ During the post-Cold War period, Ikenberry discussed the characteristics of the American order, the rise of unipolarity, and shifts in the liberal hegemonic system to seek the implications for the future of the US’s liberal order. His work suggests that rising powers pose a threat to the American-led order and, therefore, the US requires a new, expanded, and shared international governance arrangement, arguing that transformations in the international system make it difficult for the US to maintain some liberal features in the order.²

Some scholars analyzed the rise of China by applying power transition theory versus the institutionalist theory to test China’s actions against expectations. Goldstein³ focused on three flashpoints—the South China Sea, Korea, and the Taiwan Straits—and concluded that the evidence in the South China Sea and Korea was explained better by the institutionalist theory due to China’s international cooperation in disputes and that the Taiwan case is inclined toward the prospects of power transition theory, since China responded aggressively in solving the issues pertaining to the Taiwan Straits.

Tai-Tang and Ming questioned the roles of the US and China in Northeast Asia in accordance with the hegemonic features that were described under HST. This research examined who is a hegemon and who can maintain stability. Statistics on economic and military capabilities and the soft power of the US and China were used to discern who possesses a hegemon status and five hot spots—North Korea’s nuclear development; relations between the Koreas; Beijing and Taipei; China and Japan; and, China and the US. They argued that despite the rise of China, the US is still a hegemon in Northeast Asia.⁴

In terms of power transition, Lai deliberated on US-China relations, China’s objectives and visions for modernization, a comparative analysis between US-China and UK-US relations, and US-China relations amid conflicting interests. In his view, a power transition is unquestionably underway between the US and China. He contends they have several opposing core interests that are capable of ending in war if not successfully managed.⁵

Some Chinese scholars objected to the implications of PTT by pointing to Chinese satisfaction with the status quo given its participation in international institutions, its commitment to abandon the threat of—or use of—force in the South China Sea, and the reorientation of China’s direction when at odds with the original orientations of regional platforms. Ikenberry argues that rising powers, including China, find incentives and opportunities to engage and integrate into this order to advance their own interests, since they strongly benefit from existing open and rules-based international structures. This is clear from China’s strong willingness to join the WTO and create an institution like BRICS, an economic bloc incorporating Brazil, Russia, and India. However, China’s authoritarian model means that it may be regarded as a spoiler and a free-rider in the international order.7

Nye argues that although America has experienced both an absolute and relative power decline with respect to other countries—and even if America were no longer seen as a hegemon—the “American century” is not over. Military, economic, and so-called “soft” power—the ability to persuade—he contends, will keep America central to the world order. According to Nye, China cannot hope to rival the American preponderance of power in terms of its strategic alliances and military forces. Therefore, he concludes, the US will remain in the leading position in the future world order even after its decline.8

Most scholars have used power transition theory to analyze the actions of China rather than the US. However, whether a power transition is likely to happen cannot be determined by exclusively focusing on China; the response of the US is crucial. With HST, most of the literature has focused on the role of the US in the international order, excluding China’s actions. Some scholars have concluded that the US is still a hegemon. Some argued that US will lose hegemony but remain in a leading position in the international order. However, this literature dismissed the impact of a rising China on the US status and the international order. In sum, applying PTT or HST to exclusively focus on China or the US falls short of the proper context. This research will attempt to combine the two theories, emphasizing the role not only of the US, but also China, to gauge the impact on the international order.

THEORETICAL FRAMEWORK

Power transition theory and hegemonic stability theory both test the concept of the rise and fall of hegemons. These two grand theories provide insight into great power relations from the realist paradigm of international relations, and they can also provide an understanding about how great power relationships determine the global order.

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PTT, as formulated by Organski, assumes that, in light of an international environment that is influenced by a dominant nation, peace is threatened when a challenger attempts to create a new place for itself. From the structural viewpoint, global politics is assumed to be a composition of “a hierarchy of nations” with the most powerful nation at the top. From the dynamic perspective, countries gain, lose, or stagnate, depending on their growth rates. The shifts in relative power across countries can result in new relationships determining whether a nation is satisfied or dissatisfied with the international system. In this case, the international order refers to the political institutions created by a dominant state according to its interests and wishes.

PTT contends that the two core characteristics of a potential challenger are intention and power to change the international order. If a potential challenger comes forth, a dominant nation and its allies will seek the disproportionate power required to maintain the international system as constructed by the dominant nation. In this case, the dominant power essentially strives to maintain the existing international regime. PTT would predict that “the power of China becomes greater” and that “Western powers will encounter the most serious threat to their supremacy comes from China.” As a result, war between China as a rising challenger and the US as a declining hegemon is likely. If history repeats itself, PTT would expect that China is likely to be a powerful and dissatisfied challenger to the existing world order.

HST argues that world order under a single dominant national will be most stable and will have the most open economic order. This statement is derived from the 'logic of collective goods' which means that all countries have profits under the stability of international system and trade liberalization created by the dominant nation. HST contributed that stability is ensured under a hegemonic power as the dominant nation—the one with the strongest position in terms of military, economy, and politics—provides collective goods in the

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11Ibid.


international system to secure order and stability.\textsuperscript{15}

Unlike other hegemonic stability theorists, Keohane demonstrates that a hegemon is an entrepreneur in the macroeconomic sense. He claims that a government (a self-interested actor in world politics) seeks to gain more for itself from the international order than it spends in establishing the activity.\textsuperscript{16} Concerning Keohane’s idea, if the maintenance costs are larger than the benefits required to sustain the international order, a dominant state may reduce its willingness to maintain the international system.\textsuperscript{17}

Beyond Kindleberger and Keohane, Gilpin developed an interest-based leadership model in the international system. He enhanced his line of thought with \textit{War and Change in World Politics}, in which he addressed stability and change. First, an international system is in a state of equilibrium if no states believe it profitable to attempt to change it.\textsuperscript{18} Second, if the rising nation perceives that gains exceed the costs, it will try to change the international system, creating disequilibrium.\textsuperscript{19} There are two expected ways to change the international system; in the first, it attempts to increase benefits, and, in the second, it attempts to decrease threats.\textsuperscript{20} In this case, as long as a rising nation attempts to increase its benefits by changing the international system, the cost to maintain the system will increase for the dominant state. In sum, HST predicts that a rising nation strives to change the rules governing the international system and seeks a sphere of influence to serve its own international interests. In response, the dominant state seeks to preserve its supremacy in the system.

When comparing the two theories, the main implications are: 1) nations rise and fall relative to one another; 2) the international order is shaped by a dominant nation; and, 3) stability is easier to maintain in a unipolar world order. PTT maintains that if a dissatisfied challenger rises in the international system, it will be the revisionist state. In this scenario, the hegemon will retain the international system to continuously serve its dominant position and national interests. On the other hand, HST calculated that a rising nation will strive to change the rules governing the international system if its relative gains increase, while the dominant state will seek to hold onto its supremacy and secure the international order and stability. In this case, a hegemon’s willingness to maintain the self-constructed arrangement may diminish based on costs and benefits.

One might anticipate that the driving factors behind the actions of a dominant nation and its challenger would be different under the two theories. To shape the international order, state-relations are central under PTT, whereas a cost-benefit analysis is the main driver for both the hegemon and challenger under HST. Hence, this paper will draw from both approaches, analyzing both the dominant and the rising power to scrutinize the characteristics of both the US and China in their contemporary relations.

\textsuperscript{17} Ibid.
\textsuperscript{19} Ibid
\textsuperscript{20} Ibid
CHINA'S GRAND STRATEGY

Grand strategy is not only a fundamental connection between a nation’s strategic interests and its means to achieve them. By coordinating different elements of national power, a country can exert maximum influence upon the international system. So it is with China. Looking back on the evolution of China’s strategic thinking, the theme under Deng Xiaoping, leader from 1978 to 1992, was “China should hide its capabilities and bide its time”—that is, keep a low profile. Deng fully realized China’s relative weakness, as well as the diplomatic isolation and economic pressure the country faced during this period. Accordingly, Deng’s successors attempted to avoid conflict and build strong relations with the US, its allies, and other countries. Even so, China carried out a major military buildup around the 1990s and expanded the People’s Armed Forces to promote its defensive actions. Nonetheless, China’s priority was to pursue reform to improve its economic performance and prepare for broader trade in order to maintain regime legitimacy, therefore it focused on inward-oriented strategy prioritizing its national development.

For decades, China has carefully guarded its intent toward the US and continued to embrace the liberal order via attempts at the entry into the World Trade Organization (WTO) by standing close to the US through engagement. China made the most of a 20-year period of strategic opportunity through growth and economic progress during which the nation concentrated on enhancing national development. In the wake of the 2008 Global Financial Crisis, China shifted from a passive role to a more proactive stature in the global economy in order to minimize the negative impact of the free international economy. For Chinese analysts and policymakers, the 2008 crisis marked the beginning of the decline in American hegemony, and China attempted to grasp the opportunity increase its relative power over the long term. China imposed a revisionist agenda of overhauling Bretton Woods institutions—the World Bank and International Monetary Fund, particularly IMF voting rights, and suggested that global governance rules should be readjusted.

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23 Ibid.
25 Ibid.
Nowadays, China is increasing in relative power, as its growth rate has been greater than that of other major powers, including significantly more than the US. China has become the largest trader, surpassing Germany in 2010, and the second-largest economy as of 2011, surpassing Japan. As noted earlier, China also surpassed the US as the world’s largest economy in terms of purchasing power parity (but not nominal GDP). This astounding growth has been the greatest source of legitimacy for the Chinese Communist Party leadership, spawning dramatic shifts in strategy under Xi.

Chinese strategic thinking for the US and its global ambitions, judging by Xi’s speeches, reflects China’s ambition to take the role of global leader in the future by creating a Chinese “socialist” order. Xi, for instance, has predicted the “eventual demise of capitalism and the ultimate victory of socialism.” This reflection is further supported by a remark by Xi in 2017: “We should get fully involved in global governance and promote the establishment of a fairer and more equitable international political and economic order.” These admonitions prompted China to abandon the “hide and bide” ideas of Deng in favor of Xi’s strategic ideas for taking more proactive moves to achieve its national interest without hiding its power, discontent, and demands for change in the current world order.

By 2019, the regime felt confident enough to declare, in a white paper, “socialism with Chinese characteristics has entered a new era,” calling “the country’s international standing and its security and development interests” a “strategic task for China’s socialist modernization.” In reality, China has been integrating into the Western liberal international order with its communist ideological approach, making obvious its desires to grasp opportunities and gain power in international affairs, ultimately defying liberal norms that contradict its ideology and national interests. Beijing’s willingness to seek opportunities in the current international system can also be understood through its support of international institutions, like the WTO and UN Security Council, in order to bend them to its national interests. China has become a growing power at the UN and is now the second-largest provider of contributions to both the UN’s regular budget, at 12% (behind 22% from the US) and peacekeeping (at 15%, compared to around 27% of the US).

China has shown no signs of withdrawing from multilateral organizations as the US did under the Trump administration. Rather, Beijing is now expanding its voice related to human rights,
values, and norms at the Security Council to extend its sphere of influence. Nevertheless, China stands against the legitimacy of the International Tribunal for the Law of the Sea, expressing great dissatisfaction with the liberal international order, with senior officials proclaiming it was built and led by the US with American norms to benefit the US.

Narratives against US hegemony and values, deeper engagement with existing international institutions, and the imposition of Chinese views through China-led multilateral institutions reflect a rising China remaking the international order on its own terms. Xi has highlighted “developing the global governance system, and keep contributing Chinese wisdom and strength to global governance.” Wang Yi, the Chinese foreign minister and state councillor, has also stated, “Today international rules and multilateral mechanisms are under attack … China has upheld the international order and pursued multilateralism … [kept] to its commitments and remains a champion of multilateralism.” China has supported a multipolar world order through the establishment of multilateral institutions and dialogues with every continent. Through regional and global multilateral organizations, Beijing is imposing a global agenda that counters the US. Toward what end? China’s ambition is to impose multilateralism in the world order in which Beijing has hopes for dominance. That is more likely to pave the way for China to transition power to itself.

Furthermore, China has an objective of removing the dominant role of the US in Asia. That desire can be traced back to Xi’s speech in 2014 at the Conference on International and Confidence-Building Measures in Asia (CICA), in which he called for the “people of Asia to run the affairs of Asia … through enhanced cooperation.” Moreover, Beijing has expressed that “China is fully aware that its peaceful development is closely linked with the future of the region. China has all along taken the advancement of regional prosperity and stability as its own responsibility” and that the "major countries should treat the strategic intentions of others in an objective and rational manner, reject[ing] the Cold War mentality." Beijing clearly plans to replace the US as a stabilizer in the region, not only by terminating the US' old security concept but also by removing US hegemony in the region to shape the security order under its own terms.

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38 Chinese President Xi Jinping to the 19th CPC National Congress on October 18, 2017.


Xi is the first Chinese leader in the 21st century to reshape the Asian security architecture, seeks to build a multi-layered lattice of institutions and partnerships to create “network power” as a central position in security architecture, which the US has traditionally enjoyed to enhance a regional order that can exceed an individual state’s material capabilities. In China’s 2017 White Paper, the new security concept of China is intended to seek a security order in which China rejects the existing treaty alliance involving the US (an external player) and other countries that limit the role of China so that they may build Chinese legitimacy in security, territorial, economic, and political matters. In this case, China sees a clear means to implement its dream of national rejuvenation. China formed new alternative institutions, such as the Shanghai Cooperation Organization (SCO) and the CICA, as well as two ASEAN-based mechanisms (the ASEAN+3 dialogue and the ASEAN-China (10+1) dialogue), where the US has no means of interrupting China’s pursuit of its national interests in the region. In this way, China is establishing an architecture to alter the US-dominated ASEAN security network and remove the presence of the US Chinese actions show not only a sense of weakening the current US-led institutional mechanisms, but also a sense of transforming them.

Regarding the reunification of Taiwan, Beijing has conveyed its future actions by defining that “China resolutely opposes any attempts or actions to split the country and any foreign interference to this end … [China will] never allow the secession of any part of its territory by anyone, any organization or any political party … [and will] defeat anyone attempting to separate Taiwan from China and safeguard national unity at all costs.” This conveys China’s desire to reunify with Taiwan against international pressure, particularly from the US. Additionally, according to a Chinese diplomat at the Chinese Embassy in the Washington, DC: “The day that a US Navy vessel arrives in Kaohsiung (a large coastal city in southern Taiwan) is the day that our people’s Liberation Army unifies Taiwan with military force,” expressing that China will go to war with the US if necessary. 

In addition to regional affairs, China has expressed its intent to extend its power and influence, becoming the strongest nation in the world: “China is striving to narrow the gap between its military and the world’s leading militaries” and “China is moving closer to the center of the world stage.” These statements show its willingness to extend its military power to match the stature of the US. Regarding former President Barack Obama’s goal of a nuclear-free world, Beijing has expressed that “China cannot be expected to involve itself directly in the reduction of its nuclear weapons until the United States and Russia have made deeper cuts in their arsenals.” Li Bin, a professor at Tsinghua University, has emphasized that China will not be

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involved in New START negotiations, but worries that the US government will embrace another arms control agreement, which is more serious than whether or not China joins New START. China cannot threaten the US nuclear retaliatory capability, but is concerned that the US could threaten Beijing’s nuclear retaliatory capability. Gen. Yao Yunzhu from the Academy of Military Science of the People’s Liberation Army highlighted that “China thinks the US request for participation is unreasonable, unfair, and unfeasible.” Subsequently, Chinese officials asserted that “Beijing is already near the top [at promoting non-proliferation], while Moscow and Washington, accounting for more than 90% of the world’s nuclear weapons, are still near the bottom.” This infers that China intends to build up its weapons to catch up with US nuclear capabilities. Chinese determination regarding its territorial claims to the South China Sea has evolved based on its relative capabilities. A 1958 declaration remarks that islands in the sea are separated from mainland China by the high seas, over which no country has control. China never mentioned its historic rights to these islands in the past. However, as China has risen, it has claimed the disputed islands according to historic rights. Now, nationalism has become a main driver for solving territorial claims in China under Xi against the backdrop of history. Foreigners invaded when China was too weak to defend itself during the self-described “century of humiliation” (1839-1949). This has become part of the dream of rejuvenation, in which China becomes strong and assertive again. “We cannot lose even one inch of the territory left behind by our ancestors,” Xi remarked in 2018. China maintains its military presence near the maritime disputed areas to prevent countries that dispute its claims from exploiting resources and rejects established freedom of navigation rules. Not only has China refused to participate in the proceedings at the Hague Tribunal to solve the South China Sea disputes, a Chinese spokesperson said: “The Chinese side is firmly opposed to the frequent appearance of the US military aircraft and vessels in water facing China for … reconnaissance and military survey.”

China’s more aggressive behavior and dissatisfaction toward the existing international order can be observed with its Belt and Road Initiative (BRI), a massive development plan launched in 2013. The BRI, a part of its grand strategy, is aimed at shaping its future as well as its role in international politics economically. The BRI aims to reach Central Asia, South East Asia, South Asia, West Asia, and part of Europe in order to build the world’s longest economic corridor, including more than 65 countries, by linking the Asia-Pacific circle on the east end of Eurasia.

49See Zhang.
51Lianjun Li (1990). Study of China’s maritime shipping policy, World Maritime University Dissertations. [https://commons.wmUSe/cgi/viewcontent.cgi?article=1873&context=all_dissertations](https://commons.wmUSe/cgi/viewcontent.cgi?article=1873&context=all_dissertations)
and the economic circle in its west end.\textsuperscript{56} BRI has a sense of geo-economic and geopolitical thinking by taking both internal and external factors into consideration.\textsuperscript{57}

Internally, Chinese leaders were deeply concerned about the legitimacy and survival of the Chinese Communist Party regime based on economic development due to the negative effects of the global economic system, crises, shocks, instability, and perceived threats, especially economic pressure from the US.\textsuperscript{58} Since the 2008 Financial Crisis, with the ensuing emergence of the US pivot-to-Asia strategy, policymakers and analysts have considered China’s grand strategy and more active role in the global economic system.\textsuperscript{59} Externally, as it prepares to integrate itself into the Western-dominated international system, China was immensely dependent on the international liberal economic system led by the United States by relying on the US as the primary export and import market, as well as source of capital, technology, and management expertise.\textsuperscript{60} Moreover, escaping from the shadow of the US pivot to Asia was one of the main driving factors for implementing the BRI and Asian Infrastructure Investment Bank (AIIB). China believed that the pivot was a rebalancing strategy to contain and check its rise—not only by military means (such as re-deployment of 60% of US naval forces to the Asia Pacific by 2020), but also economic means, such as the Trans-Pacific Partnership.\textsuperscript{61} By extending its influence in the peripheral areas and speeding up its economic spheres of influence, China felt that it could defend its vulnerabilities from threats from the US and its allies.

Officials have observed that China’s rising power is checked due to the fact that the Trans-Pacific Partnership’s rules have shifted from a multilateral to a regional focus through the Transatlantic Trade and Investment Partnership (TTIP) and the rules of the World Trade Organization (WTO), excluding emerging economies, as well as Obama’s repeated statements that Beijing should not be allowed to write the rules for the region.\textsuperscript{62} Therefore, it appears that the grand strategy of China is partly motivated by a sense of insecurity, with the aim of both counterbalancing the pressures of the US and its allies and decoupling from US interests, to which China’s economic interests are opposed, along with the current international arrangement. China’s BRI has both geo-economic and geopolitical implications. China’s slogan of “a community of common destiny” is likely to a new economic order with a regional subsystem centred on China and to push the US to the periphery by connecting many countries.

\textsuperscript{61}See Wang, Y. (2016).
across Asia and Europe through physical infrastructure. Additionally, economic and financial bonds with news rules and institutions are to be included in Beijing’s over-arching geo-political design. Geopolitically, the concept of BRI is a formation of Eurasia opening to all countries referring to the connectivity of the “Asian, European, and African continents.” One can assume that these motivations are to build the regional economic order by applying the tools of the BRI and AIIB, since it has an initial intent to exclude the US. In other words, China is cutting ties with the US in seeking common interest with other countries, which can reduce US influence.

All in all, as its relative power increases, China has grown in its assertiveness to implement its grand strategy to conform to its own hegemonic dreams. From assessing China’s grand strategy via multi-dimensional perspectives, including ideology, security, geopolitics, geo-economics, and the evolution of its strategic moves, it can be understood that China’s motives are to challenge the status and power of the US in every aspect at the international level. Furthermore, China is more eager to eliminate perceived threats in coercive ways and advance its strategic benefits globally by showing that China is taking responsibility for global security. China’s overall aspirations and its true expression of grand strategy mark its dissatisfaction with the US, strengthening its status and power within global institutions and undermining the rules and norms of the current US-led structure.

The US Response under Trump

The “America first” policies of former President Donald Trump collided with a rising China during Trump’s term in office. Economically, Washington’s discontent with Chinese trade practices became a great source of protectionism. The US-initiated trade war provided powerful leverage for the rivalry with the pursuit of trade equilibrium not to be surpassed by China in the future.

The US officially declared China’s trade and economic policies not only a challenge to the US economically, but also a threat in terms of foreign policy and security. The US wanted to change the trade relationship with China due to its unfair practices, which led to a trade deficit. Moreover, the US worried that Chinese firms had been growing based on American capital markets and dollar-based finance. With bipartisan support in both the House of Representatives and Senate, then-President Trump signed legislation so that American

regulators can review Chinese companies’ financial audits. This law could pose a huge threat to Chinese firms that fail to meet the audit standards, potentially removing them from the US economic arena. Those tough responses show that the US intends to prolong the economic power gap between itself and China to maintain the US’ economic status in the long term.

US dissatisfaction with China extends beyond trade and encompasses a wide range of security and ideological issues. As former National Security Advisor John Bolton has said,

This is not just an economic issue. This is not just talking about tariffs and the terms of trade. This is a question of power. The intellectual property theft that you mentioned has a major impact on China’s economic capacity. I think all of this goes on what will be the major theme of the 21st century, which is how China and the United States get along.\[68\]

Technology has also become a serious issue for US national security because of concern that a lack of transparency and protectionist policies gave China an advantage. This situation prompted the US not only to seek protection from China, but also to address the technological competition between the two countries. In the US National Defense Strategy of 2018 had harsh words for China, which it labeled a top threat to the national security of America, along with Russia. In the document, China’s military power and aggressive actions in the Asia-Pacific and its plan to become a leader in high-technology industry posed an existential threat to sustained American leadership.\[69\] US military technology is also not normally controlled by the government, but rather rooted in the free global commercial market and, as a consequence, the integration of military technology production supply chain between US and China resulted in vulnerabilities in the US defense sector.

Stealing US technology also conferred advantages to China’s technological development process under free trade cooperation.\[70\] That encouraged the US to start a decoupling policy to take legal actions against Fujian-Jianhua for stealing secrets dealing with the US semiconductor technology.\[71\] The US government also banned Chinese ICT firms ZTE and Huawei to prevent China from using technology to export China’s economic model to other countries.\[72\]


Washington also persuaded some of its allies to ban China’s Huawei Technologies as a global security threat. Furthermore, in 2019, the US banned all American firms from using telecom equipment produced by Huawei, based risks to national security, and imposed tariffs to shift their supply chains out of China to counteract US companies’ dependence on Chinese manufacturing. The Trump administration also issued executive orders to ban the social media apps TikTok and WeChat from operating in the US in 45 days, with the allegation that TikTok “threatens to allow the Chinese Communist Party access to Americans’ personal and proprietary information.” The US issued a similar order for the China-based WeChat app.

The US is taking additional tough actions in response to China’s technological influence and threat. Therefore, with the strategic intent to remove the vulnerabilities of US national security and prevent China from surpassing it technologically, US actions against defense and economic threats led to protectionist policies at odds with current international arrangements.

In addition to vulnerabilities in the current order, the US is coping with geopolitical and geo-economic challenges stemming from a potential economic order led by China. The objectives of the US Indo-Pacific strategy under Trump were essentially intended to deal with the economic threat of the BRI. The US contended that with the BRI “Beijing is leveraging its economic instrument of power in ways that can undermine the autonomy of countries across the region.” US policy elites view the BRI as a “new type of globalization movement” with the enclosure of the Eurasian supercontinent by excluding the US. These two scenarios will harm US hegemony geopolitically and geo-economically. To balance AIIB steering of the finance and infrastructure of developing countries, the government created, with bipartisan support, the Better Utilization of Investments Leading to Development (BUILD) Act, prioritizing the needs of low-income and lower-middle-income developing countries. The Blue Dot Network led by the US was also formed to provide global standards of infrastructure with loans, loan guarantees, and insurance with global practices under the International Development Finance Corporation (DFC) by bringing together governments, companies, and civil society organizations. Hence, it can be observed that the US reacted to China’s BRI by implementing rival multilateral institutions.

In addition to revamping trade policies, the US has strengthened trilateral military cooperation with Japan and Australia and with Japan and India; bilaterally with Japan, India, and Australia, as well as fostering military ties between Japan, India, and Australia (the Quad). This is to protect the US national interests in the region with help from its allies against China’s aggressive

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74 See Brown & Singh.
75 Carvajal, N. & Kelly, C. (2020, August 7). Trump issues orders banning TikTok and WeChat from operating in 45 days if they are not sold by Chinese parent companies, CNN. https://edition.cnn.com/2020/08/06/politics/trump-executive-order-tiktok/index.html
As great power competition returns, we will continue to invest, act, and orient ourselves to ensure that the principled international order,” asserted a 2019 government report on Indo-Pacific strategy. “Our vision for a free and open Indo-Pacific encompasses values that are shared by our allies and partners in the region.” Those sentiments reflect the continuous US commitment to ensure its dominant position in the international system by sharing liberal ideologies and efforts with allies.

Moreover, it can be suggested that the US today spends more on increasing the security budget and serious security investment in the Indo-Pacific region to contain a rising China. “The US military is active on a daily basis to safeguard freedom of navigation and overflight in the Indo-Pacific, demonstrating our commitment to fly, sail, and operate wherever international law allows” then-Assistant Secretary of Defense Randall G. Schriver said in a May 2019 speech to the American Enterprise Institute. Since the start of the Trump administration, the US has extended its assistance budget in the region by 25% over previous years. The US also boosted its military and naval activities by conducting freedom of navigation operations (FONOPs) in 2018 and focused more on military operations to preserve free and open access to the sea to address China’s assertive territorial claims. In response to Xi’s recent “prepare-for-war” slogan on its dream of rejuvenation, former White House National Security Adviser Robert O’Brien said that Taiwan should be ready to deter “grey zone operations” by China and a direct “amphibious landing” by Chinese forces. Additionally, the White House declared that it is planning to sell more advanced weapons to Taiwan, such as the Standoff Land Attack Missile-Expanded Response, external sensor pods for the F-16 fighter, and the High Mobility Artillery Rocket System.

Furthermore, the US is attempting to rewrite international nuclear agreements because China has advanced its nuclear arsenal not only quantitatively, but qualitatively, and without transparency. The US has claimed that China drove its decision to withdraw from the 1987 Intermediate-Range Nuclear Forces (INF) Treaty. The US also announced the creation of a new nuclear pact to be signed by China in addition to Russia. Shannon Kile, director of SIPRI’s Nuclear Disarmament, Arms Control and Non-proliferation Programme, said that

80 See Zongyi, L. (2019)
82 US. Department of Defense (2019, May 3), Assistant Secretary of Defense Randall G. Schriver, speech at American Enterprise Institute.
84 Sharma, A. (2020, October 19). How Is the US Responding To Chinese President’s Call To “Prepare for War” Over Taiwan? https://eurasiantimes.com/how-is-the-us-responding-to-chinese-presidents-call-to-prepare-for-war-over-taiwan/
“intermediate-Range and Shorter-Range Missiles (INF Treaty) in 2019 suggest that the era of bilateral nuclear arms control agreements between Russia and the USA might be coming to an end and could potentially lead to a new nuclear arms race.” US officials also created a framework to extend the 2010 New Strategic Arms Reduction Treaty (New START) before it expires in February 2021 with the aim of including China. Indeed, Washington’s concern for Chinese nuclear modernization is not a direct nuclear power competition, since Beijing’s arsenal is much smaller than that of the US. However, Washington fears that China could achieve the potential to win wars at the lower end of the conflict spectrum by gaining strength across multiple domains, including nuclear ordnance.

In sum, the strategic responses under the Trump presidency undermined the US-led international order, as the US perceives some of the current rules do not serve its national interest. Due to challenges from China in different aspects, including economic, political, military, ideological, and technological influences, the US has moved to reform the current international arrangements to maintain its hegemony.

**US-CHINA RELATIONS UNDER THE BIDEN ADMINISTRATION**

Whether there will be dramatic changes in US-China relations under Biden is uncertain, but how Biden defines those ties will have a huge impact to the world order. In any case, the structural problems between the US and China could take years to solve. In the election campaign, Biden vowed that “as a nation, we have to prove to the world that the United States is prepared to lead again,” noting that “the United States played a leading role in writing the rules for 70 years.” It is obvious that there will be no dramatic changes in the perceptions toward China between the old and new US leadership. Throughout the campaign, Biden claimed that “getting tough on China” is necessary, adding “China is extending its global reach, promoting its own political model, and investing in the technologies of the future.” However, it is also guilty of intellectual property theft and unfair trade practices, which Biden says must end. “When American businesses compete on a fair playing field, they win,” Biden said. Moreover, US public opinion toward China is trending down and there are vocal critics of various stripes in Congress. All of this suggests that the current strategic competition is likely to endure.

However, US confrontation toward China might soften somewhat, given that the administration has re-entered the Paris Agreement, TPP, and WHO, reinforcing its commitment to the international order. Biden has also promised that China would be forced

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to “play by the international rules from trade to actions in the South China Sea.”

In other words, the US will attempt to rein in China by means of international support and established rules. Despite the continuation of competition between them, Washington under Biden intends to seek cooperation with Beijing on issues such as climate change, nonproliferation, and global health security, where their interests are convergent. Rather than competition with rising China by bilateral approaches under Trump, Biden contends that “the most effective way to meet that challenge is to build a united front of US allies and partners.” To counter China’s tech offensive, strengthening global cooperation with like-minded countries will be Biden’s approach to China. “To win the competition for the future against China or anyone else, the United States must sharpen its innovative edge and unite the economic might of democracies around the world,” he wrote in the March/April 2020 edition of Foreign Affairs.

On the other hand, like his predecessor, Biden stated that the US needs to “get tough” on China, countering intellectual property theft and unfair advantages. Hence, technological competition will remain steadfast in the future of US-China relations. After Trump, Biden declared in Foreign Affairs, the US will “avoid a race to the bottom where the rules of the digital age are written by China and Russia.” It is a sign that technological decoupling between them is likely to continue and the US will attempt to stay dominant in technological power, such as 5G and artificial intelligence, to prevent China from setting the rules of the match and to ensure that these technologies will promote greater democracy by limiting Chinese influence abroad.

Thus, a US-China trade war is likely to continue. In a New York Times interview, and more recently through his spokeswoman, Biden confirmed that his administration will not make any “immediate moves” to remove the tariffs that the Trump administration imposed on China. Biden’s administration will also implement what he called the “best China strategy” by getting all traditional US allies in Asia and Europe “on the same page” to stop China’s abusive practices, theft of intellectual property, unfair subsidies to corporations, and forced technology transfers. Before her confirmation, Biden’s trade chief, Katherine Tai, indicated that a trade war is the best response to China’s clear record of underhanded market practices.

Like the previous administration, Biden also committed to extending the NEW START treaty to reform the arms control agreement to reflect the emergence of China. Transforming the
armed forces for the 21st century is likely to become a new security agenda item. The US will attempt to secure a competitive edge in military forces to meet the threats of the future from cyberwarfare to space and artificial intelligence while reinforcing alliances and partnerships. The 2020 Democratic Party platform emphasized that the global trading system fails to protect the interests of American workers, and supported rejoining and reforming global institutions, such as WHO and the UN Human Right Council, reinventing existing alliances and building new partnerships to advance mutual priorities and deal with new challenges. Modernizing these US-led international arrangements to make sure they reflect the changing posture of the US in the 21st century will continue, as with the previous administration.

However, the new administration may arrive at a different conclusion related to costs and benefits. The US approaches to China will be unquestionably more multilateral. While consolidating allied power, the new administration will likely also seek cooperation with Beijing on issues of mutual interest. Key points, such as the trade war, technological competition, disputes in the South China Sea, and issues relating to Taiwan and nuclear security, will likely intensify in future strategic competition between the two countries. Most of all, US attempts to rewrite the current international order to reflect its national interests and counter China will continue and the new administration will likely try to force China to play by established rules pertaining to trade and freedom of navigation on the high seas.

CONCLUSION: CONTEMPORARY AND FUTURE STRATEGIC RELATIONS

Both theories discussed in this paper suggest that a rising power makes the world unstable. However, the notion that a hegemon is a stabilizing force that attempts to safeguard the international order flies in the face of recent US actions. The hegemon in this case is a dissatisfied actor. Additionally, both the United States and China are attempting to change the playing field to their benefit. From the PTT perspective, China is dissatisfied with the existing international order and powerful enough to change the system. Its grand strategy reveals its great ambition to assume the role of a global leader. The US is trying to reduce the gap of technological, economic, and military power with China in order to sustain its dominant position.

According to the logic of HST, a state’s strategic thinking is based on cost-benefit analysis. When relative gains of a rising nation increase, it strives to change the rules governing the international system and the sphere of influences. This assumption is still applicable in the behavior of rising China. As China’s relative power increases, China redefines its national interests and becomes more assertive in implementing its grand strategy. As a consequence, the international system is in disequilibrium. A rising China is thriving to achieve its expected benefits by initiating new international settings under which China can increase its benefits and eliminate threats by challenging the status of the US and the existing order. This is fuelled in
part by the revival of Chinese nationalism with a dream of rejuvenation after its “century of humiliation.”

Under HST, stability is ensured under a dominant nation, which seeks to restore its supremacy within the system when challengers arise. However, in dealing with a rising China, US efforts to maintain its dominant status seem to prioritize rewriting the current international arrangements, rather than working under the current system. Accordingly, some US strategic moves make the system unstable, which contradicts HST predictions that the hegemon stabilizes the international system. The findings suggest that the US faces a dilemma between sustaining its self-constructed order, which does not fully serve US interests, and trying something new. But HST accurately predicts of higher costs—in this case associated with investment in the Indo-Pacific region—will tip the cost-benefit ratio for the United States.

When testing the contemporary relations between US and China with two different approaches from two theories, one finds consistency with a rising China, the dissatisfied party, changing US behavior and motives. Some of the scenarios anticipated by HST apply to the United States. However, major hegemonic responses to challengers, as predicted by both theories, are not reflected by the US’s contemporary responses. Both of the theories confirmed the possibility of retaining the international system by the hegemon to maintain its supremacy when a challenger arises. Hence, the theories failed to predict that the hegemon would be dissatisfied and willing to rewrite the self-constructed order as has the US.

In contrast to the predictions of the theories, this paper found that, in contemporary great power relations, both China and the US are dissatisfied with the existing order and have begun to propose alternatives that better suit themselves. Though both theories stated that a hegemon retains its supremacy against a dissatisfied challenger by relying on the self-led system, the current matchup involves two dissatisfied parties—the challenger and the hegemon.

Based on current trends with US-China geostrategic relations, this paper predicts six possible outcomes in the years ahead. First, continued economic decoupling between China and the United States could stifle cooperation as each only pursues mutual interests. China could see such disengagement as a way to reduce its vulnerability. The less solid their relations are, the more intense their confrontations could be. Such confrontations would play out differently in various regions as nations face the prospect of choosing between the US, their greatest single ally for security assistance, and China, their greatest trade partner and key to economic survival. The lines of division will not be as obvious as those during the Cold War.

Second, the golden era of international values is likely to fade, because, first, the creator of the order, the US, might be challenged to lead and maintain its own order and second, since the US’ free and open trade system is vulnerable, regardless of political, economic, military, and technological sectors, the US will be less likely to maintain a global free and open trade system in the future. Third, the form and strategic purposes of current and future multilateral institutions will take new directions, in which they can exploit national interests rather than sustaining the current international norms. Multilateral organizations will move toward more competition rather than cooperation. This is already evident in the formation and strategic interest of rival institutions, like BRI and the new US International Development Finance Corporation.
Fourth, the US and China will be more likely to wage small wars over conflicting interests in maritime security and political freedom for Taiwan. China wants to regain its lost territories. The US will continue to boost its military budget to sustain freedom of navigation. Those are tinderboxes for small wars at the very least. Fifth, traditional nuclear weapons competition will re-emerge. The loss of cooperation and interdependency will amplify strategic mistrust. Sixth, a new world order will emerge, since both China and the United States are unhappy with the way that things are. Their inevitable wrangling will have a wide ripple effect.

In sum, no dominant nation cares deeply about sustaining the current international order. Ideological antagonism and strategic mistrust between the US and China will intensify tensions. This will destabilize the existing international system. Further research is needed that will focus on the impact of the dissatisfactions of the rising challenger and hegemon in the international sphere, how they will shape a new world order in the future, the effects of rival efforts on shaping the new order to the international architectures of politics, economics, and securities, and how other countries can play a part in shaping the new world order and determining whether China will become the new global hegemon.
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