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A New Cold War at our Doorsteps: USA vs China as a Case Study

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Declaration of Originality

I hereby declare that this submission is my work and that, it contains no material previously published or written by another person nor material which has been accepted for the qualification of any other degree or diploma of a university or other institution.

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Dedication

This thesis is dedicated to my loving parents, who taught in me the virtues of perseverance and tenacity, and have shown me nothing but patience and love.

To Allah who has blessed me with countless abilities.

I also dedicate it to my little brothers, To my teachers and mentors, and my dearest friends.

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Abstract

US-Chinese relations now enter a new phase of geopolitical competition. The 21st century will be defined by this multi-domain, global spanning conflict. As its nature is likely one of soft power competition, policymakers of both sides rush to gain their respective parties well needed international influence. The implementation of grand strategies best suited to their respective national interests is already underway, and their implications already felt on the international stage. Despite many fears concerning the escalation of this new Cold War into a hot one, the two superpowers have already began measures to manage the conflict. However, levelheaded governance is key to confining this conflict to its soft arenas of competition, namely the US whose populist administration's recklessness cost it valuable international influence. The aim of this thesis is to understand the strategic mindset of the two great powers, their geopolitical goals in the coming decades, and the reasoning behind their strategic maneuvering. This dissertation also seeks to understand the conflict's global consequences, and give recommendations on managing it.

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List of Abbreviations and Acronyms

CCAWEC: The Economic Corridor between China, Central Asia, and West Asia **CCP:** The Chinese Communist Party **CIPEC:** The Economic Corridor between China and the Indochina Peninsula CMREC: The Economic Corridor between China, Mongolia, and Russia **CPEC:** The Economic Corridor between China and Pakistan **GDP:** Gross Domestic Product **IMF:** The International Monetary Fund MAD: Mutually Assured Destruction MIC 2025: Made in China 2025 NATO: North Atlantic Treaty Organization NELBEC: The Economic Corridor of the New Eurasia Land Bridge **PLA:** The People's Liberation Army PRC: The People's Republic of China SMS: Stability Maintenance System **SOE:** State Owned Enterprises **TPP:** The Trans-Pacific Partnership TTIP: The Trans-Atlantic Trade and Investment Partnership **US:** The United States **USSR:** The Union of Soviet Socialist Republics

AIIB: The Asian Infrastructure Investment Bank

BRI: The Belt and Road Initiative

WB: The World Bank

WTO: The World Trade Organization

WTO: World Trade Organization

General Introduction

General Introduction

The power of our desire for material gains drives a very essential part of our societal existence. Economies, as we put (The social scale of the desire to want things) them, are the center of which politics and society maneuvers and interacts. A global economy is centered on the shift of supply and demand at an international level. The acquisition of economic and thus geopolitical power is usually achieved by the control of natural resources, technological innovation, and the control of lucrative trade routes.

Nations like Britain held commercial supremacy over the lands they had conquered, and waged numerous wars with European powers over lucrative trade routes, the rise of the west could be credited to the innovations spurned on by centuries of global competition over the planets resources. A clear example of modern western supremacy is the USA, It is a nation positioned on one of the most fertile areas in the world, this along with its emigrational attraction allowed for the growth of a sizable population. Its road to independence and rise to the world stage can also be attributed to its desire to gain a better geopolitical standing amongst its neighbors. If we look at the wars fought by the US since its independence, we would find that most of them were an attempt to forcefully open up trade with both neighboring, and overseas nations, more so then as an attempt to outright annex territories, thus expanding its global sphere of influence.

For centuries civilizations waged wars and strategically maneuvered around one another to gain favors from, and paid tribute to, the Chinese Emperor, and by the 14th century, the Arabs, Persians, Ottomans, the many peoples of east Asia, and the Europeans all competed to gain access to trade with one Superpower; China. The more oriental Eurasian perspective gives you a good insight into world history, more specifically the politico-economic maneuvering around China. It possessed the world's largest labor pool, the world's most sought after trade goods, and its location at the crossroads of modern east-west trade is an immense strategic boon. States more often than not inherit the geopolitical interests of their predecessors. The PRC despite being a socialist state aspires to revive the glory days of its imperialist past, and has tailored a geopolitical strategy to meet the requirements of its age old national interests.

Effectively, the current dissertation seeks to answer the following questions:

- What are the strategies both powers have implemented in the conflict, what is the reasoning behind them, and the goals they wish to achieve?
- What are the global consequences of the US China cold war and how can both blocks manage this new Geopolitical conflict?

The questions asked above may accept the following hypotheses:

- This dissertation hypothesizes that the United States of America and the Peoples Republic of China are in a perpetual state of global geopolitical competition, unlike one we have yet to see. We cannot fully understand the strategic mindset of the two superpowers if we do not explore the policies both sides have implemented so far, or seek to implement, and how they shape their future goals. The Peoples Republic of China for example seeks to regain its position as the sole global superpower; it views itself as a continuation of a civilization that has existed for more than two millennia. As for the US it views its global hegemony is under threat, the US has and always will seek to expand and protect its overseas interests,
- This dissertation also hypothesizes that the USA will try to uphold its position in this new era of superpower competition; we may see a US that is more aggressive in its foreign policy like in the previous cold war, but is also competing to secure as many long-term allies as it can before it is outpaced by the PRC. China will continue to expand its global sphere of influence through its many economic and financial projects; it is already on its way of carving up a sphere of influence of its

own. An arms and technological race is bound to happen, the technological and arms gap is very small in some areas, compared to the technological parity of the previous cold war. We may be looking at a world split between two blocks, or a more complicated world order, one where allegiances and politico-economic ties vary widely.

What is about to be dealt in this dissertation is going to be divided into three chapters. The first one entitled *A New Era in Global Superpower Competition* will shed light on the nature of this conflict, its domains, and the current setting of bilateral US-China relations along with the current strategic concerns of both superpowers. This will be the basis on which we will be able to explore the strategies and implications of the conflict.

The second chapter entitled *Grand Strategies* will consist of a thorough examination of the grand strategies of both superpowers. This chapter will analyze Chinese ambitions to replace the US as the dominant sole superpower, and how they using the tactics of their past and present rivals against them. Additionally, this chapter will explore the US' response and try to uncover the mistakes of the last few Administrations in dealing with the Chinese threat.

The third chapter entitled *The Future of the Conflict* will give assumptions and predictions of the future trajectory of the new Cold War based on the findings of the previous chapter. It will also explore and predict its current, and future implications. Finally this chapter will attempt to provide recommendations on managing the conflict in an attempt to avert the creation of two antagonistic international orders, as was the case in the previous Cold War.

Chapter One: A New Era of Global Superpower Competition

1.1.Introduction

In recent years, academics and policymakers have debated the United States' and China's growing strategic competition and its multifarious consequences for their respective foreign policy. The potential of a new Cold War between the US and China seems a most likely outcome of current geopolitical climate in the coming decades. The purpose of this chapter is to examine the nature of the conflict between the United States and China. In terms of what the various domains are of the conflict, and the implications this could set on the global stage, along with the major strategic concerns their respective leaderships currently face.

1.2 The Nature of the Competition

As with all Geopolitical competitions of the past, the US-China rivalry is the major driver of early 21st century international relations and ongoing conflicts. The nature of this conflict should be thoroughly examined if we are to understand its mechanisms, and their geostrategic impact as per the two most widely used theories of geopolitical thinking: Power Transition theory, and Balance of Power theory. The US has increasingly began to view China as a "Long-term strategic competitor" as shown in its National Security Strategy report, which also stated that the US is entering a new era of major power competition (The White House, 2017, 2-3). Indeed, the US's choice of viewing Sino-American relations serves as a forceful reminder that the mechanics of power struggle has consequences for current and future international politics, particularly in terms of US foreign policy. Such a position could or already has set the stage for increased future animosity further fueling Thucydidesian fearmongering. This also reinforces the principle that shifts in power are precursors of rival hegemon struggle, thus the proper reaction to growing nations is to balance against them economically, diplomatically, militarily... etc. in the hopes of containing, or outright

reversing their power rise (Mearsheimer, 2010, pp. 381-82). However, many have denounced such pessimistic views, arguing that scholarly study of power transitions too often emphasizes the intentions of emerging nations as the most important factor in determining whether or not power changes would be peaceful. Some focus has been on whether today's emerging countries, such as China, are "status quo" or "revisionist" in their approach to the existing global order (Johnston, 2007, 5-6). The study of power transition theory is essential to evaluating the possible nature of this global competition, modern literature on the matter mainly suggests that rising competitors should be met with hostility by established states. As a result, in conditions of shifting power, great power conflict is unavoidable: both established and rising nations are hell-bent on reshaping the international order in their own image, and are willing to go to war over the riches of hegemony (Harris, 2014, pp. 253-54). Never the less, this is an incomplete view on the relations between rising and established powers, it bluntly views that the already established states as individual powers not aligned by common strategic interests. Other proponents of power transition theory include 'System-wide stability'. This can be preserved if rising powers are opposed by an already established block; it nevertheless implies competition between rising states and the remnants of the old world order if a given shift in power is too large or too rapid to be opposed effectively by a sole entity (Watson, 1987, 147-148). A clear example of their being two scenarios in this global power struggle playing out at once are the European states. They are an established power that is more inclined to align itself with the US, thus taking on the role of the remnants of the old order (Liberal Capitalism). On the other hand, their alienation by the Trump administrations drastic actions make them a collective hegemonic power competing with both powers, but with the US to a far lesser extent. Lippert et al (2021) viewed it imperative that the European states identify their own

strengths and establish a China policy that is aligned with the interests of all states, and not descend into an individual farce that would no doubt weaken the union; their efforts should be a part of a push for greater European sovereignty and strategic autonomy. During the previous cold war, the US had to contend with a super power which could only mostly exert hard power as a means of geopolitical competition. The Union of Soviet Socialist Republics (USSR) was a military behemoth that centered its geopolitical strategy solely on spreading its ideology, and intimidating smaller nations with its vast arsenal of nuclear and conventional power projection, or aiding others through military means (the Cuban Crises). Understanding the core differences between the US's present and past advisories is the most crucial step to a correct assessment of the possible nature of the conflict.

Before we can compare the relative strengths and weaknesses of the USSR and the Peoples Republic of China (PRC), we must first briefly grasp what 'Hard' and 'Soft' power are, and understand their effectiveness in contemporary international relations. Nye presents us with a clear definition of power itself as being the "ability to affect others to get the outcomes one wants" (2009, 61). Hard Power is defined as coercive power exercised by threats of offensive military or economic actions (2009, 63). Military intervention, forceful diplomacy, and economic sanctions are all examples of hard power (Wilson, 2008, 114). In other words the German invasion into Poland in 1939 and the UN economic sanctions against Iraq in 1991 following the first Gulf War are examples for the use of hard power. In contrast, Soft Power "is the capacity to persuade others to do what one wants" (Wilson, 2008, 114). According to Nye, Soft Power is based on cooperation and an inept understanding of persuasive diplomacy, where the desired goal is coercion through attraction rather than through threats, he also states that it is "associated with intangible power resources such as culture, ideology, and institutions" (2009, 63). The spread of American culture within the Eastern bloc during the Cold War indicate the projection of American soft power (Nye, 2009, 63-64). Gray (2011, 15) stated when trying to analyze which was the more strategic approach that, "Deterrence, arms control, irregular warfare, and peace, inter alia, are all perilous to adopt without discrimination". He was referring to the 'perilous' need of nations to seek the implementation of a robust security policy, indiscriminately applying soft and hard power displays in conjunction to each other, reaping the benefits of both camps. This brings us back to our comparison and why it is relevant, the USSR was unable to fully utilize the its overall power projection capability, it had, for decades, been the giant Eurasian land power, dwarfing even what the United States could field in raw military hard power. The USSR collapsed precisely because it didn't fully utilize its soft power potential, the technological and economic gap between the two blocks was immense further starving the USSR of vital soft power resources. Even its own allies shunned its unattractive economic model, it didn't fully utilize its relations with entire blocks of freshly independent nations who shared its anti-imperialist and socialist ideologies. This was due to their inability to capitalize on crises that required attractive propositions on their end, thus losing them valuble geopolitical influence, and ultimately giving in to western capitalist soft power. However, China's current ascent poses a qualitatively different threat. China has long abandoned its Maoist communist paradigm, which was similar to that of the Soviet Union. Rather, since the Soviet Union (and even the Soviet case is debatable), China has become the first big power to genuinely threaten to overtake the United States in terms of total economic output, technological expertise, and geopolitical influence. It has also learned from the mistakes of its superpower predecessor, and has for decades observed the soft power play of the United States. The PRC has begun to perfect the means of which it can wage undeclared economic and diplomatic wars, emulating the US's rise to global hegemony. The Belt and Road Initiative (BRI) and the Chinese string of pearls policy are all examples of the PRC's excursion of soft power, and has yet to wave the stick of hard power about since the Korean War.

We can conclusively contend that the emerging competition between the United States and China will be over international leadership, prestige, trade and global economic dominance. While the threat of nuclear or conventional war still exists, it is not the main concern of the national security policy makers of either state, nor is the fear of an encroaching economic ideology antagonist to the west so prevelent. It is rather the authoritarian nature of the PRC's governing body that is the prevailing political concern, this entity has also fused western style economic liberalism with the one party system of governance. Soft Power will be the most vital tool both nations could help to muster, this conflict will be a multifarious affair. Encompassing the economic, diplomatic, and technical arenas of great power competition.

1.3 Global Setting and Strategic Concerns

Scholars and policymakers frequently begin their analyses by looking at the global setting of the US–China strategic rivalry. The global financial crisis of 2008, according to most commentators, was a Pivotal moment in US–China relations. The global financial crisis, which began in the heart of the capitalist world, the United States, has harmed America's soft power by exposing the faults in the "Washington Consensus" paradigm. More importantly, it heralds a major change in the international order and further cements the rivalry between China and the United States. The global financial crisis changed the status of asymmetry in US–China relations, forcing the US to regard China as a co-equal over time. According to Colonel Mingfu (2010) in his

book *The China Dream* that the global financial crisis of 2008 triggered a change in the world order. Although the United States is the world's lone superpower, its hegemony is definitely eroding. Despite their partnership in tackling the effects of the global financial crisis, the US and China began to compete in an unprecedented way.

Between 1990 and 2010 however, China's overarching plan was termed "peaceful rise" The basic tenet of this approach was to utilize economic mechanisms to acquire global power status rather than to cause undue concern in the international order (Glaser and Medieros, 2010, 295). Furthermore, Chinese academics and politicians argue that China has no goal of overturning the international system. But rather wants to establish itself as a significant global market through utilizing capitalist trade and investment (Fabio, 2011). Around 2005 however, the US has increased its attempts to counter China's ascent, but since the global financial crisis, Washington may consider Beijing as a superpower in its own right rather than a major regional power, and therefore strategically significant, offering new difficulties to both nations. China's 'peaceful rise' approach is in itself a strategy to limit the power transition response from the US. It asserts that peace and development are two key aspects of the present international order, and that the objective of China's ascent should be to consolidate that system rather than to compete in political and security terms. As stated previously, Hard Power deterrence was perceived as largely incompatible with the 'peaceful rise' strategy because despite being a rising power, China 'is still substantially weaker than the US' (Roy, 2003). According to Foot (2006, 93). 'China seems to have chosen the prudent course of avoiding unduly antagonising the United States while establishing a web of relationships with other states and state-based bodies that could serve to provide China with a degree of leverage where this proves necessary.' This inept stratagem has set the stage globally for post 2010 US response; it delayed a response until at least after the economic collapse, and is more or less the reason why an iron curtain situation has been avoided. However, inaction on the US' part has also allowed China to build a substantial sphere of influence for itself, this along with numerous significant changes in the international strategic environment in the decade after the global financial crisis, has had an impact on the current setting of US–China ties which has become far more competitive in the previous decade. Jisi (2018, 4) observed that economic globalization has slowed and that populism and nationalism are gaining ground in many nations, particularly in the industrialized world. World politics is approaching a "new age" marked by increasing polarization and competitiveness.

The global setting has undoubtedly changed due to the shift in not only the status of American world hegemony, but also its internal politics, which are the launching pad of its soft power projection. China and other major countries are moving closer to a strategy based on a mix of limited hard power and soft power after nearly two decades of depending mostly on soft power and geopolitical intrigue. After a time of keeping a low profile in territorial conflicts, China has suddenly chosen to ramp things up, in part in response to regional governments' own actions. China's foreign policy has evolved from a low-key approach to one that is more aggressive and forceful. From the Chinese perspective, American politics has become more polarized and fragmented, exacerbating negative impressions of China in the United States. China also worries that American populist leaders like Steve Bannon and Pres. Donald Trump fanning anti-China rhetoric throughout the United States and the globe at large may increase strategic mistrust between the two countries and make US–China relations far more competitive than the pre financial crises era. One such scholar, Feng (2017, 27-8), argues that "the change in global competition is primarily due to shifts in US–China views of each other; the US overestimates China's capabilities, while the American side's seeming "erosion of confidence" feeds Washington's overreaction in East Asia"

Due to this increasingly competitive posture, China's foreign policy and grand strategy have become more hard-power leaning; nevertheless, China still largely depends on soft power and indirect measures to contain the US and soften resistance from others. Neighboring states have formed small hard-power coalitions in response to its increased naval presence in the Indian Ocean and South China Sea, but no official alliances. Even before and after the Pivot to Asia strategy of 2012, the US military build-up in the Pacific has not been as robust as one might think if a severe hard power reaction was the goal. It's a mystery why, if balancing against power were inevitable, as per power transition and balance of power theories, we only witness minimal military activity and coalition-building in response to Chinese policy. Many governments are turning to soft power based on institutional processes, limited coalitions, and partial armament build-ups, akin to what we have previously mentioned to be limited hard power. As mentioned in the previous title, it is highly unlikely that an escalation in terms of a nuclear arms race, or the forming of hard power based blocks would occur, even on a timeline stretching to the 2050's. This makes the global setting of the conflict far more complicated than a conventional Cold War. This complicated nature of the global setting cannot be properly addressed if the major strategic concerns of both superpowers are not understood.

To that end, we propose the following factors that are of relevance to analysts and scholars when studying the strategic concerns of the US – China conflict. The first factor considers 'policy agenda disputes' between the two nations to be a significant cause of strategic rivalry between the US and China. Many academics believe that the American policy aims are at conflict with those pursued by the Chinese. This is especially obvious in the two countries' regional policy in the Asia-Pacific area. The 'Pivot to Asia' US foreign policy initiated by the Obama Administration was one of the first major changes in US strategic policy, aimed specifically at China's 'backyard'. The "pivot" toward China, according to Ross (2012, 71), is creating a rift in bilateral relations, in which US policy "unnecessarily compounds Beijing's insecurities and will only feed China's aggressiveness, undermine regional stability, and reduce the possibility of cooperation between Beijing and Washington." Liru (2016, 10) also claims that the Obama administration's high-profile "Pivot to Asia" has made US–China ties more complex and confusing. America sees China as a natural rival to the Asia-Pacific regional system, which it sees as its defender. As a result, strategic rivalry between the US and China in Beijing's home area would unavoidably be tumultuous.

Differences and disagreements between the US and China in terms of policy goals extend beyond the regional level. The Trump administration's "America First" strategy will also have a significant say in US China policy in the coming years. The United States' foreign policy no longer prioritizes maintaining international order. As seen by its concentration on economic interests. The Trump administration is rather 'interests-driven'. The United States' incentives to compete with China have surely been bolstered by such a significant shift in policy. According to Sanja Arežina (2019, 291), when dealing with Beijing, the Trump administration is keen on taking a confrontational stance, this may increase Sino-American hostility. Furthermore, she argues that President Trump's "America First" approach has led to the US withdrawing from a slew of international treaties. In addition to the creation of a new US policy for conditional involvement in ally commitments in Europe and Asia, making Washington's credibility in the eyes of the rest of the world dwindle. This constitutes a serious blow to American Soft power capabilities, and disrupts the sphere of influence the US has so carefully tried to build over the decades. Many consider the policies of the Trump era foolish in terms of the US' international influence, and that they harmed more than they possibly helped "Making America Great Again". However, primarily they constitute a reaction belonging to a long chain of possible responses the US may have gone with, irrespective of their being a Trump-like administration in power.

The second strategic concern is an example of practical realism in strategic thinking, emphasizing the shrinking power disparity between China and the United States as a key concern. Once again, realist thought seeks to apply power transition theory whenever possible. Thus, many argue that US-China strategic rivalry should be regarded as a logical result of such a rapid shifting of the distribution of power in the international system. China has made great progress in terms of economic growth. Over the previous four decades, China's real Gross Domestic Product (GDP) growth rate has been around 10% (World Bank, 2018). While China's economy GDP wise is presently ranked second only to the United States, it has already surpassed the United States as the world's largest exporter in 2010. China also ranked as the world's first destination for foreign investment and the world's first investor of outward foreign investment among developing countries in 2011 (World Trade Organization, 2011). In addition, China surpassed the United States as the world's largest goods trade country in 2013 (Anderlini and Hornby, 2014). Furthermore, when assessed on a purchasing power parity basis, which accounts for price disparities, China ranked first in the world in 2017 (Central Intelligence Agency, 2018). This is a truly remarkable progression for a country, which just a few decades ago was suffering from a major famine. In actuality, by competing with the United States 'peacefully' instead of being an outright antagonist, and taking the brunt of economic and technological sanctions. China has rapidly increased its economic, technological, and military might right under the nose of the world's sole superpower in such a small timescale. This sudden change in the balance of power is unprecedented in contemporary history, or in the history of the US and its historical geopolitical enemies. It has far surpassed the power gap between the US and the USSR. This is a major concern for both Chinese and US policy makers, especially those hardline proponents of realist strategy. According to Layne (2018, 110), "the relative power of states changes, and eventually the international order no longer reflects the actual distribution of power between or among the leading Great Powers. When that happens, the legitimacy of the prevailing order is called into question, and it will be challenged by the rising power(s)." He also asserts the principle of power transition theory, that when the balance of power between a hegemonic state and a growing challenger shifts enough, a new order emerges, usually through hegemonic "war" (2018, 104). Chinese academics on the other hand stress that China's shrinking power gap with the United States is closely related to 'structural contradictions', i.e. that the US' power is waning due to it reaching the practical limits of economic and technological progress. That whatever rapid industrial and technical growth it attained in the past is stabilizing, or perhaps even decreasing in some sectors (Jisi, 2010, 2).

The third factor stresses the ideological contrasts that exist between China and the United States. Many academics, primarily the Chinese, agree that fundamental disparities in these two countries' political institutions and moral systems are a significant geopolitical concern, and a threat to their political institutions. From their viewpoint, Americans consider China to be an authoritarian country, claiming that the governing elite's ideology is incompatible with American political principles and values. The emergence of China has exacerbated ideological differences between China and the United States (Jianhua, 2012, 40-41). This ideological component is becoming increasingly significant in fueling US-China strategic conflict, something that has grown more obvious since the Communist Party of China's 19th National Congress. On the one hand, Washington seeks to abandon its engagement policy towards China due both to its failure to mold China's modernization to its liking and its perception of China as more willing to compete, rather than to cooperate with Western democracies. On the other hand, America believes that ideological pride compels China's efforts to export globally its model of state-capitalism and authoritarian governance (Aldrich, Lu & Kang, 2014). Despite the contrasts between US-China rivalry and the previous Cold War, commentators frequently use the phrase 'Cold war mindset,' which is strongly related to the ideological component. Zhengang (2010, 30-31) being one of the said commentators' claims that America's "Cold War mentality" and "hegemon attitude" are to blame for the heightened strategic competition. He claims that the United States' animosity to the Chinese political system and the Chinese Communist Party's ideological doctrine is fueled by a "Cold War mindset." Given the Trump administration's emphasis on major power competition, this is a clear return of the Cold War-era ideological struggle. The rise of anti-China speech in the United States reveals a new level of "political correctness." The United States' 'neo-McCarthy' approach to China is a deeply concerning trend that might have far-reaching consequences for current and future geopolitical climate. With liberalism's collapse as a dominant worldwide political value, other ideologies have an opportunity to vie for influence. Its replacement is most likely to come from a country with more political and economic success than the United States. Looking ahead a decade, China looks to be the only country with the ability to narrow further the comprehensive strength gap left between itself and the United States to the point where it can become a truly global spanning hegemonic empire, and not just a major power with soft influence across the globe.

This is without a doubt fueled by the US' 'Cold War mentality', which only serves to antagonize China. Thus reaffirming its political model as a counter to liberalism, rather than reshaping its political structure to better fit the mostly liberal worldview. People in democratic nations now see China in the same way that Europeans used to regard the United States: as an unruly land of opportunity and increasing economic might. As a result, many individuals in many nations are concerned that the present liberal system may be supplanted by one based on Chinese principles.

1.4 The Major Domains of the Conflict

Although there are still tactical disputes, most experts recognize that there is a growing consensus across the political spectrum in the United States on changing the US China policy and adopting a more aggressive strategy toward China. The movement in public opinion in favor of a post-engagement strategy with China, as mentioned before, is not limited to any presidential administration. To a degree, it is a counter-China coalition composed of both far-right populists and leftist Democrat politicians including security hawks within the intelligence and military communities. The US is keen to preserve its global hegemony no matter what the result of its domestic political rivalries may be. It has adopted a rigorous policy: one that calls for a belligerent attitude towards China. It also suggests that the United States' strategic struggle with China encompasses all domains. Furthermore, in light of significant developments in global politics, and because of factors such as the increased relevance of geo-economics, strategic competition between the US and China will undoubtedly be all-out and cross-domain.

1.4.1 The Economic and Technological Domain

Economic ties between the two nations have become a major focus of the competition between the United States and China. The United States and China are locked in a trade war that shows no signs of ending anytime soon. But the present conflict between the world's two greatest economies is about more than trade tariffs and trivial economic retaliation: it's about a race for global technological dominance, and accumulating as much soft power from economic engagement as possible.

That being said, many experts believe that the 'trade war' waged by the United States against China is essentially a 'technology war.' China's laws and practices on technology transfer, intellectual property, and innovation are at the core of the continuous tariff escalation that has overshadowed the US and Chinese industries, as well as the global economy, since the late 2010s. Although China is adamant that it is taking steps to address these concerns, such as adhering to the terms of a 2015 agreement between US President Barack Obama and Chinese President Xi Jinping, which stated that "neither country's government will conduct or knowingly support cyber-enabled intellectual property theft." (The White House, 2015). Many of the conflicts between the United States and China in the areas of technology transfer, intellectual property, and innovation stem from American worries about China's goal to become a worldwide leader in a wide variety of technologies. The 'Made in China 2025' industrial program, which aims to grow the high-tech sector in sectors like aerospace, robotics, and information and communications technology, is regarded as a challenge to US technical superiority. Chinese measures have been labeled as "economic aggression" by the Trump administration (White House Office of Trade and Manufacturing Policy, 2018). Following an investigation and report by the US Trade Representative's Office (2018), the US levied tariffs on about \$250 billion in Chinese imports. China reacted by raising duties on \$110 billion in American products. The Trump administration was attempting to push American and Western businesses that supply China with crucial access to innovative technologies to withdraw from China through harsh tariff measures. However, an increasing number of Americans are accusing China of improving its technical skills at the expense of the United States. Technology is crucial not just to China's desire for power and wealth, but also to longterm rivalry among the major powers. In addition to tighter export controls for China, the US has taken harsher procedures to inspect and prevent Chinese investments in the US, particularly in the technology sector. Meanwhile, the United States is urging its allies and partners not to buy Chinese high-tech products or allow Chinese companies to acquire their technology firms. As Xinbo (2018) points out, when economic and investment issues are intertwined with national security concerns, the situation becomes far more complicated. However, many scholars believe that the US is in the process of containing China economically and technologically as it did with the Soviet Union. Zhang Yuyan (2018, 1-2) is a vocal critic of the US' 'confinement' policy; when discussing US competitive strategy toward China, he uses the word "confinement." China is a separate competitor for the United States, akin to Nazi Germany, imperial Japan, and the Soviet Union. In his view, applying a Cold War-style "containment" policy to China will not work since it is the world's second-largest economy and a major global trade power. The United States' primary objective is to prevent China from progressing up the global economy chain and becoming a major industrial power. The rise of China stems from its ever-growing economic power. It is only natural that the US would raise economic pressure on China, given Washington's intention to prevent rather than manage China's rise. Even if the United States and China reach an agreement to cease their on-again, off-again trade war, the economic and commercial relationship

between the two nations will remain tense for years. This is because the current dispute is more about bigger structural concerns than it is about trade. In the long run, the United States and China are locked in a battle for economic and technological domination. Both parties will have to find a mutually acceptable middle ground in order to resolve this part of the conflict.

The two nations' contestation of the international norms and institutions regulating global trade, investment, and finance, along with the ensuing trade war, which is unequivocally linked with breaches in international regulations on trade is another domain of US-China economic conflict. Experts argue that the Obama administration's promotion of the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) is a manifestation of American efforts to counterbalance China's economic might by changing international norms. Despite the Trump administration's withdrawal from the TPP, the United States' makeover of international economic institutions, such as the World Trade Organization (WTO), may represent an even bigger danger to Chinese interests. China has pursued a bold strategy of 'financial diplomacy,' encouraging the reform of existing international financial organizations while also developing new institutions such as the Asian Infrastructure Investment Bank (AIIB). However, these attempts are met with American opposition and delay, extending the US-China rivalry as China strives to become a global financial giant. The United States, Europe, and Japan may form a new economic bloc to apply more concerted pressure on China, particularly against the PRC's robust State Owned Enterprises (SOE). For example, China has been criticized by the Trump administration for flooding global markets with cheap steel and aluminum. To combat this trend, President Trump imposed near-blanket tariffs on steel and aluminum in 2018, claiming national security concerns. China has also retaliated with its own tariffs effecting billions of dollars' worth of trade (Lu and Schott, 2018). Although it is a part of broader geo-economic reaction to China's abhorrent exploitation of a sector dominated by its SOE's. The tariffs do little to address the fundamental issue of China's market-distorting policies, which fuel severe excess capacity in the steel industry.

1.4.2 The Geostrategic Domains

Moreover, on a geostrategic level, experts believe that the Asia-Pacific, particularly the Western Pacific, is the primary point of strategic conflict between the United States and China. The 'Pivot/Rebalancing to Asia' policy was adopted by the Obama administration. Hillary Clinton (2011) Secretary of State during the Obama administration stated concerning the policy that, "Our economic recovery at home will depend on exports and the ability of American firms to tap into the vast and growing consumer base of Asia. Strategically, maintaining peace and security across the Asia-Pacific is increasingly crucial to global progress". In other words, the US will invest in its partners and allies in the Asia Pacific region. To gain a better foothold in the region to counter China's encroachment of its neighbors, or as a means to strengthen the US economy back home. The US' sphere of influence in the region is of utmost importance if it seeks to keep China contained. Especially that now China is expanding its influence across the globe. A setback in its own home region will severely limit its ability to expand influence outside this area. As Ru (2012, 41) observed, the policy increased American military presence and activity in China's backyard, with the goal of transforming the hub-and-spoke alliance structure into a more integrated security network. In addition, the US played a high-profile role in the South China Sea conflicts, attempting to install the THAAD missile defense system on the Korean peninsula. Most academics believe that these actions have heightened China's concerns of America's

"containment/encirclement" policy. Meanwhile, China's diplomacy in the Asia-Pacific area has been increasingly assertive in recent years. Beijing was tough in its responses to other nations in the area, as well as in resolving territorial and maritime issues. As a result, in the Asia-Pacific, China and the US confront a direct conflict of interests. Since the conclusion of the Cold War, the East Asian regional system has evolved from a total hegemonic order headed by the United States to a partial hegemony ruled by various regional economic powers. The struggle between the United States and China in the region's economic and security spheres has undoubtedly plaid a key role in defining the conflicts early stages.

1.5 Conclusion

Without a question, the United States and China are the most influential players in determining the international order of the future. Although it is a conflict of a more softcore nature, the conflict is a multifarious affair with a global spanning reach. The geopolitical setting is fueling US Chinese relations into further animosity. Thus, the geopolitical rivalry between the United States and China must have global ramifications. Observers have noticed that other nations are paying more attention to the geopolitical implications of the US–China rivalry. As tensions between the United States and China rise, the rest of the globe fears getting caught in the crossfire. As a result, China and the US must now exercise greater strategic restraint while also demonstrating greater resourcefulness. The coming chapter will attempt to thoroughly explore the grand strategies of the two superpowers, the reasoning behind their implementation, and the aims that both powers have set for the coming decades.

Chapter Two: Grand Strategies

2.1 Introduction

The incoming US administration inherits a more confrontational global competition with China than ever before. China is growing more aggressive in Asia, and more expansionist in its geopolitical affairs. Understanding the multitudes of geostrategies involved is key to understanding the long-standing effects of this new age of global competition. This chapter will seek to thoroughly understand the respective strategies both powers are implementing, and seek to understand the aims and reasons behind them. Due to the fact that the PRC is the rising power, and the contender to the already established global hegemon (the USA). Analyzing the grand strategy of China first is the more logical beginning. It will allow us to understand the US' geostrategic goals as they would be antagonistic to China's. It also gives us an insight into the scope of the conflict, as their geopolitical maneuvering is a determining factor in studying the US's reaction, and thus the conflict as a whole.

2.2 China's Grand Strategy

As mentioned in the previous chapter, the PRC's ascent to great power status was a peaceful rise, Despite the fact that China became more engaged across the globe, particularly economically, it preferred to keep a low profile and show little in the way of global leadership. However, by the first decade of the twenty-first century, PRC leaders were ready to raise their objectives and act with greater aggression, notably in China's own neighborhood. According to the formal decision published by the 3rd Plenum of the 18th Chinese Communist Party (CCP) Central Committee (2013), realizing the "China Dream" entails "constructing a wealthy, strong, democratic, civilized, and harmonious socialist modernized country." This dream is the ultimate goal of China's geostrategy. Xi Jinping has been credited as being the driving force behind a more strong and aggressive China. Early in his first five-year term, which began in November 2012 when Xi became CCP General Secretary, Xi popularized the phrase "China Dream" and backed it up with a flurry of ambitious projects. Xi announced a "two-stage development plan" at the 19th Party Congress in October 2017, stating that by 2035, China will have become a worldwide leader in innovation, will have more soft power influence, and the CCP will have full domestic control. The second stage will last until 2050, when China will have achieved "prosperity, strength, democracy, cultural advancement, harmony, and beauty." Moreover, the PRC wished to begin accumulating influence around the globe, beginning with its immediate neighbors in Central Asia. Following the breakup of the Soviet Union, Beijing increased its interaction with its new neighbors. By settling territorial issues and demilitarizing its common borders, China aimed to improve relations with its near neighbors, Kazakhstan, Kyrgyzstan, and Tajikistan. This process was extraordinarily effective, and evolved into a multifaceted framework for China to expand its military, political, and economic might in Central Asia. (Scobel et al, 2014). China assisted in the construction of roads, railroads, and pipelines throughout the area, and the project's success prepared the way for the One Belt One Road plan. One of the main proponents of the China foreign geostrategies in the global soft power accumulation factor. The PRC's grand strategy consists of two main facets: A foreign strategy aimed at creating a sphere of influence for itself, opening markets for China's vast export industry, and obtaining technical and scientific expertise from foreign entities. The other facet being the domestic front, which is the CCP's main strategy for its longevity. There is also work to be done on China's vast industrial economy, which is still stagnant in several sectors. Along with the advancement of Science and Technology through homegrown advancements and research. The following titles will discuss the Belt and Road Initiative (BRI), otherwise known as the One Belt One Road plan, which is China's prime foreign geostrategy to flex its diplomatic soft power and undermine the US's already established spheres of influence. China's economic strategy along with its Made in China 2025 plan, which represents the reformation of its High-Tech Industry and domestic Science and Technology advancement. Finally we will delve into China's leadership, and their domestic policies as they are critical in establishing a stable Homefront, and the national cohesion necessary to compete with the US.

2.2.1 The Belt and Road Initiative

Although China has been steadily boosting its image across the world and playing a more active role in regional and global issues for decades, under Xi's leadership, Beijing has considerably increased its efforts. The Belt and road initiative, the Xi administration's signature foreign policy initiative, is an umbrella term that includes and defines almost all of China's diplomatic and economic operations. It is the single most important part of its foreign geostrategic plan. China intends to construct the world's greatest infrastructure project, which has sparked discussion and interest in international politics. China's BRI is a large-scale initiative that spans several continents, namely Asia, Europe, and Africa, via land and maritime routes. Since President Xi initially proposed it in 2013, it has incorporated more than 80 countries into China's economy through financial and infrastructural investments totalling between \$40 and \$100 billion (Zhu, 2015). According to Aoyama (2016, 5), the project encompasses a wide range of nations and locations, as well as various cultures and customs. It therefore claims that, while this effort is primarily focused on infrastructural development, it also has the potential to address social, political, and cultural issues, and thus gain China swathes of soft power advantage across much of the globe,

especially in underdeveloped nations. The BRI is made up of 80 nations, mostly from Asia, Europe, and Africa, which account for about 36% of global Gross Domestic Product (GDP), 68 % of the global population, and more than 40% of worldwide commerce. The project entails the construction of a large network of roads, railways, pipelines, canals, and sea lanes to connect China to the rest of the globe, which is a huge task. The objectives are numerous: to expand China's global influence, to depict China's ascent as helpful and non-threatening to other nations, to compete with the US and other major powers in a non-confrontational way, and, last but not least, to boost China's economic development (Rolland, 2017).

2.2.1.1 Member States and Reach

Ayouma (2016) outlined the six economic corridors and one sea route the initiative seeks to develop. These are crucial in understanding the scope of this project. The first is Economic Corridor between China, Mongolia, and Russia (CMREC). There are two economic corridors in this area. One begins in Northern China and winds its way across Mongolia and Russia, while the other begins in northeast China and finishes in Chita (Russia). The second is the Economic Corridor of the New Eurasia Land Bridge (NELBEC). This road connects Liyanyungang province to the port of Rotterdam in the Netherlands and is broken into three sections. This corridor may connect Japan, South Korea, Iran, Russia, and the European Union. Thirdly, the BRI also includes the Economic Corridor between China, Central Asia, and West Asia (CCAWEC) It begins in the Uyghur area of Xinjiang and stretches via the Persian Gulf to the Mediterranean Sea and the Arab Peninsula. It links Kazakhstan, Kyrgyzstan, and Tajikistan, as well as Iran and Turkey, in Central Asia. There is also the Economic Corridor between China and finishes in Singapore, passing via the Guangxi Zhuang Region and Kunming. It traverses the South

China Sea and confronts significant challenges during construction, especially by the US and China's more belligerent neighbors. Next there is the Economic Corridor between China and Pakistan (CPEC). It is a 300-kilometer road that connects Kashgar, Xinjiang, with Pakistan's Gwadar Port. There exists an agreement between China and Pakistan to collaborate on a wide range of issues including energy, infrastructure, and industry. This is mostly to curtail India's rise, a rising power that is historically belligerent towards China, and whom the PRC fears will one day challenge Chinese regional hegemony. In addition to these mostly land based routes, the BRI also consists of a maritime network that includes routes connecting the South China Sea and the Indian Ocean to Europe and Africa, as well as routes connecting the South China Sea and the South Pacific. As part of the development of this corridor, China intends to invest in 15 international port cities. This has been dubbed the Chinese String of Pearls. A pearl representing a commercial or military facility owned by China in this maritime network. The development of the String of Pearls is symbolic of China's rising geopolitical power as a result of deliberate efforts to build and modernize armed capabilities, as well as foster better diplomatic connections with trading partners. It is the more important part of the BRI, the maritime sea routes the PRC have secured are the busiest in the world.

2.2.1.2 Debt Trap Diplomacy

This grandiose initiative aims to export excess investment capacity in China, notably infrastructure investment, while also promoting Chinese export markets (Zhou, Hallding and Han, 2015). As a result, economic ties between China and these nations are strengthened, fostering closer geopolitical connections. These initiatives have the ability to tie regional economies to the Chinese market. Over the next five years, the BRI may enable member countries to export as much as \$2 trillion in commodities (Goh and Chen, 2017). The success of delivering infrastructure projects across Africa, Central Asia, and the Middle East, as well as the extent to which China will allow imports from BRI-investment beneficiaries, will determine BRI's fate, and its success in reeling in valuable partners, many of them US allies. BRI may or may not begin to produce fruit in the future decades in terms of accomplishing its stated aims, forging deeper economic relationships with member states, and expanding international export markets for Chinese goods. Imports from BRI countries will rise as a result of easier access to the Chinese economy and customers, further strengthening the Chinese economy.

Chinese intentions for investing in large infrastructure projects in Belt and Road nations have been questioned by critics. To begin with, a substantial portion of China's investment comes in the form of a loan, putting the country in debt. Indebted economies are considered to be forced to support China's geostrategic goals if they fail to fulfill their debts (Garnaut, Song & Fang, 2018, 639). Moreover, China has been accused of forcing secret discussions and non-competitive pricing on projects where bidding must be closed and contracts must go to Chinese state-owned or state-linked businesses that demand considerably higher rates than would be paid on the free market (Beech, 2018). Many impoverished African countries, for example, want to reduce their reliance on the International Monetary Fund (IMF) and World Bank (WB), which require economic and political liberalization in exchange for financing. China has become key player in the economics of several African nations, with substantial influence over a wide range of issues (Buckley, 2015). China's loans to African countries are also part of a larger global effort to obtain raw materials for its growing industries and expand market

opportunities for Chinese exports (Partington, 2019). The same strategic maneuvering can be seen in almost every other region the Initiative covers. Many nations in strategic chokepoints of world trade have also been targeted by the so called "Debt Trap Diplomacy". China's loan to the Sri Lankan government to develop the Magampura Mahinda Rajapaksa Port and the Mattala Rajapaksa International Airport is another example of debt-trap diplomacy (ISS Today, 2018). For US\$361 million, state-owned Chinese businesses were contracted to develop Magampura Port, which was 85% funded by a state owned Bank of China at a 6.3 percent annual interest rate (Kotelawala, 2017). In 2017, it was leased to the Chinese for 99 years, after Sri Lanka's failure or unwillingness to repay the loan. The US, Japan, and India were concerned that the port might be utilized as a Chinese naval base to control China's geopolitical competitors. This port also sits at one of the most important transits of international trade. Its acquisition by China, emulates the leasing of Hong Kong to Britain two centuries ago, and its String of Pearls akin to the European trading empires of the Dutch or Portuguese. It is apparent that PRC policy makers have been studying the west's strategies that lead to their ascension to global dominance, and have no problem applying them in the contemporary world.

2.2.2 China's Economic Strategy

The CCP-PRC leadership has been working tirelessly to rebalance China's economy since the 1990s. Former Premier Wen Jiabao and other Chinese officials have cautioned that China's economy is "unbalanced," and experts have labeled the endeavor "restructuring." (Shambaugh, 2016, 1-27). Xi's efforts to tamper with the economy are commonly referred to as "reform," and they are frequently thought to be aimed at increasing the market's role. It would be more accurate to call these attempts "restructuring." These economic reform efforts, like other Xi programs, are highly

controlled and seem to be micromanaged (Naughton, 2015). Xi's early attempts looked to be centered on further liberalizing major economic inputs and opening up the Chinese economy. One of the major principles of reform programs was to give the free market a dominant position in the economy, displacing the government as the principal factor in distributing vital resources like as land and money (Subler, & Yao, 2013). Nonetheless, such grandiose initiatives have yielded uneven outcomes, casting doubt on aims and political motivation. Agricultural land reform was one of the most ambitious proposals. Farmers' land management rights were to be strengthened, allowing them to lease their property to people and corporations, as part of the effort (Hornby, 2016). While additional adjustments have been implemented, the majority are reactive responses to impending crises rather than proactive reforms aimed at boosting Chinese economic development and will have little, if any, immediate influence. Because of impending worries about weak demographic growth and a rapidly aging population, the regime finally abolished the decades-old One Child Policy. For the last decade, Chinese officials have sought to shift the economy away from a debt-fueled, investment-led model by emphasizing the importance of consumption. Regulators have relied on conventional tactics to achieve development objectives under Xi's leadership: increasing lending through state banks to promote increased investment. Although this provided Xi with the mid-term goal he promised, it did little to encourage economic structural transformation.

Moreover, SOEs are one of China's economy's least-reformed sectors. Limited but notable reform is underway: party-state control over SOE decision-making is being reinforced, and securitization is being implemented. Simultaneously, the CCP is implementing an overt "mixed ownership" model at the local level for a small number of SOEs, including the sale of publicly listed shares (Naughton, 2017, 4). These modest moves under Xi Jinping imply an official recognition of an underlying reality: the presence of countless hybrid private-state enterprises that are more appropriately described as state-backed companies than SOEs. The distinction between a private firm and a state-owned enterprise (SOE) is sometimes blurred. Most enterprises, including many apparently private enterprises, have ties to the party-state or military. These linkages can be seen in the form of party organizations within the company, as well as investment and/or ownership by political, governmental, and military institutions.

China's economy has been quickly growing for the past 40 years, and it is on track to overtake the United States in the next decades. Chinese GDP growth is slowing, as it is for any country that has expanded fast for such a long time. The Chinese economy has slowed after averaging 10% annual GDP growth between 1980 and 2009, with growth averaging 8% since 2010 (World Bank, 2017). China now has the world's second-largest economy, after only the United States, with a nominal GDP of \$11.2 trillion in 2016. Chinese inhabitants, on the other hand, are far poorer than many of their Asian neighbors. In 2016, China's nominal per capita GDP was \$8,123, compared to \$27,538 in South Korea and \$57,467 in the United States (World Bank, 2017). China's economic growth has been too reliant on investment. As a result, future investments will be less effective as a driver of economic development. China's consumption, on the other hand, has remained low, especially when compared to other East Asian nations. Furthermore, Because of the PRC's three-decade-long implementation of the One Child Policy, the country's workforce is quickly decreasing and its population is aging. This tendency is only going to get worse in the following decades. For these reasons, the PRC's economic plan is to establish a modern economy that would give its governing party legitimacy and allow its 1.4 billion inhabitants to live in a "moderately prosperous society." (Central Committee of the Chinese

Communist Party, 2017). While the definition of a "moderately prosperous society" isn't well defined. It is a broad term that covers concepts for raising living conditions for the poor, average person, environmental preservation, and government services, to name a few. Increasing innovation and attaining balanced economic growth are two goals that the CCP have set for themselves (Shambaugh, 2016, 15–17).

2.2.2.1 Made in China 2025

The Made in China (MIC) 2025 strategy is one of the prime Chinese efforts to maintain economic development and raise incomes. MIC 2025 aims to integrate information security and manufacturing across Chinese industry, as well as enhance the local content of high-tech items produced in the country (Kennedy, 2015). This policy deals with numerous critical areas, such as aerospace, mass transportation, biomedicine, new materials, equipment manufacturing, information technology, and new energy vehicles, this approach utilizes Chinese state money and organizations (Kennedy, 2015). Chinese plans also call for the establishment of 100 firms with self-developed Intellectual Property and annual sales of 1 billion RMB, the construction of ten to thirty billion RMB in industrial clusters, and government backing for a slew of small and medium businesses (MMIT, 2016). Its goals are clear. Firstly, MIC 2025 seeks to keep the economy under governmental control. Almost all Chinese economic development plans include a significant amount of government intervention. Secondly, innovation and domestic Intellectual Property development has long been an aim of Chinese economic strategies. Innovation satisfies three major economic needs: it boosts the Chinese economy's productivity, enhances incomes by creating more value commodities, and helps Chinese companies establish themselves as global technological leaders while boosting exports. It also protects China's future domestic and foreign security, by always keeping the technological disparity between it and the West at bare minimum,

or perhaps one day surpassing it. Lastly, Leaders in China have long understood the significance of consumption. A shift from production to consumption will most likely result in lower overall growth; yet, greater levels of consumption will likely result in higher overall growth in the long term. The MIC 2025 plan seeks to encourage consumerism in China by increasing its domestic consumer industry and driving down prices. It also aims to compete with western products on the global market, by offering products rivalling them in quality and technological standards. This Policy, coupled with the BRI aims to maximize China's export capacity. Whilst the BRI opens up markets for Chinese industries, MIC 2025 drives their development.

2.2.3 The Domestic Strategy

The success of a China grand strategy ultimately boils down to the cohesiveness of the state and its grip on the people, the competency of PRC leaders, and the form and features of their political system. This determines the effectiveness with which this system governs Chinese society, and whether or not they can fully implement the vast reforms and policies of the aforementioned strategies. Initially we will begin with understanding how the state monitors and controls its populace to ensure loyalty and productiveness, then we will briefly explore the PRC leadership and its structure.

The regime's primary objective is to keep the country stable. China's Stability Maintenance System (SMS) is a huge and expansive collection of bureaucracies that cover a wide range of operations and are financed by a massive budget (Chen, 2013, 60). Likewise, it appears that the PRC's annual budget allocation for internal security has continuously outstripped the state's annual budget allocation for external defense since 2010 (Zenz, 2018, 7). According to Chen (2013, 60), "Party leaders supervise and coordinate a bewildering and overlapping range of agencies including police,

surveillance, and propaganda organizations dedicated to preserving social stability." The SMS can be divided into several sections. To begin with, the state security apparatus uses a sophisticated surveillance and monitoring system. The CCP's organs in businesses, schools, and offices around the country, including state-owned enterprises, as well as street and neighborhood committees made up of retirees (Chen, 2013, 60). Internet service providers and tens of thousands of cyber police search the internet for anything perceived as potentially subversive or vaguely harmful to the government and closely monitor cyberspace and social media. The PRC also employs one of the most extensive facial recognition surveillance systems in the world with Beijing being dubbed the most surveilled city in the world with roughly one camera for every six of its 30 million residents. The system can also scan the faces of 1.4 billion of the PRC's citizens, according to one Chinese official. (Ivanescu & Carlson, 2021). A larger coercion apparatus supports this surveillance system. The Ministry of Public Security, the People's Armed Police, the Ministry of State Security, and the People's Liberation Army (PLA) and militia units all provide men and resources to this system. Furthermore, to cope with especially problematic groups or people, local "contract police" are sometimes used. Furthermore, there exists a propaganda and information control system. This includes newspapers, television, radio, motion picture, music, and book publishing industries. This system is used to manipulate and misinform the masses, and is mostly dishonest on the progress of government plans or other official business, often portraying China as a utopia. Finally, the PRC employs an extensive justice system, coupled with an unprecedented social credit system. In an ambitious endeavor to combine a financial credit score system with a larger measurement of social and civic integrity for all residents and companies, the PRC has developed a social credit system in various cities. China has already started experimenting with metrics and quantification of citizens' worth and virtue, going beyond the function of measuring workplace performance and health-related self-tracking to include tracking one's purchasing and consumption history, interpersonal relationships, political activities, and location history. China has also begun to implement a reward and punishment system that rewards people who adhere to the Chinese government's values while punishing those who do not (The Week, 2018). This dystopian form of mass surveillance and control is unprecedented, and will likely develop into something more invasive and controlling in the coming decades.

2.2.3.1 The Leadership

Xi Jinping, China's paramount leader, began his second five-year tenure as China's top political leader during the 19th CCP Congress in October 2017. This meeting represented the halfway point of Xi's expected ten-year term as China's most powerful man. Xi is largely regarded as China's most influential paramount leader in decades. His term is expected to be extended beyond the 2022–2023 term. Indeed, the National People's Congress decided in March 2018 to abolish the PRC's constitutional prohibition on the president serving no more than two five-year terms (Blanchard & Shepherd, 2018). Certainly, Xi is China's most ambitious leader since Deng Xiaoping, and the massive organizational reforms he has implemented will undoubtedly have a long-term influence on the country. Xi's articulation of the China Dream is the most visible evidence of his influence on the Chinese people. The goal is to catch the Chinese people's imagination by portraying a bright and optimistic future for the country. Unlike the American Dream, which focuses on an individual's ability to acquire greater financial prosperity through hard work and dedication, the Chinese version emphasizes communal success and national pride. To put it another way, the China Dream is about the realization of "national rejuvenation" under the wise and foresighted leadership of the CCP. Indeed, the China Dream is meant to inspire the Chinese people, much like candidate Donald Trump's campaign slogan of "make America great again" proved to connect with a sizable portion of the American electorate during the 2016 presidential election campaign. Standard assessments of China's political system state flatly that Xi and his fellow Politburo members' top goal is regime survival. However, this might be deceiving: Survival suggests that Chinese officials think they are in perilous circumstances and live in constant fear of government collapse or upheaval. To the contrary, Chinese officials are optimistic that the CCP's grip on power will be safe in the short term and likely to last into the medium term (Scobell, 2017, 343-344). As a result, Chinese leaders plan in five and ten-year intervals, anticipating that the regime will be around to commemorate the PRC's centenary in 2049. Consequently, rather than seeming frantic or constrained in their ambitions, these leaders radiate absolute confidence and communicate far-reaching plans. However, in politics and statecraft, there are no absolute certainties, thus continual attention is necessary to preserve its grasp on political power. Consequently, the regime deploys the highly sophisticated, strong, and costly repressive system that we have previously explored. Chinese officials are obsessed with maintaining internal stability and are hypersensitive to the threat of turmoil. Surprisingly, alarmism is a characteristic shared by both government officials and ordinary Chinese civilians (Dickson, 2016, 38-39). Despite being dubbed a reformer, Xi's actions to date appear to be better defined as a complete reconstruction. Rather than comprehensively changing China's political, military, or economic systems, Xi has been actively involved in reshaping these institutions in ways he feels would increase both his personal authority and the regime's strength and durability. In

order to do this, Xi and his close-knit circle of trusted advisors and officials appear to be proactively defending at home and aggressively offensive overseas. Domestically, they have been busy pursuing corrupt officials and destabilizing competing factions, ridding the regime of weak-links. Abroad they are gaining geopolitical power for China, and actively competing with the US, the antagonist superpower whose values deeply threaten the CCP's existence and by extension Xi's. Xi has also targeted Chinese society with a series of measures aimed at winning hearts and minds, tightening coercive controls, and quelling political dissent. Xi's aforementioned domestic security and propaganda apparatus has attempted to establish stronger discipline and tighter restrictions throughout Chinese society. This has included the employment of neo-Maoist-style political campaigns and public mobilization techniques. For example, to reinforce the regime's legitimacy, he conducted the most extensive ideological campaign since the 1970s (Zhao, 2016, 1168). All of which gives credit to the vast Chinese propaganda system

2.3 America's Grand Strategy Towards China

Since its foundation, the United States has pursued a grand strategy aimed at gaining and retaining dominance over numerous adversaries, initially on the North American continent, then in the Western hemisphere, and eventually internationally. This strategy was articulated during the Cold War in the form of "containment," which gave a unified vision of how the US might maintain its systemic supremacy as well as its security, secure the safety of its allies, and eventually destroy its enemy, the Soviet Union. Beyond the generic desire to protect the liberal international order underwritten by American power in the postwar era. U.S. policymakers have struggled to conceptualize a grand strategy that would prove adequate to the nation's new circumstances in the aftermath of the American victory in the Cold War and the dissolution of containment as an effective Grand Strategy (New York Times, 1992). Because the United States' effort to "integrate" China into the liberal international order has resulted in new threats to American primacy in Asia and may eventually result in a consequential challenge to American power globally. Washington needs a new grand strategy toward China that focuses on balancing rather than assisting China's rise. Because of the contemporary realities of globalization, this approach cannot be constructed on a foundation of containment, as the earlier endeavor to limit Soviet dominance was. It also cannot include just abandoning the current integration approach. These adjustments, which are at the heart of an alternative balancing strategy, must arise from a clear understanding that maintaining US supremacy in the global system should remain the primary goal of US grand strategy in the twenty-first century. Maintaining this status in the face of increasing Chinese dominance necessitates, among other things, reviving the American economy in order to develop disruptive technologies that provide the US with asymmetric economic advantages over others. Re-establishing a technology-control regime involving US allies to prevent China from acquiring military and strategic capabilities that would allow it to inflict "high-leverage strategic harm" on the US and its allies. Creating new favorable trading arrangements among US friends and allies to increase their mutual gains through instruments that consciously exclude China. Strengthening the power-political capacities of US friends and allies on China's periphery, and enhancing the ability of US military forces to project power effectively along the Asian rim lands despite Chinese opposition. All while continuing to work with China in a variety of ways that reflect its importance to US national interests.

The US has only faintly begun to counter China's rise. For all his faults, the US President Donald Trump was the first president in the post-Cold War era to really start countering China's geostrategic expansion, even if his policies were ineffective or possibly even harmful to US geostrategic interests. The US Strategy towards China is thus consequently more concise as it has only just started taking fruit. Our previous assessment as to what the US must do has manifested into two main strategies. The Pivot to Asia and Trumps trade war as they are currently the only large-scale counter strategies the US has implemented.

2.3.1 The Pivot to Asia

The Pivot to Asia Strategy of President Barack Obama marked a dramatic shift in American foreign policy. It is the first worthwhile geostrategic policy the US has implemented to counter China. It shifted the country's attention away from the Middle East and Europe and toward East Asian countries, some of which are quite proximate to the People's Republic of China. China's ongoing rise as a major power was a key concern of Obama's administration; while the two nations collaborated on topics like climate change, there were tensions in the China-US relationship over territorial claims in the South and East China Seas (Nakamura, 2016). China's militarization of South China Sea islands ringed a loud bell in the Obama administration, and caught US policymakers attention to the region. There were several elements to the pivot. The administration pledged that it would move the focus of US foreign policy away from the Middle East and Afghanistan/Pakistan and toward East Asia, the world's fastestgrowing region with four treaty allies and numerous other significant partners. A transfer of naval assets away from the North Atlantic and toward the Pacific, as well as fresh deployments of US Marines in Australia and potentially other areas, would be part of the pivot. In addition, the pivot promised improved diplomatic relations with a wide variety of Asian countries, a resumption of US efforts to establish a regional East Asian trade deal, and a reassurance that top US officials would attend key Asian regional events. The pivot's commercial component was a campaign for the Trans-Pacific Partnership (TPP), a planned Pacific Rim trade agreement. However, in January 2017 President Donald Trump withdrew the United States' signature from the Trans-Pacific Partnership. As a result, the agreement was never approved and never came into effect.

Southeast Asia was viewed as crucial to the pivot, in part because the Obama administration believed the US had considerably more space to reclaim prestige and strategic power in Southeast Asia than it had in Northeast Asia (Nakamura, 2016). Despite some stagnation, the United States' ties with Seoul and Tokyo have remained quite robust. An example of the US's progress in South East Asia is Vietnam. A country that was at war with the US just a few decades ago. While the US-Vietnam relationship had developed under Bush, it was nevertheless hampered by legislative opposition to deeper ties, Washington's concerns about Hanoi's human rights record, lingering hostility from the Vietnam War era, and Hanoi's desire to strike a balance between Washington and Beijing. This changed in 2010, when Secretary of State Hillary Clinton called for an American-Vietnamese strategic cooperation for the first time since the Vietnam War. Since then, the US Navy has undertaken yearly exercises with the Vietnamese navy, and the two nations signed a formal defense cooperation agreement in 2011 (Ross, 2012, 75). Several other mainland Southeast Asia's poorer nations, such as Myanmar, are also populous, with undeveloped natural resources and enormous prospective markets. Myanmar, contains one of the biggest offshore oil and gas deposits in the world, as well as considerable amounts of copper, tin, zinc, virgin wood, valuable gemstones, and other resources (Simpson, 2014, 10). Mainland Southeast Asia is also crucial because it is in the center of a developing network of road, rail, and marine linkages connecting South and East Asia, including the huge economies of India and

China. The administration had also began to strengthen commercial and political relations with Indonesia, Singapore, and the Philippines, all of which are located in Peninsular Southeast Asia. These countries would be better long-term allies for the US than Southeast Asia's mainland. Singapore, Indonesia, and the Philippines are all far more developed and democratic than the Philippines. Due to past enmity or, in the case of the Philippines, historically stronger relations with the US, it would be more difficult for China to acquire a foothold in these countries (Feffer, 2014).

The US undoubtedly made progress in East Asia, but there is still much work to be done. President Trump and his America First policy however have hampered this progress. East Asia is the most important region for the US if it wishes to counter the rise of China. Although it already has many Allies, most notably Japan and South Korea, the US could risk alienating them if they do not stand by their defense treaties and adopt an America First policy. Especially if China honey coats their dealings with even historically belligerent nations.

2.3.2 Trump's Trade War

The United States' goal of total supremacy in the global economy has clashed with the expanding imbalance in bilateral trade with China, the rising competitiveness of Chinese high-tech businesses, and an increase in China's investment exports. According to US authorities, China is pursuing unfair trade practices, taking advantage of the benefits of trade liberalization and WTO membership while also protecting its home market from international competition by giving subsidies and encouraging export through currency depreciation. The United States accuses China of stealing scientific and technological information and technology from American businesses, claiming that this is a violation of international law. Simultaneously, scholars point out that in his attempt to "make America great again," D. Trump pushed the US into a clear breach of international law and multilateral accords, directed solely by national interests (Sinitsyn & Kuimov, 2018). Whatever the case, we will only include an assessment of Trump's Trade War in relation to China and the broader US-China conflict. As we have mentioned in chapter one, the Trade War is in essence a technology war. The United States aims to hamper not only China's state sanctioned intellectual property theft, but also the development of domestic intellectual property, namely the Made in China 2025 plan, which includes China's top High Tech industries. The National Security Strategy, released in December 2017, echoed Trump's confrontational policy. It imposed constraints on Chinese investments in American technology, strengthened export controls, and enlarged the list of dual-use items that could not be transferred to China (The White House. 2017).

Despite striking an agreement at the G20 meeting in 2019, the parties began trading threats to raise tariffs almost immediately. According to reports, Chinese firms have stopped buying agricultural products from the United States. China has been accused of manipulating its currency in order to obtain a competitive edge and partially offset the impacts of tariffs, according to the US. China, for its part, has filed a third WTO complaint against the US, disputing the levies' justifications. Ignoring the outcomes of the G20 meeting, the US imposed a new set of tariffs on \$125 billion in Chinese goods. China subsequently slapped a 5% tax on \$75 billion worth of US crude oil and other commodities (Suisheng & Guo, 2013, 13). Furthermore, sanctions against ZTE and Huawei have hampered the growth of China's high-tech sectors by considerably reducing their competitiveness. China is unlikely to make substantial concessions or forsake the digital economy's expansion. As we have mentioned it is likely to continue developing its own technology while boycotting American goods and

services. By developing the Belt and Road Initiative, China also reduces its reliance on the vast US market for exports, and it could very well balance its losses from the trade war.

The United States' current foreign trade strategy aims to limit the PRC's continuing fast economic expansion and rising influence in the global economy. China's government, for its part, aspires to be the world leader in robotics, biotechnology, and artificial intelligence. It will offer financial assistance to high-tech sectors and will do all in its power to prevent the United States from halting or slowing China's economic modernization and digitalization. The world's largest trade war might lead to a shift in international trade architecture and a slowdown in financial markets. The nations may be split into two groups, each backing the United States or China, while also creating mega-economic alliances and regional currency zones. The importance of Asia in globalization processes and the development of global supply networks is expected to grow. The US is attempting to undermine its major rival in order to retain worldwide supremacy in the economics, politics, and national security domains.

2.4 Conclusion

We can conclude that the US and China are ready to compete in almost all domains. Their geostrategies emphasis long term competition which will be the main international conflict of the 21st century. It is still unclear whether the policies of both sides will result in blocks forming around the two great powers as in the previous Cold War. Both nations are racing to incorporate as many third players into their respective spheres of influence. The PRC has also engaged in multiple domestic reforms to its economy and public security, it views all elements of reform and domestic self improvement as a part of its grand strategy for global domination and is not limited in

foreign policy, or geopolitical expansion. Whereas the US can only counter its rise on the foreign policy front. The following chapter aims to evaluate the possible outcomes and ramifications of this global spanning conflict, and offer recommendations for managing it.

Chapter Three: The Future of the Conflict

3.1 Introduction

The conflict between the world's most powerful nation, the United States, and its growing competitor, China, is now internationally recognized, and it is only going to become more serious. As previously mentioned, strategic competition has been more intense in the last decade, encompassing trade, technology, and diplomacy. Domestic sentiment in both nations has hardened, and there is little reason to believe that disagreements will be resolved very soon. This conflict will have irreversible international consequences. This chapter will seek to predict the future trajectory of this global competition, and will evaluate the present and possible future ramifications on the global stage based on the findings of the previous chapters. Moreover, this chapter will seek to offer recommendations for managing this complex geopolitical competition by revisiting the domains of the conflict, and which of those are more prone to developing into hot areas of contention in the future.

3.2 The Future trajectory of the Sino-American Cold War and its Consequences

The inauguration of President Joe Biden has sparked optimism that ties between the United States and China will somewhat improve. The Biden administration will almost certainly be more reasonable than Trump's. As a result, the findings of internal discussions will be incorporated into its China strategy, which as we have mentioned is lacking in many domains. It is quite likely that it will abandon Trump's policies that cost China little but hurt the US a lot. It will also return to a multilateral American approach to international affairs, which may feature China as a prime partner and strategic competitor all at once. However, the underlying principles driving the US shift in policy toward China, will be retained by the Biden administration because of the consensus among American elites. As a result, some of the Trump administration's severe policies toward China will be continued by the Biden government. Furthermore, it will place a greater emphasis on China's human rights concerns, a subject that the Democratic Party has always championed. The US will undoubtedly adopt a more 'levelheaded' approach to countering China, only if it remains to be seen that the US public will keep a 'levelheaded' administration in office. Meanwhile, The Chinese people must observe the PRC leadership delivering on all, or almost all, of its "China Dream" promises. The PRC has already celebrated its centenary in 2021 and has indeed achieved many of the goals it had set for the centennial, namely China being "a moderately prosperous society". Additionally, China must seem to be on track to becoming a "socialist modernized society" with an intricate web of aligned nations, at least two decades from now, in 2049, when the PRC celebrates its 100th anniversary.

As we have mentioned, the possibility of a full blown war is minimal. The US has too much to lose if it finds itself in a scenario where it is at war with the PRC. Again, a 'levelheaded' leadership is required to further reinforce this principle. Consequently, several commentators have expressed their reservations. They believe that strategic competition between China and the United States will intensify, and that the prospect of a major confrontation and outright war between the two countries cannot be ruled out (Yinhong, 2009). Indeed, China is increasing the size of its navy and aviation forces. China's military presence in the South China Sea shows no signs of waning. The United States, on the other hand, will not relinquish its rights to "freedom of navigation" in the same territory. In the meanwhile, neither country will relent in its attempts to sway other Asian nations in China's periphery, possibly through hard power means as a last resort. Although China recognizes the dangers of a full blown conflict over a hot region in its neighborhood, most likely a border or maritime dispute over a PRC claimed Asian island like Taiwan or the South China Sea archipelago. The PRC will always maintain these claims, and will no doubt take advantage of any signs of weakness from the US or its neighboring states. This breeds concern for the ignition of an Asian hotspot to be the most probable cause for a nuclear war, or in a more likely scenario; proxy wars may pop up as was the case with the previous cold war.

3.2.1 Ideological Competition

However, even the threat of proxy wars springing up especially in China's periphery means that the two powers would be competing on the grounds of ideology. Because most American elites realize that the CCP does not still adhere to traditional Marxist-Leninist doctrine, the Biden administration will be unlikely to retain Trump's fanatical view of the CCP as a Marxist-Leninist ideological foe. This does not however imply that the Biden administration will support China's political system. It has been a decade since the Obama administration began to modify America's China policy, and the notion that China's political system is oppressive and antiquated has grown widespread in the United States. If the ideological rivalry were to accelerate, it would be a political democratic-authoritarian struggle rather than an economic capitalist-socialist one. China's economic success, according to American elites, is tempting leaders in other developing nations to follow the Chinese example, posing a danger to liberal democratic principles. The Biden administration is unlikely to change its position. Indeed, both before and after Biden's presidency, its members have regularly expressed strong opinions on Hong Kong and Xinjiang, even retaining a trump era stance now that he is in office (Sevastopulo, 2021). On the Chinese side, there are no signs that the CCP will shift much. The CCP's faith in China's political system has been bolstered by the US government's performance during the epidemic and its political chaos following the 2020 election. For example, there are significant differences between the American and Chinese perspectives on Hong Kong and Xinjiang. The CCP's propagenda and coercion machine has succeeded in convincing the Chinese public that its policy of forced sinicization is necessary to preserve China's sovereignty, and that Chinese culture and way of life must extend to all of its citizens, not just the ethnically Chinese. There is little optimism that the United States and

China will be able to bridge their ideological divides in the near future. Whatever the case, it is obvious that even with the existence of polarity in their respective governing ideologies, as was the case between the US and USSR, albeit on both the governing and economic fronts, there are a multitude of differences between the two. First, during the Cold War, the United States and the Soviet Union were members of two separate international systems with no economic linkages, but in the so-called new Cold War, the main powers are members of one international system with mutually reliant economic relations. This does not mean however that economic competition based on persuasion and seduction will not persist, as they both share free market elements in their economic ideologies. It does mean that they will not resort to cutting off their economic ties though, it will, rather, only most likely continue down the geo-economic competition path. As we have mentioned, the Cold War was portrayed as a conflict between the ideologies of capitalism and communism, while the new Cold War is more of a struggle between alternative socioeconomic systems, in which big countries may exercise political influence over smaller ones through loans and trade deals. Additionally, during the Cold War, there were clear distinctions between the two opposing camps, but in the new Cold War, adversaries may also be friends, and economic partners can be security adversaries. Furthermore, the new Cold War will be marked by fierce struggle among major countries for control of trade routes, where competitions are mainly focused on controlling connections rather than outright annexation or the installment of puppet governments (Minghao, 2018).

3.2.2 Economic Trajectory

As for the future of the economic domain of the competition. It seems somewhat brighter than the recklessness of the Trump era, but will certainly continue to be fierce. During the epidemic, China's exports to the United States skyrocketed, regaining ground lost during the trade war. American investment in China rose as well, while Chinese investment in the United States remained limited due to US government limitations. It's been a one-sided decoupling. Economic relations between the United States and China are based on basic complementarities between the two economies, which Trump's trade war cannot simply destroy. Biden has previously stated his opposition to Trump's tariffs, claiming that they harm regular Americans and alienate US allies. Despite their harsh attitude toward China as a whole, both Secretary of State Antony Blinken and Secretary of Commerce Gina Raimondo expressed misgivings about Trump's economic and technology policies toward China during their Senate confirmation hearings (Whalen, 2021). This does in way mean however that the Biden administration and whatever administration that may succeed them will reverse their confrontational stance, rather it will look for alternative means of impeding China without hurting US companies or its allies. There's a chance that the Biden administration would decouple the majority of US-China commercial relations from their political ties. While the Biden administration will take a harder political posture and may use economic measures to bolster that stance, it is also likely to take a more realistic approach to dealing with the economic challenges that the two nations confront. Furthermore, the US' sanctions in the hightech industry are most likely to be repealed. The Trump administration's technological restrictions are as harmful to American innovation as they are to Chinese invention. Markets are required to increase the profitability of innovation, and thereby their willingness to invest in high tech advancement. China is the biggest market for American high-tech products; shutting off access to that market will impede American firms' global development and, as a result, their innovation. American high-tech company Qualcomm was overtaken by Taiwanese giant MediaTek as the biggest high-tech firm in the world. The main cause of this decline is the elimination of 48.1% in shipments to China due to these technology sanctions. More specifically the Huawei ban due to its dependence on US made chips and other high-tech products (Kharpal, 2021). Although the US can and will find more untapped markets for its products, it faces the same limitations that China faces (closed US markets) now that the Chinese market is off the table. While export restrictions on American technology are expected to remain in place, supply restrictions on high-tech items are likely to be eased. At the very least, it will be easier for American businesses to seek for exemption. The Biden administration may potentially begin talks with China on competition regulations, notably those addressing America's stated worries about intellectual property theft and cyber theft. This will ease the pressure on both powers, along with many third party players and investors from many other nations of the international community.

3.2.3 The Future of International Relations

The future of international relations is now defined by the future of the conflict, and how deep the two powers are ready to plunge themselves into animosity. As mentioned in the previous chapter. China's BRI is its primary foreign policy and an emulation of past and present superpower's attempts at amassing global soft power. Because of its scale and scope, the BRI has the potential to increase global GDP by up to \$7.1 trillion by 2040 and cut global trade costs by up to 2.2 % (Soyres et al, 2018). It promises to offer much-needed funding to poor nations, allowing them to create the infrastructure needed to eliminate blackouts, alleviate transportation bottlenecks, and improve the global competitiveness of many economies. Even though it is not a formal member of BRI, the United States would certainly profit in some ways if BRI creates infrastructure that drives global economic development. Companies in the United States would profit if they were able to sell equipment and materials used in the construction, maintenance, or operation of infrastructure developed in BRI nations. Modern infrastructure would help U.S. producers dealing with and operating out of BRI nations to the degree that it decreases transportation and communications costs in those countries. Political stability in the developing world is typically associated with sustained economic growth, and the United States would benefit from more stability in the developing world. However, once BRI is fully implemented, it is probable that the drawbacks will far outweigh the advantages

for the United States. The BRI has increased the debt levels of several member nations to unsustainable levels. BRI projects are primarily dependent on Chinese contractors and are awarded through a restricted bidding procedure that excludes companies from the United States and other nations. The transfer of know-how and training of local personnel is restricted since Chinese laborers undertake the majority of the building and subsequently run the newly constructed facilities (Russel & Berger, 2019). China's effort to establish technical standards through the Belt and Road Initiative, as well as its banks' capacity to give subsidies to businesses developing BRI projects, are expected to tilt the playing field in certain countries in favor of Chinese multinational corporations and local firms. The United States will struggle to keep up with China in many BRI nations as Chinese businesses gain market share and Chinese technological standards become the norm. When these looming debt problems in BRI nations materialize, they will jeopardize global economic growth and macroeconomic stability at a time when the COVID-19 epidemic has already triggered the world's largest economic period of stagnation since the Great Depression. Debt problems can also heighten the likelihood of a global recession. Debt-stricken countries are more likely to face long-term economic contractions, reducing demand for American goods. Finally, debt crises that causes nations to lease back significant projects or collateralize a large portion of their debt implies that more countries may become economically dependent on China, which China may use to obtain political concessions that are detrimental to US interests. Djibouti, Laos, Maldives, Pakistan, and Zambia, among other BRI nations, have already bombarded Beijing with requests for loan renegotiations and debt forgiveness in exchange for previously mentioned concessions like the leasing of strategic facilities like ports (Kynge & Yu, 2020). We could see a China that reigns over a sphere of influence encompassing much of the developing world. It is capitalizing on the geopolitical isolation the Trump Administration enforced on the US, and its mishandling of the pandemic crises. However, The Biden Administration seems to be willing to pick up the ball and reinsert America into global affairs. The administration is keen on repairing the US' alliances, namely with alienated North Atlantic Treaty Organization (NATO) allies. To address threats from Russia and China, the administration seeks to restore the United States to a position of leadership among the worlds democracies (Stewart, Ali, & Emmott, 2021). The Biden Administration will also harden its stance on Chinese encroachment of South East Asian nations. It has strengthened its military commitments to the Republic of China (Taiwan) and warned the PRC against any provocations. Biden has also offered amnesty for political refugees from Hong Kong, greatly undermining Chinese efforts at clamping down on the democratic movement there (Fromer, 2021). Whether the US will uphold the current administration's policies however remains to be seen. We might see a US that plays an active role in world affairs and effectively counter or contain Chinese ascension, or we might see a US that plunges back into isolationism, leaving a power vacuum that China will undoubtedly seek to fill. Never the less, developing nations will have to choose whether to align their economies and political systems to the PRC, which will most likely be the case if the US does not ramp up its efforts and gain valuable soft power in these developing nations. As for the developed world, it is likely that they will align themselves to an extent with the US. The technological sanctions placed on the PRC will most likely be adopted by technologically developed nations as they too have felt the brunt of Chinese intellectual property theft. However, these nations do not seem like they will play ball with the rest of the US' sanctions as they would hurt them economically. Many European nations, and even Australia, Japan, and South Korea rely on China as their chief market for exports, and thus have too much to lose. The international commercial system developed by the United States and other Western countries was about alliance management as well as institutionalized free trade obligations. Trade disputes between the United States and Europe might destabilize NATO and have a negative influence on the United States' alliance system in Asia. Most likely, they will play both sides of the conflict.

International relations will favor the superpower with the most to offer in terms of lucrative economic deals in the form of trade or loans. This may be coupled with Cold War era Mutual Defense Treaties, along with economic and currency blocks to mitigate the costs of the ongoing trade war between the two global powers.

3.3 Recommendations on Managing the US-China Rivalry

The world's two great powers are fighting for strategic advantage in an increasingly acrimonious struggle to determine which of them will be the preeminent state of the twentyfirst century in an epoch-defining clash for global leadership. Indeed, most commentators agree that the strategic rivalry between the United States and China will most likely be fierce, inclusive, and long-term. To avoid or mitigate worst-case scenarios, the US and China will have to accommodate each other's strategic objectives. This will be difficult due to a lack of trust, their opposing worldviews, the systemic nature of their conflict, and domestic politics. Although a seething rivalry is more likely than a full-fledged conflict, this is no reason to rest easy. Given the interconnectedness of the US and Chinese economies, their importance to global prosperity, and the spread of hazardous military and digital technologies, a second Cold War may be far worse than the first. A managed disengagement, on the other hand, is already occurring and is required to maintain the integrity of an open, solid economic system and a liberal international order. This is not an attempt to isolate China or deny it a global position of power. However, China's ambitions for leadership will be thwarted if it undermines democracies and the values, norms, and institutions that underpin fair and free trade. Democracies must examine shared methods to managed decoupling that allow for global participation and open trade with one another as well as China, while also promoting trade and technology governance reform.

Finding a good compromise will be difficult. Such power struggles have often preceded armed war or a long period of hostility and instability in the past. An increase in Sino-US hostilities without a correct mitigation of the arenas of competition might exacerbate the developing Cold War. This Cold War, as we have previously mentioned, is a multi-domain, antagonistic battle for global dominance between the two leading powers, with system-wide consequences that is below the threshold of a significant "hot" war, yet it may easily lead to one if not carefully controlled. The two powers should come to terms with a status quo of sorts which would help avert a hot war scenario. The PRC must be careful in pressing its claims on Asian territories, namely the South China Sea archipelago. While the PRC cannot be barred from protecting its strategic interests, for the sake of compromise, it must not go too far as to provoke an armed response from these Asian nations, many of which are aligned with, if not outright US allies. The preceding cold war was a catastrophic period in world history that saw millions of people die, including tens of thousands of Americans, support for autocracies in both the East and the West, and billions of dollars wasted. It was also dominated by the fear of Mutually Assured Destruction (MAD), which was a double edged sword that made the prospect of Nuclear Armageddon an imminent fear, and also deterred the superpowers from engaging in an outright global spanning conflict. Thus, lessons from the Cold War should be remembered and emulated, such as peace through strength, the significance of friends, crisis management, crisis prevention, and transnational collaboration. Analysts and policymakers should compare and contrast the old Cold War with current US-China relations in order to identify specific successes from the Cold War that can be emulated and mistakes that can be avoided in managing the growing US-China rivalry, as well as dimensions in US-China relations that necessitate the articulation and implementation of completely different strategies from the previous century.

Rather than a strategy of full economic disengagement, as was the case during the Cold War. Policymakers of both parties must construct a delicate path of minimal decoupling and full diversification. Deeper decoupling is required in sensitive industries such as hi-tech digital infrastructure (civil and military) and pharmaceutical production where US national security interests are at stake. Diversification is a more wise route in other industries, such as textile or electronic component production. While this approach seems harmful to China, it may well serve as a platform for renewed business with the west in the hi-tech sector, if it hopes to regain the West's trust in this crucial sector. Maintaining or even increasing bilateral trade and investment can create mutually beneficial outcomes in the future. This means that both the United States and China must alter their strategic mindset and policies. In other words, mutual accommodation is required, based on a redefining of their respective national interests and standards governing US-China interactions. Because the economic decoupling of China and the United States might lead to further conflict between the two nations, US-China economic relations must be repaired. In terms of the trade war, Washington and Beijing should work together to achieve a middle ground in order to reduce these trade frictions. China must speed up the execution of the recent announcements of a new wave of reforms and opening-up policies, particularly the removal of obstacles to American products and investment. It should also accelerate efforts to enhance its growth model and build a more mature market economy, such as expanding state-owned business reform, empowering non-state companies, and encouraging market-oriented hi-tech innovation. Meanwhile, the United States should reconsider the crucial position of healthy, balanced globalization in assisting the US economy's long-term growth and avoiding protectionism. Investment links between the United States and China might become a new pillar in the stabilization of trade relations. The favorable impact of Chinese investment on the American economy should be recognized, and there should be a greater willingness to accept potential Chinese investment. China and the United States, as the world's two largest economies, are responsible for preserving an open and inclusive global economy, promoting international economic governance changes, and rectifying the global economic imbalance. It would be expensive and unproductive to form economic blocs against each other. Cooperation between the United States and China has a huge amount of potential in terms of improving the global financial infrastructure. To reduce the negative spillover effects of their different monetary, fiscal, and industrial policies, more regular talks between the two sides should be undertaken. Furthermore, the rising US-China rivalry over infrastructure connections must be deescalated, and possible collaboration in fixing global infrastructure deficiencies must be explored. To address emerging issues such as the so-called "debt trap," constructive solutions are required. China and the United States must continue to negotiate international laws, norms, and processes with other stakeholders in order to effectively manage debt risks while satisfying the massive demand for global infrastructure expenditures. As china has already built a neo-mercantile empire with multiple facilities including warm water ports, the so-called "String of Pearls". This encroachment on the US' sphere of influence must be managed by reaching a fair deal that will benefit both sides. China and the US should work more to foster strong ties in the Asia-Pacific region. Even as the appearance of a China-centric regional system is unlikely to develop in the next decades, due to past animosities between China and its neighbors, US regional supremacy will be difficult to sustain. The United States cannot keep China out of the Asia-Pacific, and China cannot keep the United States out of the Pacific. China must respect US interests and historic hegemony in the Asia-Pacific region, while also carefully managing the security consequences of its growing economic presence. Meanwhile, the US does not need to see China's growing influence in the area through a Cold War prism or regard it as a zero-sum competition. The US strategy should not be used to contain China as was the case in the Cold war. Rather both sides must work together to find the best route to competitive coexistence and a regional order that is suitable both to them and to the rest of the world. Despite the face that the US and China will continue to compete in a variety of arenas throughout the globe. US and Chinese government officials must establish the conducive conditions for long-term engagement with Chinese society, because stronger links in industry, academics, culture, and the non-governmental sector benefit American interests in the long run. Similarly, US leaders should adopt an active approach inside existing international organizations to influence Chinese conduct. Expulsion is not a good idea. An attempt to isolate itself from multilateral organizations for the sake of short term self interest, as was with the Trump Administration, would very certainly fail; simply attempting to do so would make the US appear weak and therefore worse off. An obvious lesson from the Cold War is that multilateral institutions, particularly economic organizations, aided in the containment of the Soviet Union and the victory of the West. Withdrawal erodes the US's capacity to counter China's threat. The WTO must be reformed, not abandoned, and the International Monetary Fund and World Bank must become more vigorous in their support for market economies, not less. Rather than assuming that China intends to destabilize the liberal international order from inside, consider the following; China has amassed major benefits from the Bretton Woods system. Particularly the World Bank and the World Trade Organization, it is fair to expect Chinese officials seek reform rather than annihilation of the global economic structure. It is one of the many reasons China has risen so rapidly. China and the US should continue to discuss their respective perspectives for the international order and work together to overcome global governance issues. China and the US must work together to build an inclusive, open, and rules-based international system that will ensure the long-term and healthy growth of US-China relations for the sake of all nations involved. To ensure global security and prosperity, both countries must reassert their ever-growing mutual interests and respective duties. In order for the two countries to share leadership, international institutions must be adjusted and made more efficient, and not just benefit the two superpowers. Adroit bilateral diplomacy, involving clear communication and credible pledges, will be required to strike this balance between deterrence, competitiveness, and collaboration. Knowing when to seek containment versus engagement, and having the knowledge to discern the difference, will be a key challenge for successful policymaking for decades to come.

Finally, the US and China should collaborate in sectors where there are no globally recognized standards or laws. Cyberspace and outer space, in particular, are crucial sectors that might exacerbate US–China competition. China and the US should work to cultivate a culture of collaboration and find innovative methods to deal with these issues, such as the weaponization of artificial intelligence or the colonization of Mars. While there are currently few laws in place that will undoubtedly change in the future. The US, China, the European Union, and Russia will be the powers that will dictate these future regulations. Collaboration and identifying areas of friction that could be probable crises will prove detrimental for the preservation of world peace.

3.4 Conclusion

The future seems somewhat brighter for US-China relations now that a more levelheaded administration has been elected into office. Nevertheless, both nations face many challenges, and one diplomatic incident may develop into a crises with steep international consequences. The US and China are anxiously trying to normalize relations after the Trump Administration's recklessness, but the Biden Administration is also well aware of the strategic necessity of many of Trumps policies. Both sides must exercise restraint if world peace and stability is to be maintained. The International Community must remain vigilant also, and not allow the world to be plunged into bipolarity and suspicion.

General Conclusion

General Conclusion

The Sino-American conflict is the defining clash of great powers of the 21st century. Its outcome will determine the future of international relations for decades to come. The nature of the conflict does not seem to be a precursor to a future 'hot' war, and seems like it will remain 'cold' in the foreseeable future despite the fears of many realist observers. Rather, it is a multi-domain competition that covers ideological, economic and commercial, technological, and diplomatic arenas on a global scale. The PRC has intelligently been able to keep its ascension to great power status under the radar for most, if not all, US policymakers from the early 2000's up until the Obama Administration. As a result, it has been able to gain much needed ground, which it might not have been able to cover were there a staunch US counter strategy before.

The Chinese grand strategy consisted of strengthening its Comprehensive National Power (i.e. domestic power) first thus hiding under the US' radar. Under the leadership of its most powerful leader since Mao Zedong, Xi Jingping. The PRC 'rejuvenated' its economy and further opened up itself and its markets to the west. Moreover, it strengthened its domestic science and technology progress through its Made in China 2025 policy. While also gaining valuable insight from, or outright theft of foreign intellectual property. The CCP-Xi's hold on the country has also been reinforced further in the past decades, relying more and more on advanced surveillance and monitoring technology to control its vast population and increase productivity.

The strengthening of this domestic related strength is what gave it the means to maneuver on the global stage, beginning by improving relations with nations on its periphery, which are historically hostile, especially with its Central Asian neighbors. Furthermore, the PRC has adopted a "debt trap" policy in its diplomatic strategy, luring in developing nations in South East Asia, the Indian Ocean, and Africa, among others, into shady infrastructure development deals and loans through its Belt and Road Initiative. This has gained it invaluable soft power across the globe and has undermined US influence.

The US was late in its response to China's rise to power, the earliest instances of US curbing of Chinese power was president Obama's Pivot to Asia, which consisted of a readjustment of US foreign policy in East Asia towards increased economic, military and political cooperation. Even with Asian nations, the US had been at war with just a few decades ago like Vietnam.

The Trump Administration increased US efforts to counter China considerably, more so than any other administration to precede it. President Trump introduced tariffs on Chinese imports, and severely limited many US companies' dealings with China. He also introduced bans on several Chinese hi-tech companies like Huawei in an attempt to curb Chinese intellectual property theft, and deal a blow to China's hi-tech industry. These set of policies ignited a trade war between the two powers and alienated many US partners and allies. The trade war hurt the US more than it hurt the PRC.

President Biden has begun the process of reversing many of Trump's actions, especially those that have irrationally alienated US allies. However, many of trumps bans and some of his tariffs are still in effect. As the new administration tries to adopt a more effective strategy to counter China, it is attempting to treat the PRC as both a threat and a partner. Whatever the case, the PRC will be the main focus of Biden's foreign policy. Whether the implications of the competition will be negative or positive remains to be seen.

This dissertation's aim was to inform the reader of the looming geopolitical competition between the 21st century's superpowers, its nature, domains, and the context of international relations the conflict was birthed into. This dissertation also aimed to give an overview of the geopolitical strategies the two nations have implemented so far as regards to this conflict. Consequently, this dissertation was able to predict the future trajectory and implications of the new Cold War, and offer recommendations for its management in the hopes of preserving world peace and stability.

Glossary

Decoupling. In economics it is the act of reducing economic ties with another nation in a single or multiple sectors. These economic ties mostly consist of investment and commerce two nations may be engaged in.

Diversification. Is the opposite of decoupling. Diversification consists of acts that aim to increase economic activity between two or more nations, mostly through investment and trade deals.

Gross Domestic Product. The monetary indicator of the market value of all final products and services produced in a country over a certain period.

Neo-McCarthyism/ **McCarthyism**. The practice of accusing someone of treason and subversion, particularly when it comes to communism and socialism. The phrase originally applied to the irresponsible tactics and policies of US Senator Joseph McCarthy during the Red Scare.

Revisionism. A Marxist-socialist movement that favors an evolutionary rather than revolutionary attitude. Usually, it entails forming an alliance with the bourgeoisie.

Thucydidesian trap/fearmongering. When a rising force threatens to supplant an established great power as a regional or worldwide hegemon. The word comes from a statement by Thucydides, an ancient Athenian historian and military leader, who said that the Peloponnesian War between Athens and Sparta was unavoidable due to Spartan worries about increasing Athenian power.

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